

**RICHLAND COUNTY,
SOUTH CAROLINA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2002

**ISSUED BY:
RICHLAND COUNTY**

**CARRIE NEAL
FINANCE DIRECTOR**

**T. CARY McSWAIN
COUNTY ADMINISTRATOR**

RICHLAND COUNTY, SOUTH CAROLINA

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INTRODUCTORY

SECTION



Richland County Finance Department

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December 12, 2002

Citizens of Richland County
South Carolina

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Richland County, South Carolina (the County). This report, for the year ended June 30, 2002, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation rests with the County.

This report presents the financial activity of the County in conformity with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and includes the implementation of the new reporting model as promulgated by GASB Statements No. 34, 35, 37 and 38.

The CAFR is organized in four sections: the Introductory Section, the Financial Section, the Statistical Section and the Single Audit Section. The Introductory Section contains a table of contents, letter of transmittal, organization chart, list of elected and appointed officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2001 CAFR. The Financial Section includes the Independent Accountants Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information, that may be used to indicate trends for comparative fiscal periods.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in the Single Audit Section.

County Organization

Richland County is situated in the center of South Carolina and covers a total area of 756 square miles. The County surrounds the state capitol and the city of Columbia. Established in 1785, the County has grown to become home to just over 320,000 residents, and represents a thriving business, industrial, governmental, and educational center. The County employs approximately 1500 people and currently operates from an 88 million dollar budget.

Richland County provides a full range of services including police and fire protection services, health and social services, emergency medical services, water, sewer, garbage and recycling services, the construction and maintenance of highways, streets and infrastructure, a general aviation airport and cultural and recreational activities and events. The County operates on a fiscal year that runs July 1 through June 30, and is fiscally managed based on an annual operating budget that is developed and presented to the County Council by the Administrator in early May. The County council reviews the recommendation and makes adjustments throughout May and June. The process is designed for the annual budget to be adopted prior to June 30th and effective on July 1st.

The budget represents the culmination of funding decisions made by Richland County council during the budget process for each fiscal year. Budgeted to actual expenditure comparisons are presented in this report for the general fund in the basic financial statement section. The non-major special revenue, debt service and capital project funds are included in the combining and individual statements and schedules section of this report. Richland County follows the state regarding the control, adoption and amendment of the budget during each fiscal year; however, the County Council increases the level of budgetary control because the Council approves all departmental budgetary amendments by ordinance.

Local Economy

Ranked consistently as one of the fastest growing areas in the country, Richland County and Columbia possess a virtually recession-proof economy. This is due to the presence of the seats of State and County government, the University of South Carolina, eight additional institutions of higher education and Fort Jackson (the nation's largest Army entry training base). The County enjoys a diversified economy. Presently, 29% of the work force is employed in government; 21% in wholesale and retail trade; 27% in services; 6% in manufacturing; 9% in finance, insurance and real estate; 5% in construction; and 3% in transportation and public utilities. Traditionally, unemployment in Richland County is among the lowest in the state. As an example, the South Carolina Employment Security Commission's unemployment figures for October 2002 show Richland County at 3.9%, the state at 4.0% and the United States at 5.8%.

In addition to government, the County contains the home offices of South Carolina Electric & Gas Company, as well as a number of insurance companies, including Blue Cross/Blue Shield, Colonial Life & Accident, and Siebels Bruce Group, Inc. Some companies that have relocated to Richland County include Bose Corporation, American Italian Pasta Company, American KOYO, United Parcel Service, and Union Switch and Signal Company.

Richland County employment base is dominated by service industries. Major private sector employers include:

Blue Cross/Blue Shield	5,500
Palmetto Richland Memorial Hospital	4,542
SCE&G	4,500
CSC	2,300
Palmetto Baptist Medical Center	2,000
BellSouth	1,923
Sisters of Charity Providence Hospitals	1,600
Bank of America	1,000
Unum Corporation	1,000

Based on the development of Richland County's attractive economic environment and resources, the trend for growth is expected to continue through the next several years. The strategic business plan is to bring high tech, environmentally safe industries representing many skill levels to Richland County in order to have a positive economic impact on the County. The alternatives for managing positive, progressive growth add value to the economic, social, and cultural characteristics of the quality of life in Richland County.

Goals and Objectives

Management's goals and objectives are to continue to provide infrastructure for future growth and sound fiscal management of county resources while maintaining the quality of life we enjoy here in Richland County. The County's sound and fiscally prudent budgeting and financial management have allowed the county to meet emerging infrastructure needs and to maintain facilities and programs of the community. This has been accomplished while the ad valorem tax remained virtually the same from fiscal year 2001 to 2002. Examples of these goals and objectives are as follows:

BUDGET AND PLANNING

- Explore alternative sources of revenue to further reduce the County's reliance on property taxes.
- Better inform county citizens at public community meetings by presenting key budget issues during the budget process.
- Minimize property tax increases while adopting a responsible balanced budget. Live within that budget and inform all other funding agencies they must do the same.
- Develop budget performance reports to assist County Council with fiscal management.
- Evaluate opportunities of shared county-owned facilities and pursue consolidations with other government services when efficiency and effectiveness can be a result.

COMPREHENSIVE LAND USE PLAN

- Complete, review, adopt and implement ordinances for the Comprehensive Land Use Plan using baseline data with public review throughout the process.

PUBLIC RELATIONS

- Improve citizen education regarding County services and accomplishments, and improve citizen participation in county government.
- Strive to enhance two-way communication by expanding beyond neighborhood associations: for example, garden clubs and civic clubs.
- Continue to improve the image presented to public and enhance public trust through quick, courteous, accurate information to public and media for full accountability.
- Improve relations with other area governments and community organizations. Provide better direct communications with these entities regarding the impacts of current issues through official and informal dialogue. Build strategic relationships that will encourage win-win solutions.

NEIGHBORHOOD IMPROVEMENTS

- Address sewer, housing and unsafe housing issues in the community.
- Research and apply for appropriate grants for neighborhood improvements.
- Continue to build and implement the federal HUD Entitlement program process.
- Explore the feasibility of a Richland County Housing Development Corporation to further address the housing needs of the County.

INFRASTRUCTURE

- Support a regional technology plan. Include not just manufacturing but also software, intellectual and other “high tech” industries. Coordinate and collaborate with the appropriate organizations in the area.
- Continue to develop and implement the Storm Water and Drainage Management Plan.
- Finalize and issue the new road construction and road maintenance policies.
- Develop a long-range financial plan to address the implementation of the water and sewer issues in the Master Plans for Water and Sewer.
- Work to resolve the issues associated with the Columbia Owens Downtown Airport and implement redevelopment plan.

POLICY ISSUES

- Continue reviewing and updating the County Code of Ordinances.
- Ask Council to reaffirm Council’s commitment to the civility pledge and rules for council members.

PUBLIC SAFETY

- Improve the Fire and EMS network for the county by completing the next phase of the long-range plan, which will include a five-year capitol plan and bond issuance.
- Review, update, maintain and exercise the Emergency Preparedness Plan, including homeland security.

Cash Management

Cash which was temporarily idle during the year, was invested in certificates of deposit, obligations of the U.S. Treasury and repurchase agreements. Maturity of the investments range from 30 days to three years. The average interest rate earned during fiscal year 2002 was 1.9%. Interest income includes appreciation in the fair value of investments. Increases in the fair value occur during the year, but do not produce realizable gains.

The County’s investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. All collateral on deposits was held either by the County, its agent, or a financial institution’s trust department in the County’s name. All investments, subject to risk classification, held by the County at June 30, 2002, are classified in the categories of credit risk as defined by the Governmental Accounting Standards Board.

Risk Management

The County has developed a comprehensive risk management and control program for all areas where the County is exposed to liability in an effort to reduce cost and provide a safe environment for every employee.

The County has self funded part of its worker's compensation and obtained excess insurance through the South Carolina Worker's Compensation Trust. The County, also, self funded part of its general and auto liability and obtained excess insurance from Arthur J. Gallagher & Company.

Awards

The Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to Richland County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001. This was the twentieth consecutive year that Richland County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Award for Distinguished Budget Presentation for its annual appropriated budget dated July 1, 2001. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

This report is a product of the dedication of the Finance Department and the Treasurer's Department of Richland County. The Treasurer and each member of these departments has our sincere appreciation for the contributions made in the preparation of this report.

We would also like to express our appreciation and thanks to the firms of Elliott Davis, LLC and Robert E. Milhous, CPA, PA, who helped us with their comments and advice.

Sincerely,

Carrie H. Neal
Finance Director

T. Cary McSwain
County Administrator

***RICHLAND COUNTY, SOUTH CAROLINA
PRINCIPAL OFFICERS
JUNE 30, 2002***

MEMBERS OF COUNTY COUNCIL

Joseph McEachern	Chair, County Council
Anthony G. Mizzell	Vice-Chair, County Council
J.D. "Buddy" Meetze	Member, County Council
Paul Livingston	Member, County Council
Susan Brill	Member, County Council
Joan Brady	Member, County Council
Bernice G. Scott	Member, County Council
Thelma M. Tillis	Member, County Council
James Tuten	Member, County Council
L. Gregory Pearce	Member, County Council
Kit Smith	Member, County Council

ELECTED OFFICIALS

Harry A. Huntley	Auditor
Barbara Scott	Clerk of Court
Gary M. Watts	Coroner
Leon Lott	Sheriff
W. Barney Giese	Solicitor Fifth Circuit
Cornelia Pasky	Treasurer
Amy McCulloch	Probate Judge

APPOINTED OFFICIALS

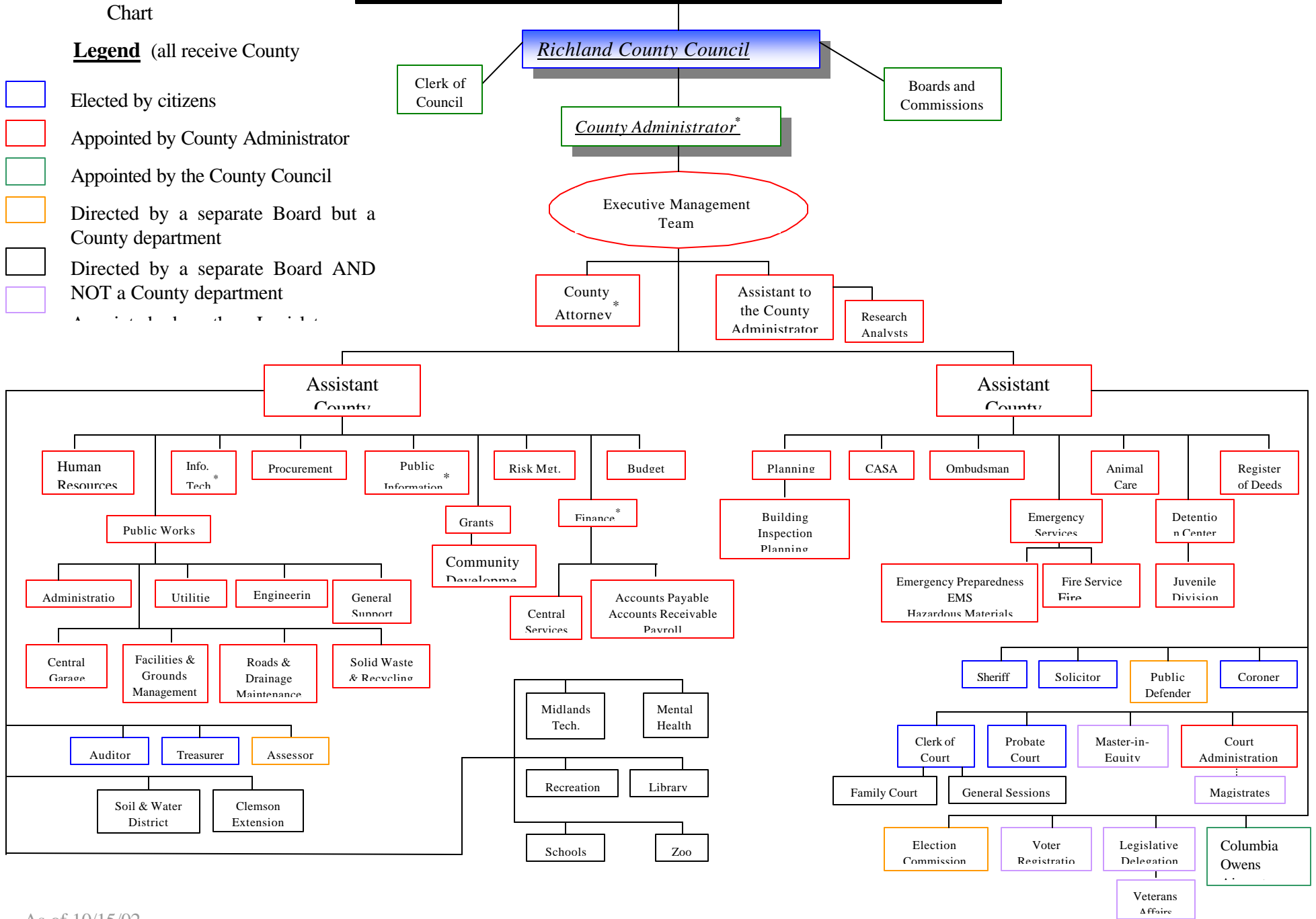
Michelle Cannon-Finch	Clerk of Council
T. Cary McSwain	County Administrator

Organizational Chart

Legend (all receive County

- Elected by citizens
- Appointed by County Administrator
- Appointed by the County Council
- Directed by a separate Board but a County department
- Directed by a separate Board AND
- NOT a County department

CITIZENS OF RICHLAND COUNTY



As of 10/15/02

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Richland County,
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



William Patrick Pate
President

Jeffrey L. Esser
Executive Director

FINANCIAL

SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Chairperson and
Members of the County Council
Richland County, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Richland County, South Carolina as of and for the year then ended June 30, 2002, which collectively comprise the County's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Richland County Public Library, which represent 98 percent and 94 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion insofar as it relates to the amounts included for the Richland County Public Library, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Richland County, as of June 30, 2002 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20 to the financial statements, the County changed its accounting policy related to financial presentation to comply with the provisions of Governmental Accounting Standards Board Statements No. 34, 35, 37 and 38.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 2002 on our consideration of Richland County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying supplementary information as listed in the Table of Contents, and the accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary information, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other audits, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

ELLIOTT DAVIS, LLC

December 12, 2002

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Richland County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2002. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at June 30, 2002 by \$419.7 million (net assets). Of this amount \$39.3 million (unrestricted net assets) may be used to meet the government's ongoing obligations.
- The County's total debt increased by \$14.0 million during the current fiscal year. The County issued \$36.0 million in general obligation bonds during the year.
- The County's total net assets remained virtually unchanged over the course of this year's operations. However, while net assets of our business-type activities decreased \$1.9 million, this was offset by an increase of \$2.9 million in the net assets of our governmental activities.
- During the year, the County's general fund expenses were \$1.1 million more than the \$83.3 million generated in taxes and other revenues for governmental programs. This is better than last year, when expenses exceeded revenues by \$5.4 million.
- In the County's business-type activities, revenues increased 6 percent to \$13.4 million while operating expenses increased 20 percent to \$15.2 million.
- The general fund resources available for appropriation were \$3.2 million less than budgeted. However, general fund expenditures were \$5.1 million less than budgeted. This was accomplished primarily through a midyear hiring deferral and overtime reduction and staff restructuring efforts.

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.
 - *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as the solid waste and sewer system.
 - *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 accounting used for fiduciary funds is much like that of the proprietary funds.

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 Richland County’s Government-wide and Fund Financial Statements**

	<u>Government-wide Statements</u>	<u>Fund Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope the for	Entire Richland County government (except Fiduciary funds) and the County’s component units	The activities of the County that are not proprietary or fiduciary, such as police, fire, and parks	Activities the County operates similar to private businesses: the solid waste and sewer system, and the parking Facilities	Instances in which County is the agent 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 net assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows 	<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	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 assets and liabilities, both financial and capital, and short-term and long-term	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	All revenues and expenses during the year, regardless of when cash is received or paid	

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.

The government-wide financial statements of the County are divided into three categories:

- *Governmental activities* - Most of the County's basic services are included here, such as the police, fire, public works, and parks departments, and general administration. Property taxes and state and federal grants finance most of these activities.
- *Business-type activities* - The County charges fees to customers to help it cover the costs of certain services it provides. The County's water and sewer system and parking facilities are included here.
- *Component units* - The County includes two other entities in its report - the Richland County Public Library and the Township. Although legally separate, these "component units" are important because the County is financially accountable for them.

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 is properly using certain taxes and grants.

The County has three 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.
- *Proprietary funds* - Services for which the County charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long and short-term financial information.
 - In fact, the County's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *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 were virtually unchanged between fiscal years 2001 and 2002 - remaining at approximately \$420 million. (See Table A-1.) In comparison, last year net assets increased \$6 million. Looking at the net assets and net expenses of governmental and business-type activities separately, however,

two very different stories emerge.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001-2002</u>
Current and other assets	\$ 53,857	\$ 73,337	\$ 8,056	\$ 1,014	\$ 61,913	\$ 74,351	20%
Capital assets	<u>436,213</u>	<u>443,131</u>	<u>12,520</u>	<u>12,384</u>	<u>448,733</u>	<u>455,515</u>	2%
Total assets	<u>490,070</u>	<u>516,468</u>	<u>20,576</u>	<u>13,398</u>	<u>510,646</u>	<u>526,866</u>	3%
Long-term debt outstanding	59,761	73,695	6,690	6,205	66,451	79,900	20%
Other liabilities	<u>17,841</u>	<u>27,429</u>	<u>7,687</u>	<u>2,882</u>	<u>25,528</u>	<u>30,311</u>	19%
Total liabilities	<u>77,602</u>	<u>101,124</u>	<u>14,377</u>	<u>9,087</u>	<u>91,979</u>	<u>110,211</u>	20%
Net assets							
Invested in capital assets, net of related debt	376,452	369,436	5,830	6,179	382,282	375,615	(2)%
Restricted	6,323	4,745	-	-	6,323	4,745	(25)%
Unrestricted	<u>29,693</u>	<u>41,163</u>	<u>369</u>	<u>(1,868)</u>	<u>30,062</u>	<u>39,295</u>	31%
Total net assets	<u>\$ 412,468</u>	<u>\$ 415,344</u>	<u>\$ 6,199</u>	<u>\$ 4,311</u>	<u>\$ 418,667</u>	<u>\$ 419,655</u>	0%

Net assets of our business-type activities decreased by 30 percent to \$4.3 million. This is primarily the result of the solid waste funds expenses exceeding its revenues by \$1.8 million for the current year. Although the net assets of our governmental activities increased \$3.3 million or 1 percent.

Changes in net assets. The County's total revenues increased by 8 percent to \$130.2 million. (See Table A-2.) Virtually almost half of the County's revenue comes from property taxes. Approximately 30 percent comes from fees charged for services, and 16 percent is from state and federal aid.

The total cost of all programs and services was virtually unchanged (increasing approximately \$5.6 million, or 5 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 and business-type activities separately.

GOVERNMENTAL ACTIVITIES

Revenues for the County's governmental activities increased 8 percent, while total expenses increased only 3 percent.

The County's management took major actions this year to avoid the level of decrease in fund balance reported last year:

- The County implemented a 1.5 percent across the board operational budget reduction (excluding several of the County's smaller departments that could not absorb the reduction in their operations) in midyear.
- The County imposed a hiring deferral and overtime reduction (excluding the County's Public Safety departments) in midyear that resulted in approximately \$982,000 in savings in wages and related benefits expenses in 2002 compared to 2001. This budget reduction strategy held down the increase in expenses.

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>		<u>Total</u> <u>Percentage</u> <u>Change</u> <u>2001-2002</u>
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	
Revenues							
Program revenues							
Charges for services	\$ 18,669	\$ 25,999	\$ 12,655	\$ 13,359	\$ 31,324	\$ 39,358	26%
Grants	7,421	5,357	141	129	7,562	5,486	(27)%
State grants and entitlements 15,201	(1)%	15,364	15,201	-	-	15,364	
General revenues							
Property taxes	58,944	60,774	-	-	58,944	60,774	3%
Other taxes	563	1,367	-	-	563	1,367	143%
Other	<u>6,857</u>	<u>7,899</u>	<u>260</u>	<u>107</u>	<u>7,117</u>	<u>8,006</u>	12%
Total revenues	107,818	116,597	13,056	13,595	120,874	130,192	8%
Expenses							
General government	28,952	28,977	-	-	28,952	28,977	0%
Public safety	39,799	51,759	-	-	39,799	51,759	30%
Public works	7,728	7,373	-	-	7,728	7,373	(5)%
Health and social services	603	532	-	-	603	532	(12)%
Other	20,856	11,506	-	-	20,856	11,506	(45)%
Interest on long-term debt	3,465	3,393	353	339	3,818	3,732	(2)%
Solid waste	-	-	10,837	13,211	10,837	13,211	22%
Sewer	-	-	1,681	1,729	1,681	1,729	3%
Parking Garage	-	-	184	250	184	250	36%
Depreciation	<u>9,164</u>	<u>10,182</u>	<u>-</u>	<u>-</u>	<u>9,164</u>	<u>10,182</u>	11%
Total expenses	110,567	113,722	13,055	15,529	123,622	129,251	5%
Excess (deficiency) before transfers	(2,749)	2,875	1	(1,934)	(2,748)	941	134%
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>46</u>	-
Increase (decrease) in net assets	<u>\$ (2,749)</u>	<u>\$ 2,875</u>	<u>\$ 1</u>	<u>\$ (1,888)</u>	<u>\$ (2,748)</u>	<u>\$ 987</u>	136%

General Fund property tax revenues lagged by approximately \$318,600 compared to the final budget estimates largely due to the economy. More than half of the County's other revenue sources also fell short of final budget estimates, including interest earned on investments. In addition, grant revenues were lower than expected because of overall state cutbacks.

BUSINESS-TYPE ACTIVITIES

Revenues of the County's business-type activities increased 4 percent to \$13.6 million, while expenses increased 19 percent to \$15.5 million. (Refer to Table A-2.) Factors contributing to these results included:

- A \$1.8 million net loss as compared to a 0.3 net loss in 2001 in the solid waste fund.
- Continued operating deficits at the County parking garage - \$115,000 this year versus \$230,000 in 2001. In both years the deficit was attributable primarily to the largest of the County-owned garages, located on Hampton Street.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As the County completed the year, its governmental funds reported a combined fund balance of \$50.1 million, slightly above last year. Included in this year's total change in fund balance, however, is a decrease of \$1.9 million in the County's general fund. The primary reasons for the general fund's decrease mirror those

highlighted in the analysis of governmental activities.

General Fund Budgetary Highlights

Over the course of the year, the County Council revised the County budget several times. These budget amendments fall into three categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to more accurately reflect the estimated amounts in the budget adopted in June 2002.
- Changes made in the third quarter to account for the midyear hiring deferral and overtime reduction and some of the County's staff restructuring efforts.
- Increases in appropriations to prevent budget overruns.

Even with these adjustments, actual general fund expenditures were \$5 million below final budget amounts. This is primarily the result of the midyear hiring deferral for 90 days, the overtime reduction and the 1.5 percent operating budget reduction (for most departments).

On the other hand, resources available for appropriation were \$3.2 million below the final budgeted amount. As noted earlier:

- Property and other tax collections were less than expected.
- Investment earnings rapidly declined due to the economy.
- Reductions in state funding also affected grant resources available for appropriation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2002, the County had invested \$455.5 million in a broad range of capital assets. (See Table A-3.) This amount represents a net increase (including additions and deductions) of \$6.8 million, or 2 percent, over last year.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2001-2002
	2001	2002	2001	2002	2001	2002	
Land	\$ 16,303	\$ 16,303	\$ 1,810	\$ 2,240	\$ 18,113	\$ 18,543	2%
Buildings and improvements	209,164	209,164	11,874	11,874	221,038	221,038	0%
Improvements other than buildings	5,194	5,212	-	-	5,194	5,212	0%
Furniture, fixtures and equipment	29,739	33,259	3,983	4,095	33,722	37,354	11%
Infrastructure	253,598	263,500	-	-	253,598	263,500	4%
Construction in progress	721	3,671	-	-	721	3,671	409%
Accumulated Depreciation	<u>(78,506)</u>	<u>(87,978)</u>	<u>(5,148)</u>	<u>(5,824)</u>	<u>(83,654)</u>	<u>(93,802)</u>	12%
Net	<u>\$ 436,213</u>	<u>\$ 443,131</u>	<u>\$ 12,519</u>	<u>\$ 12,385</u>	<u>\$ 448,732</u>	<u>\$ 455,516</u>	2%

This year's major capital asset additions included (dollars in millions):

- \$8.4 million addition of road systems.

More detailed information about the County's capital assets is presented in Notes 1 and 4 to the financial statements.

Long-term Debt

At year-end the County had \$79.9 million in bonds and notes outstanding - an increase of 21 percent over last year - as shown in Table A-4. More detailed information about the County's long-term liabilities is presented in Note 6 to the financial statements.

To improve cash flow and to take advantage of lower interest rates, the County management decided to refinance nearly \$12.9 million of general obligation debt issues by issuing refunding bonds. Refinancing the debt allowed the County to issue series A and B bonds for various County projects without raising the debt service millage.

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. Our outstanding debt is significantly below this limit - which is currently \$82.7 million as reflected in Table C-8 of the statistical section of this report.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2001-2002
	2001	2002	2001	2002	2001	2002	
	General obligation bonds (backed by the County)	\$ 48,806	\$ 64,422	\$ 6,455	\$ 6,205	\$ 55,261	
Revenue bonds and notes (backed by specific tax and fee revenues)	10,956	9,273	-	-	10,956	9,273	(15)%
Total	\$ 59,762	\$ 73,695	\$ 6,455	\$ 6,205	\$ 66,217	\$ 79,900	21%

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Unemployment now stands at 3.9 percent versus 3.1 percent a year ago. This compares favorably with the state's rate of 4 percent and the national rate of 5.8 percent.
- Inflationary trends in the region compare favorably to national indices.

These indicators were taken into account when adopting the general fund budget for 2003. Amounts available for appropriation in the general fund budget are nearly \$88 million, an increase of 1.7 percent over the final 2002 budget of \$86.5 million. Property taxes (benefiting from increases in assessed valuations) are expected to lead this increase. The County will use these increases in revenues to finance programs we currently offer and the expected impact of inflation on program costs.

Budgeted expenditures are expected to rise nearly 3 percent to \$88.1 million over the actual 2002 expenditures of \$85.3 million. The largest increments are increased wages and rising health insurance costs. The County has added no major new programs or initiatives to the 2003 budget.

If these estimates are realized, the County's budgetary general fund balance is expected to increase slightly by the close of 2003.

As for the County's business-type activities, we expect that the 2003 results will also improve based on these recent rate decisions effective July 1, 2002:

- Add a one-time Roll Cart fee of \$39 for all initial cart distributions.
- Increase Solid Waste collection fee to \$136 for all Solid Waste customers.
- Increase the Tire Tipping fee to \$100 per ton.
- Eliminate the exemption to municipalities for tipping at the C&D Landfill.
- Continue acceptance of waste from residential and commercial patrons at the Lower Richland Drop-Off Site under the current County fee structure and guidelines.

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 Carrie H. Neal, Richland County Finance Director, 2020 Hampton Street, Columbia, South Carolina 29204, or visit the County website at www.richlandonline.com.

RICHLAND COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2002

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 58,380,638	\$ -	\$ 58,380,638	\$ 1,437,988
Receivables:				
Taxes	2,896,807	118,397	3,015,204	648,373
Accounts	4,822,299	863,325	5,685,624	-
Other	602,375	-	602,375	106,864
Investments	327,173	-	327,173	2,690,435
Intergovernmental receivable	6,294,666	32,348	6,327,014	-
Other assets	12,471	-	12,471	33,605
Inventory	-	-	-	7,329
Capital assets:				
Land and improvements	16,310,643	2,239,609	18,550,252	-
Infrastructure assets	263,500,120	-	263,500,120	-
Property, plant and equipment	247,627,317	15,968,931	263,596,248	19,560,968
Construction in progress	3,670,902	-	3,670,902	-
Less accumulated depreciation	<u>(87,977,808)</u>	<u>(5,823,974)</u>	<u>(93,801,782)</u>	<u>(15,403,629)</u>
Total capital assets net of depreciation	<u>443,131,174</u>	<u>12,384,566</u>	<u>455,515,740</u>	<u>4,157,339</u>
Total assets	<u>516,467,603</u>	<u>13,398,636</u>	<u>529,866,239</u>	<u>9,081,933</u>
LIABILITIES				
Accounts payable	5,272,581	2,212,034	7,484,615	53,319
Compensated absences payable	4,420,522	109,838	4,530,360	21,436
Accrued wages and benefits	5,835,532	-	5,835,532	608,465
Intergovernmental payable	2,050,525	-	2,050,525	-
Internal balances	6,152,101	(6,152,101)	-	-
Deferred revenue - Other	1,841,854	3,845,143	5,686,997	-
Accrued interest payable	1,016,131	-	1,016,131	-
Other liabilities	839,409	148,091	987,500	43,544
Closure/post-closure care costs payable	-	2,719,800	2,719,800	-
Long-term liabilities:				
Due within one year	7,957,314	250,000	8,207,314	-
Due in more than one year	<u>65,738,148</u>	<u>5,955,000</u>	<u>71,693,148</u>	<u>-</u>
Total liabilities	<u>101,124,117</u>	<u>9,087,805</u>	<u>110,211,922</u>	<u>726,764</u>
NET ASSETS				
Invested in capital assets net of related debt	369,435,712	6,179,566	375,615,278	4,157,339
Restricted for:				
Debt service	3,940,082	-	3,940,082	-
Other purposes	804,709	-	804,709	1,137,910
Unrestricted (deficit)	<u>41,162,983</u>	<u>(1,868,735)</u>	<u>39,294,248</u>	<u>3,059,920</u>
Total net assets	<u>\$ 415,343,486</u>	<u>\$ 4,310,831</u>	<u>\$ 419,654,317</u>	<u>\$ 8,355,169</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
 For the year ended June 30, 2002

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 28,977,135	\$ 16,513,843	\$ 131,880	\$ -	\$ (12,331,412)	\$ -	\$ (12,331,412)	\$ -
Public safety	51,759,570	5,570,362	1,112,281	526,055	(44,550,872)	-	(44,550,872)	-
Public works and utilities	7,373,587	1,759,144	-	3,161,600	(2,452,843)	-	(2,452,843)	-
Health and social services	531,787	305,490	297,820	-	71,523	-	71,523	-
Other	9,538,665	1,693,200	-	-	(7,845,465)	-	(7,845,465)	-
Medical indigent	1,047,995	-	-	-	(1,047,995)	-	(1,047,995)	-
Accommodations tax	500,000	-	-	-	(500,000)	-	(500,000)	-
Nonbudgeted expenses	418,731	156,701	127,033	-	(134,997)	-	(134,997)	-
Depreciation expense	10,181,764	-	-	-	(10,181,764)	-	(10,181,764)	-
Interest and fiscal charges	3,392,686	-	-	-	(3,392,686)	-	(3,392,686)	-
Total governmental activities	<u>113,721,920</u>	<u>25,998,740</u>	<u>1,669,014</u>	<u>3,687,655</u>	<u>(82,366,511)</u>	<u>-</u>	<u>(82,366,511)</u>	<u>-</u>
Business-type activities								
Solid waste	13,211,343	11,153,779	129,377	-	-	(1,928,187)	(1,928,187)	-
Sewer	2,067,239	2,069,514	-	-	-	2,275	2,275	-
Parking	250,190	135,319	-	-	-	(114,871)	(114,871)	-
Total business-type activities	<u>15,528,772</u>	<u>13,358,612</u>	<u>129,377</u>	<u>-</u>	<u>-</u>	<u>(2,040,783)</u>	<u>(2,040,783)</u>	<u>-</u>
Total primary government	<u>\$ 129,250,692</u>	<u>\$ 39,357,352</u>	<u>\$ 1,798,391</u>	<u>\$ 3,687,655</u>	<u>(82,366,511)</u>	<u>(2,040,783)</u>	<u>(84,407,294)</u>	<u>-</u>
COMPONENT UNITS								
The Township	\$ 859,333	\$ 875,357	\$ -	\$ -				\$ 16,024
Richland County Public Library	14,083,029	552,436	576,153	-				(12,954,440)
Total component units	<u>\$ 14,942,362</u>	<u>\$ 1,427,793</u>	<u>\$ 576,153</u>	<u>\$ -</u>				<u>\$ (12,938,416)</u>
GENERAL REVENUES								
Property taxes levied for:								
General purposes					\$ 46,239,518	\$ -	\$ 46,239,518	\$ 12,472,170
Medical indigent					1,047,995	-	1,047,995	-
Debt service					9,889,901	-	9,889,901	-
Capital outlay					3,007,581	-	3,007,581	-
Special revenue projects					588,585	-	588,585	-
Accommodations tax					1,367,265	-	1,367,265	-
Grants and contributions not restricted to specific programs					-	46,262	46,262	14,934
Interest and investment income					1,741,271	107,119	1,848,390	71,240
Intergovernmental					15,201,118	-	15,201,118	-
Miscellaneous					1,393,947	-	1,393,947	43,682
Sale of scrap					8,543	-	8,543	-
Donated infrastructure					4,764,939	-	4,764,939	-
Loss from the sale of fixed assets					(8,642)	-	(8,642)	-
Total general revenues and transfers					<u>85,242,021</u>	<u>153,381</u>	<u>85,395,402</u>	<u>12,602,026</u>
Change in net assets					2,875,510	(1,887,402)	988,108	(336,390)
Net assets beginning of year					<u>412,467,976</u>	<u>6,198,233</u>	<u>418,666,209</u>	<u>8,691,559</u>
Net assets end of year					<u>\$ 415,343,486</u>	<u>\$ 4,310,831</u>	<u>\$ 419,654,317</u>	<u>\$ 8,355,169</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2002

	<u>General</u>	<u>Grants</u>	<u>General Obligation Debt</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 58,380,638	\$ -	\$ -	\$ -	\$ 58,380,638
Investments	-	-	-	327,173	327,173
Due from other funds	-	-	2,746,790	26,057,071	28,803,861
Receivables:					
Taxes	2,259,741	-	472,603	164,463	2,896,807
Accounts	4,822,299	-	-	-	4,822,299
Other	-	78,264	423,250	100,861	602,375
Intergovernmental receivable	4,106,985	1,446,906	-	740,775	6,294,666
Prepaid expenses	12,471	-	-	-	12,471
Total assets	<u>\$ 69,582,134</u>	<u>\$ 1,525,170</u>	<u>\$ 3,642,643</u>	<u>\$ 27,390,343</u>	<u>\$ 102,140,290</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 3,272,183	\$ 711,959	\$ -	\$ 1,288,439	\$ 5,272,581
Due to other funds	33,078,034	1,027,492	-	850,436	34,955,962
Accrued wages and benefits	5,835,532	-	-	-	5,835,532
Intergovernmental payable	1,763,813	-	-	286,712	2,050,525
Deferred revenue - Property taxes	942,252	-	172,221	102,029	1,216,502
Deferred revenue - Other	843,729	605,805	-	392,320	1,841,854
Other liabilities	839,409	-	-	-	839,409
Total liabilities	<u>46,574,952</u>	<u>2,345,256</u>	<u>172,221</u>	<u>2,919,936</u>	<u>52,012,365</u>
FUND BALANCES					
Reserved for encumbrances	367,475	679,011	-	483,003	1,529,489
Reserved for debt service	-	-	3,470,422	469,660	3,940,082
Reserved - Other	804,709	-	-	-	804,709
Unreserved:					
Reported in:					
Capital projects funds	-	-	-	21,873,699	21,873,699
General fund	21,834,998	-	-	-	21,834,998
Special revenue fund	-	(1,499,097)	-	1,644,045	144,948
Total fund balances (deficit)	<u>23,007,182</u>	<u>(820,086)</u>	<u>3,470,422</u>	<u>24,470,407</u>	<u>50,127,925</u>
Total liabilities and fund balances	<u>\$ 69,582,134</u>	<u>\$ 1,525,170</u>	<u>\$ 3,642,643</u>	<u>\$ 27,390,343</u>	<u>\$ 102,140,290</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2002

Total fund balances - Governmental funds \$ 50,127,925

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	16,303,300
Land improvements	7,343
Buildings and other structures	209,156,167
Improvements other than buildings	5,211,833
Furniture and fixtures	192,668
Equipment:	
Office	4,028,682
Vehicles	19,116,077
Heavy equipment	5,263,124
Computers	4,658,766
Construction in progress	3,670,902
Infrastructure assets:	
Minor roads	203,090,476
Collector streets	28,965,649
Dirt roads	31,443,995
Accumulated depreciation	<u>(87,977,808)</u>
Total capital assets	<u>443,131,174</u>

Some revenues will be collected after year-end but are not available soon
enough to pay for the current period's expenditures and therefore are
deferred in the funds.

Property taxes	1,216,502
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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	(64,422,027)
Special assessment debt	(5,470,259)
Other liabilities	(3,803,176)
Accrued interest	(1,016,131)
Compensated absences	<u>(4,420,522)</u>
Total long-term liabilities	<u>(79,132,115)</u>

Net assets of governmental activities	<u><u>\$ 415,343,486</u></u>
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The accompanying notes are an integral part of these financial statements.

RICHLAND COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2002

	<u>General</u>	<u>Grants</u>	<u>General Obligation Debt</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 46,404,132	\$ -	\$ 8,913,065	\$ 8,240,046	\$ 63,557,243
Licenses and permits	7,360,223	-	-	-	7,360,223
Intergovernmental	15,147,802	6,226,892	-	1,191,731	22,566,425
Charges for services	8,343,331	-	-	3,029,165	11,372,496
Fines and forfeits	2,476,216	-	-	651,454	3,127,670
Local funds	-	-	-	188,746	188,746
Interest	1,069,627	-	215,505	456,139	1,741,271
Other	2,460,754	-	114,361	185,967	2,761,082
Total revenues	<u>83,262,085</u>	<u>6,226,892</u>	<u>9,242,931</u>	<u>13,943,248</u>	<u>112,675,156</u>
EXPENDITURES					
General government	28,977,135	-	-	-	28,977,135
Public safety	41,595,766	2,204,337	-	8,147,199	51,947,302
Public works and utilities	4,829,240	576,040	-	1,968,307	7,373,587
Health and human services	531,787	-	-	-	531,787
Other	3,604,718	3,583,417	-	2,350,530	9,538,665
Medical indigent	1,047,995	-	-	-	1,047,995
Accommodations tax	500,000	-	-	-	500,000
Nonbudgeted expenses	418,731	-	-	-	418,731
Capital outlay	2,861,869	3,684,466	-	5,818,294	12,364,629
Debt service:					
Principal retirement	-	-	6,287,670	2,671,460	8,959,130
Interest and fiscal charges	-	-	2,325,002	951,807	3,276,809
Total expenditures	<u>84,367,241</u>	<u>10,048,260</u>	<u>8,612,672</u>	<u>21,907,597</u>	<u>124,935,770</u>
Excess of revenues over (under) expenditures	<u>(1,105,156)</u>	<u>(3,821,368)</u>	<u>630,259</u>	<u>(7,964,349)</u>	<u>(12,260,614)</u>
Other financing sources (uses):					
Bond proceeds	-	-	-	36,035,000	36,035,000
Payment to refunded bond escrow agent	-	-	-	(12,900,000)	(12,900,000)
Operating transfers in	100,000	99,710	-	3,027,440	3,227,150
Operating transfers out	(961,292)	-	(687,186)	(1,578,672)	(3,227,150)
Sale of scrap	8,543	-	-	-	8,543
Loss from the sale of fixed assets	(8,642)	-	-	-	(8,642)
Total other financing sources (uses)	<u>(861,391)</u>	<u>99,710</u>	<u>(687,186)</u>	<u>24,583,768</u>	<u>23,134,901</u>
Net change in fund balances	(1,966,547)	(3,721,658)	(56,927)	16,619,419	10,874,287
Fund balances, July 1	24,973,729	2,901,572	3,527,349	7,850,988	39,253,638
Fund balances (deficit), June 30	<u>\$ 23,007,182</u>	<u>\$ (820,086)</u>	<u>\$ 3,470,422</u>	<u>\$ 24,470,407</u>	<u>\$ 50,127,925</u>

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

RICHLAND 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, 2002

Net change in fund balances - total government funds	\$ 10,874,287
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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:</p>	
Capital outlay	17,129,568
Depreciation expense	<u>(10,181,764)</u>
Excess of capital outlay over depreciation expense	<u>6,947,804</u>
<p>Because some revenue will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred property tax revenues decreased by this amount this year.</p>	
	<u>(842,566)</u>
<p>Bond proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:</p>	
Bonds issued	<u>(36,035,000)</u>
<p>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:</p>	
Payments to refunded bond escrow agent	12,900,000
Bond principal retirement	8,959,130
Capital lease payments	<u>187,732</u>
Total long-term debt repayment	<u>22,046,862</u>
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>	
	<u>(115,877)</u>
Change in net assets of government activities	<u>\$ 2,875,510</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2002

	<u>Solid Waste</u>	<u>Sewer</u>	<u>Parking</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
Accounts receivable - Net				
Accounts	\$ 692,448	\$ 170,830	\$ 47	\$ 863,325
Property taxes	118,397	-	-	118,397
Due from other governments	32,348	-	-	32,348
Due from other funds	<u>4,917,067</u>	<u>1,139,299</u>	<u>95,735</u>	<u>6,152,101</u>
Total current assets	<u>5,760,260</u>	<u>1,310,129</u>	<u>95,782</u>	<u>7,166,171</u>
FIXED ASSETS				
Land	890,702	1,089,965	258,942	2,239,609
Buildings, other structures and improvements	118,410	9,118,054	2,637,695	11,874,159
Machinery and furniture and fixtures	3,438,400	577,080	79,292	4,094,772
Accumulated depreciation	<u>(2,899,641)</u>	<u>(2,228,629)</u>	<u>(695,704)</u>	<u>(5,823,974)</u>
Total fixed assets - Net of accumulated depreciation	<u>1,547,871</u>	<u>8,556,470</u>	<u>2,280,225</u>	<u>12,384,566</u>
Total assets	<u>\$ 7,308,131</u>	<u>\$ 9,866,599</u>	<u>\$ 2,376,007</u>	<u>\$ 19,550,737</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 1,675,875	\$ 522,826	\$ 13,333	\$ 2,212,034
Compensated absences payable	51,123	54,147	4,568	109,838
General obligation bonds payable - Current	-	250,000	-	250,000
Other payables	148,091	-	-	148,091
Deferred revenue	<u>3,845,143</u>	<u>-</u>	<u>-</u>	<u>3,845,143</u>
Total current liabilities	<u>5,720,232</u>	<u>826,973</u>	<u>17,901</u>	<u>6,565,106</u>
NONCURRENT LIABILITIES				
Closure/post-closure care cost payable	2,719,800	-	-	2,719,800
General obligation bonds payable - Noncurrent	<u>-</u>	<u>5,955,000</u>	<u>-</u>	<u>5,955,000</u>
Total noncurrent liabilities	<u>2,719,800</u>	<u>5,955,000</u>	<u>-</u>	<u>8,674,800</u>
Total liabilities	<u>8,440,032</u>	<u>6,781,973</u>	<u>17,901</u>	<u>15,239,906</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,547,871	2,351,470	2,280,225	6,179,566
Unrestricted (deficit)	<u>(2,679,772)</u>	<u>733,156</u>	<u>77,881</u>	<u>(1,868,735)</u>
Total net assets	<u>\$ (1,131,901)</u>	<u>\$ 3,084,626</u>	<u>\$ 2,358,106</u>	<u>\$ 4,310,831</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
For the year ended June 30, 2002

	<u>Solid waste</u>	<u>Sewer</u>	<u>Parking</u>	<u>Total</u>
OPERATING REVENUES				
Charges for sales and services				
Solid waste	\$ 11,153,779	\$ -	\$ -	\$ 11,153,779
Water and sewer	-	2,069,514	-	2,069,514
Parking fees	-	-	135,319	135,319
Total operating revenues	<u>11,153,779</u>	<u>2,069,514</u>	<u>135,319</u>	<u>13,358,612</u>
OPERATING EXPENSES				
Personal services	622,088	615,650	108,664	1,346,402
Operating expenses	12,375,775	779,674	37,488	13,192,937
Depreciation	213,480	333,357	104,038	650,875
Total operating expenses	<u>13,211,343</u>	<u>1,728,681</u>	<u>250,190</u>	<u>15,190,214</u>
Operating income (loss)	<u>(2,057,564)</u>	<u>340,833</u>	<u>(114,871)</u>	<u>(1,831,602)</u>
NONOPERATING REVENUES (EXPENSES)				
Operating grants	129,377	-	-	129,377
Interest revenue	70,370	36,749	-	107,119
Interest expense	-	(338,558)	-	(338,558)
Total nonoperating revenues (expenses)	<u>199,747</u>	<u>(301,809)</u>	<u>-</u>	<u>(102,062)</u>
Income (loss) before transfers and contributions	(1,857,817)	39,024	(114,871)	(1,933,664)
Transfers to (from) other funds	15,406	(15,406)	-	-
Capital contributions	<u>46,262</u>	<u>-</u>	<u>-</u>	<u>46,262</u>
CHANGE IN NET ASSETS	(1,796,149)	23,618	(114,871)	(1,887,402)
TOTAL NET ASSETS, JULY 1	<u>664,248</u>	<u>3,061,008</u>	<u>2,472,977</u>	<u>6,198,233</u>
TOTAL NET ASSETS, JUNE 30	<u>\$ (1,131,901)</u>	<u>\$ 3,084,626</u>	<u>\$ 2,358,106</u>	<u>\$ 4,310,831</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the year ended June 30, 2002

	<u>Solid Waste</u>	<u>Sewer</u>	<u>Parking</u>	<u>Total</u>
OPERATING ACTIVITIES				
Cash received from customers	\$ 12,044,044	\$ 2,060,870	\$ 143,952	\$ 14,248,866
Cash payments to suppliers for goods and services	(11,605,338)	(437,937)	(26,084)	(12,069,359)
Cash payments to employees for services	(638,453)	(610,386)	(108,937)	(1,357,776)
Net cash provided by (used for) operating activities	<u>(199,747)</u>	<u>1,012,547</u>	<u>8,931</u>	<u>821,731</u>
NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	15,406	(15,406)	-	-
Intergovernmental	129,377	-	-	129,377
Net cash provided by (used for) noncapital financing activities	<u>144,783</u>	<u>(15,406)</u>	<u>-</u>	<u>129,377</u>
CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	46,262	-	-	46,262
Acquisition of fixed assets	(61,668)	(445,332)	(8,931)	(515,931)
Principal repayments related to capital purposes	-	(250,000)	-	(250,000)
Interest payments related to capital purposes	-	(338,558)	-	(338,558)
Net cash used for capital and related financing activities	<u>(15,406)</u>	<u>(1,033,890)</u>	<u>(8,931)</u>	<u>(1,058,227)</u>
INVESTING ACTIVITIES				
Interest revenue	70,370	36,749	-	107,119
Net cash provided by investing activities	<u>70,370</u>	<u>36,749</u>	<u>-</u>	<u>107,119</u>
Increase (decrease) in cash and cash equivalents	-	-	-	-
CASH AND CASH EQUIVALENTS, JULY 1				
	-	-	-	-
CASH AND CASH EQUIVALENTS, JUNE 30				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating income (loss)	\$ (2,057,564)	\$ 340,833	\$ (114,871)	\$ (1,831,602)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Depreciation expense	213,480	333,357	104,038	650,875
CHANGES IN ASSETS AND LIABILITIES				
Increase (decrease) in accounts receivable	(105,568)	(89,254)	203	(194,619)
Due from other funds	995,833	80,610	8,430	1,084,873
Increase in accounts payable and accrued expenses	605,878	350,978	12,610	969,466
Other payables	142,770	-	-	142,770
Deferred revenues	(209,137)	(3,977)	(1,479)	(214,593)
Closure/post-closure care cost payable	214,561	-	-	214,561
Net cash provided by (used for) operating activities	<u>\$ (199,747)</u>	<u>\$ 1,012,547</u>	<u>\$ 8,931</u>	<u>\$ 821,731</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2002

ASSETS

Cash and cash equivalents	\$ 63,628,237
Property taxes receivable	15,410,974
Due from taxing unit	130,227
Due from other funds	<u>1,114,309</u>
Total assets	<u>\$ 80,283,747</u>

LIABILITIES

Due to taxing units	68,631,780
Due to other funds	1,114,309
Funds held for others	<u>10,537,658</u>
Total liabilities	<u>\$ 80,283,747</u>

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

RICHLAND COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Richland County is incorporated in South Carolina and operates under the council administration form of government to provide services authorized by its charter.

The financial statements of Richland County have been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County accounting policies are described below.

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 statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net assets presents the financial condition of the governmental and business-type 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 and for the business-type activities of the County. 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 business segment or 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 and enterprise 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Fund accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There are three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, use and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General fund

The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund. All property taxes, intergovernmental revenue, charges for services, fines and forfeits and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt, construct or acquire major capital facilities or for which the County Treasurer collects taxes and other funds in a fiduciary capacity. Operational expenditures for general government, public safety, public works and other departments of the County are paid through the general fund.

Special revenue funds

Special revenue funds generally account for the expenditure of revenues that have been restricted to specific programs or projects.

Debt service funds

The debt service funds of the County are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Debt service funds of the County are established and maintained in accordance with Acts passed by the General Assembly of South Carolina authorizing the sale of general debt bonds of the County. Bonds and interest for which the Treasurer collects and remits receipts to or on behalf of other governmental units are accounted for as part of the agency funds. The County maintains a separate debt service fund for each of its special assessment bond issues and one debt service fund for all other bond issues of the County.

Capital projects funds

The capital projects funds of the County are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Proceeds of bond issues of the County and other governmental units are maintained by the County Treasurer until such funds are required for their designated purpose. Capital projects for which the Treasurer collects and remits receipts to or on behalf of other governmental units are accounted for as part of the agency funds. The County maintains a separate capital project fund for each project.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds

Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods and services. The County maintains three enterprise funds which provide sanitary sewer, solid waste collection and operation of the parking garage and parking lot located adjacent to the County's main administration building.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County on behalf of other governmental units. The County's fiduciary funds consist of agency funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Component Units

Blended component unit - Richland County Administrative Building Corporation

This corporation was created by the County and organized as a separate legal entity. The County appoints the officers of this corporation. This entity issued certificates of participation to finance the acquisition of a building and certain fixtures and equipment for the County only. The certificates of participation are secured by the lease agreement with the County and will be retired through lease payments from the County. The lease agreement constitutes the imposition of a financial burden on the County and provides services entirely to the County. The substance of a capital lease agreement is that the assets and debt are those of the lessee (the County). This entity is reported as a capital projects fund and a debt service fund.

Discretely presented component units

The Township

The Township operates as a multi-purpose facility for the benefit of the citizens of Columbia and Richland County. The members of The Township board are appointed by Richland County council and can be removed for cause. The County owns the building used by The Township to carry out all its activities. The County is responsible for issuing any bonded debt and subsequent payment.

Richland County processes the Township's payroll. The Township's payroll, payroll taxes and retirement amounts are included in Richland County's various payroll and retirement reports. The Township reimburses the County for actual cost and is not charged a fee for the service. The Township is presented as a proprietary fund type. Complete financial statements for this individual component unit do not exist.

Richland County Public Library

The members of the Library Board of Trustees are appointed by the County council. The County owns the fixed assets used by the Library and finances Library construction through bonds. Property taxes are levied and collected by the County to pay the bonds. County council approves the portion of

(Continued)

the Library budget that will be funded with County money (property taxes). The Library is presented as a governmental fund type.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Complete financial statements for this individual component unit may be obtained at the entity's administrative office.

Richland County Public Library
1431 Assembly St.
Columbia, SC 29201

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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

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. Proprietary and 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 thirty days of fiscal year-end.

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

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

Deferred revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budget

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments are approved by the County Administrator. The Council approves any additional appropriations and transfers between departments. During the year, the Council made several supplementary budget appropriations, which increased general fund estimated revenues available.

The budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

Budgets were not prepared for the Special Revenue Funds, Debt Service Funds, or the Capital Projects Funds, as the County uses the bond indentures and other agreements to provide control over expenditures.

The County has an appropriated budget for the enterprise funds but is not required to report budgetary comparisons in the financial statements.

Investments

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.

Intergovernmental receivable

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

Inventories and prepaid assets

The County has no significant inventories. The cost is recorded as an expenditure at the time individual inventory items are purchased. The County expenses charges that cover more than one year in the year the expenditure is made and does not record any portion as prepaid asset.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 or business-type 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. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

All reported capital assets except infrastructure 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

The County uses the modified approach to account for its infrastructure assets. Under this approach, the County manages its eligible infrastructure by use of an asset management system that provided for current inventories, condition assessments, and annual estimates of maintenance and preservation costs. The County has committed to documentation that it is preserving its eligible infrastructure assets as a predetermined condition level by scheduling condition assessments at least every three years.

Net assets

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Property taxes

Property taxes become a lien on real and certain personal properties owned on the preceding December 31 of each County fiscal year ended June 30. These taxes are levied on or before October 31, and are due without penalty through January 15. Penalties are added to the taxes depending on the date paid as follows:

January 15 through February 1	3% of tax
February 2 through March 18	10% of tax
March 19 and thereafter	15% of tax plus collection cost

The lien and collection date for motor vehicle taxes is the last day of the month in which the motor vehicle license expires. The County bills and collects its own property taxes. The County also bills and collects property taxes for the Special Service Districts, School Districts and Municipalities. Property tax revenue is recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. An allowance is provided for an estimated amount of taxes billed, which may ultimately prove to be uncollectible. Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures.

The County follows Governmental Accounting Standards Board (GASB) Statement Number 33, *Accounting and Financial Reporting for Non-exchange Transactions* to account for non-exchange revenues, which primarily consist of imposed non-exchange revenues or ad valorem taxes. Under the standard, a receivable is recorded when an enforceable legal claim for property taxes has arisen, and revenue is recognized when the resources are available.

Compensated absences

County employees are entitled to accrue a maximum of 90 days sick leave and 45 days vacation. If the individual leaves the employ of the County, he is entitled to be paid for unused vacation and for 25 % of unused sick leave if more than 20 days has accumulated. The entire compensated absence liability is reported on the government-wide financial statements. Expenditures for these fringe benefits are recorded at the time the benefits are paid for governmental fund types and accrued currently for proprietary fund types.

Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. 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 transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Use of estimates

The financial statements include estimates and assumptions that affect the County's financial position and results of operations and disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

NOTE 2 - CASH 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.

Richland County is authorized by South Carolina state law to invest in the following types of investments:

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. Savings and loan associations to the extent they are secured by the Federal Deposit Insurance Corporation.
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 certificate of deposit so secured, including interest.

Deposits

Cash includes interest bearing demand deposits as well as certificates of deposit. The County's deposits are categorized to indicate the level of risk assumed by the County at year end. Category 1 includes deposits insured or collateralized with securities held by the County or its agent in the County's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. Category 3 includes uncollateralized deposits, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the County's name.

Category			Bank	Carrying
1	2	3	balance	value
<u>\$ 1,019,869</u>	<u>\$ 42,287,993</u>	<u>\$1,425,998</u>	<u>\$ 44,733,860</u>	<u>\$ 42,170,245</u>

Investments

The County's investments are categorized to disclose the level of risk assumed by the County at year end. Category 1 investments are insured or registered, or securities held by the County or its agent in the County's name. Category 2 investments are uninsured and unregistered with securities held by the counterparty's trust department (if a bank) or agent in the County's name. Category 3 investments are uninsured and unregistered with securities held by the counterparty in the County's name or held by the counterparty's trust department (if a bank) or agent, but not in the name of the County. The investment in the local government investment pool is not subject to risk categorization.

(Continued)

NOTE 2 - CASH AND INVESTMENTS, Continued

At June 30, 2002 investments were as follows:

	<u>Category</u>			<u>Carrying amount</u>	<u>Fair value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Repurchase agreements	\$ -	\$ -	\$ 36,405,722	\$ 36,405,722	\$ 36,405,722
U.S. government securities	-	-	325,131	325,131	327,173
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,730,853</u>		
S.C. Local Government Investment Pool				43,432,908	43,432,908
Total investments				<u>\$ 80,163,761</u>	<u>\$ 80,165,803</u>

The fair value of the investment in the South Carolina Local Government Investment Pool is the same as the value of the pool shares. The pool is managed and controlled by the Treasurer of the State of South Carolina.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

A summary of amounts due from other funds at June 30, 2002 follows:

	<u>Interfund receivables</u>	<u>Interfund payables</u>
General fund	\$ -	\$ 33,078,034
Special revenue fund		
Victim assistance surcharge	300,084	-
Victim assistance assessment	439,080	-
Airport operations	276,836	-
Temporary alcohol permits	135,333	-
Emergency telephone	1,814,684	-
Other	54,725	-
Federal, state and local grants	-	1,027,492
Road maintenance	-	295,281
Fire service	-	104,773
Debt service funds		
General obligation bonds	2,746,790	-
1997 Series A drainage improvement bonds	58,408	-
Galaxy Sewer district bonds	121,367	-
South Beltline Sewer district bonds	42,616	-
1994 Series B fire service bonds	-	29,799
1991 Series C refunding bonds	-	87,508
Capital project fund		
Drainage improvement project	1,749,589	-
Richland County projects	46,170	-
Renovations and refunding program	21,018,179	-
Construction and repair project	-	333,075

(Continued)

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES, Continued

	<u>Interfund receivables</u>	<u>Interfund payables</u>
Enterprise funds		
Solid waste	4,917,067	-
Sewer	1,139,299	-
Parking	95,735	-
Agency funds		
School District #1 operating	1,114,309	-
Town of Blythewood	-	427
Town of Eastover	-	57,225
City of Columbia	-	391,963
Magistrates	-	83,765
Clerk of court	-	132,864
Sheriff funds	-	331,278
School District #6 bonds	-	14,974
Reimbursable accounts	-	101,813
	<u>\$ 36,070,271</u>	<u>\$ 36,070,271</u>

NOTE 4 - CAPITAL ASSETS

Primary Government capital asset activity for the year ended June 30, 2002 was as follows:

	<u>Restated Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers (Net)</u>	<u>Balance June 30, 2002</u>
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 16,303,300	\$ -	\$ -	\$ -	\$ 16,303,300
Construction in progress	720,854	4,719,201	(1,769,153)	-	3,670,902
Infrastructure	<u>253,597,522</u>	<u>9,902,598</u>	<u>-</u>	<u>-</u>	<u>263,500,120</u>
Total capital assets at historical cost not being depreciated	<u>270,621,676</u>	<u>14,621,799</u>	<u>(1,769,153)</u>	<u>-</u>	<u>283,474,322</u>
Capital assets being depreciated					
Building and improvements	209,163,510	-	-	-	209,163,510
Improvements other than building	5,193,982	17,851	-	-	5,211,833
Furniture, fixtures and equipment	<u>29,739,910</u>	<u>4,275,462</u>	<u>(709,793)</u>	<u>(46,262)</u>	<u>33,259,317</u>
Total capital assets at historical cost being depreciated	<u>244,097,402</u>	<u>4,293,313</u>	<u>(709,793)</u>	<u>(46,262)</u>	<u>247,634,660</u>
Less accumulated depreciation	<u>(78,505,837)</u>	<u>(10,181,764)</u>	<u>709,793</u>	<u>-</u>	<u>(87,977,808)</u>
Total capital assets being depreciated, net	<u>165,591,565</u>	<u>(5,888,451)</u>	<u>-</u>	<u>(46,262)</u>	<u>159,656,852</u>
Governmental activities					

(Continued)

capital assets, net \$ 436,213,241 \$ 8,733,348 \$ (1,769,153) \$ (46,262) \$ 443,131,174

NOTE 4 - CAPITAL ASSETS, Continued

	<u>Restated Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Transfers (Net)</u>	<u>Balance June 30, 2002</u>
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,810,359	\$ 429,250	\$ -	\$ -	\$ 2,239,609
Capital assets being depreciated					
Buildings and improvements	11,874,159	-	-	-	11,874,159
Furniture, fixtures and equipment	<u>3,983,075</u>	<u>80,079</u>	<u>(14,644)</u>	<u>46,262</u>	<u>4,094,772</u>
Total capital assets at historical cost being depreciated	<u>15,857,234</u>	<u>80,079</u>	<u>(14,644)</u>	<u>46,262</u>	<u>15,968,931</u>
Less accumulated depreciation	<u>(5,148,083)</u>	<u>(690,535)</u>	<u>14,644</u>	<u>-</u>	<u>(5,823,974)</u>
Total capital assets being depreciated, net	<u>10,709,151</u>	<u>(610,456)</u>	<u>-</u>	<u>46,262</u>	<u>10,144,957</u>
Business-type activities capital assets, net	<u>\$ 12,519,510</u>	<u>\$ (181,206)</u>	<u>\$ -</u>	<u>\$ 46,262</u>	<u>\$ 12,384,566</u>

In accordance with a contract with the City of Columbia, the City has title to fixed assets used for fire protection for the County. The assets have been paid for by the County and are maintained with County funds. Should the contract expire or be canceled, the assets would revert to the County. Also, if assets are sold, the proceeds will be used for County fire services. However, as the City of Columbia holds legal title to these assets, they have not been included in the County's capital assets.

NOTE 5 - FUNDS HELD FOR OTHERS

The following amounts were held for others by County departments at June 30, 2002:

Clerk of Court - Trust	\$ 1,713,507
Clerk of Court	230,744
Family Court	479,841
Master-In-Equity	405,391
Probate Court	23,047
Magistrates	83,100
Sheriff Funds	215,776
Solicitor Funds	109,472
Tax sale	<u>7,276,780</u>
Total funds held in escrow	<u>\$ 10,537,658</u>

(Continued)

NOTE 6 - LONG-TERM DEBT

Long-term debt of the County at June 30, 2002, is as follows:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2002</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
General long-term account group					
General obligation debt					
4.5% to 5.5% general obligation bonds of 1978 - Courthouse	\$ 1,000,000	\$ -	\$ 500,000	\$ 500,000	\$ 500,000
5.75% to 5.9% current interest bonds and 6.25% to 6.5% capital appreciation bond - refunding bond of 1991 series A, B, and D	7,421,507	-	2,205,000	5,216,507	1,195,270
4.6% to 6.5% general obligation refunding bonds of 1994 series B - Library bond refunding	18,484,060	-	1,653,540	16,830,520	1,753,360
5.3% to 5.9% general obligation bonds of 1994 series C detention center	12,900,000	-	12,900,000	-	-
4.25% to 6.25% general obligation bonds of 1995 - Detention Center/Museum	7,250,000	-	650,000	6,600,000	675,000
4.00% to 6.00% general obligation bonds of 1997	1,750,000	-	250,000	1,500,000	500,000
General obligations bonds of 2001 - detention	-	20,600,000	1,375,000	19,225,000	1,350,000
General obligation bonds of 2001 - Midlands Technical College	-	2,000,000	150,000	1,850,000	150,000
General obligation bonds of 2001 - refunding detention	-	13,435,000	735,000	12,700,000	680,000
Total general obligation debt	<u>\$ 48,805,567</u>	<u>\$ 36,035,000</u>	<u>\$ 20,418,540</u>	<u>\$ 64,422,027</u>	<u>\$ 6,803,630</u>

The County issued \$13,435,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$12,900,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased

(Continued)

and the liability has been removed from the governmental activities column of the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$535,000. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding resulted in an increase in total debt service payments over the next 15 years by \$2,543,932. However, the advance refunding created an economic gain of \$159,785.

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

	Balance			Balance	Amounts
	June 30, 2001	Additions	Reductions	June 30, 2002	Due Within
					One Year
Special assessment debt					
6.75% to 8.75% South Beltline Sewer District General Obligation Bonds of 1989	\$ 300,000	\$ -	\$ 100,000	\$ 200,000	\$ 100,000
6.75% to 8.7% Galaxy Sewer District General Obligation Bonds of 1990	110,000	-	55,000	55,000	55,000
5.75% to 5.9% Current Interest Bonds and 6.25% to 6.5% Capital Appreciation Bond - Refunding Bond of 1991 Series C	240,779	-	85,000	155,779	43,325
4.6% to 6.5% General Obligation Refunding Bonds of 1994 Series B Fire Protection Refunding Bonds	2,810,940	-	251,460	2,559,480	266,640
4.25% to 6.25% Drainage 97A General Obligation Bonds of 1997	<u>3,000,000</u>	<u>-</u>	<u>500,000</u>	<u>2,500,000</u>	<u>500,000</u>
Total special assessment debt	<u>\$ 6,461,719</u>	<u>\$ -</u>	<u>\$ 991,460</u>	<u>\$ 5,470,259</u>	<u>\$ 964,965</u>
Total general obligation and special assessment debt	<u>\$ 55,267,286</u>	<u>\$ 36,035,000</u>	<u>\$ 21,410,000</u>	<u>\$ 69,892,286</u>	<u>\$ 7,768,595</u>
Other liabilities					
4.25% capital lease obligation	\$ 24,309	\$ -	\$ 22,399	\$ 1,910	\$ 1,910
5.47% capital lease obligation	236,930	-	165,333	71,597	71,597
Other long-term liability	587,810	-	50,000	537,810	50,000
Certificate of participation	1,760,000	-	155,000	1,605,000	-
Note payable to City of Columbia	1,884,989	-	298,130	1,586,859	65,212
Accrued sick and vacation benefits		<u>4,396,329</u>	<u>24,193</u>	<u>-</u>	<u>4,420,522</u>
Total other liabilities	<u>\$ 8,890,367</u>	<u>\$ 24,193</u>	<u>\$ 690,862</u>	<u>\$ 8,223,698</u>	<u>\$ 188,719</u>
Total long-term debt	<u>\$ 64,157,653</u>	<u>\$ 36,059,193</u>	<u>\$ 22,100,862</u>	<u>\$ 78,115,984</u>	<u>\$ 7,957,314</u>

Additions to accrued sick and vacation benefits are reported net of maturities.

(Continued)

In accordance with the Tax Reform Act of 1986, any interest earnings in excess of interest costs are required to be rebated to the Federal Government. As of June 30, 2002, the County has accrued approximately \$70,000 related to arbitrage rebate liability.

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

Annual requirements to amortize all long-term debt (excluding sick and vacation benefits of \$4,420,522 at June 30, 2002) and interest which will become payable in the fiscal year indicated are summarized as follows:

<u>Year ending June 30,</u>	<u>General obligation and hospital improvements bonds</u>	<u>Special assessment debt</u>	<u>Other long-term liabilities</u>	<u>Total</u>
2003	\$ 9,252,510	\$ 1,224,379	\$ 616,890	\$ 11,093,779
2004	8,665,972	1,134,009	506,543	10,306,524
2005	8,587,229	1,005,185	705,239	10,297,653
2006	8,530,502	979,971	691,507	10,201,980
2007	7,991,151	867,529	657,229	9,515,909
2008 and thereafter	<u>38,182,486</u>	<u>1,311,119</u>	<u>1,645,874</u>	<u>41,139,479</u>
Total	81,209,850	6,522,192	4,823,282	92,555,324
Less amount representing interest	<u>(16,787,823)</u>	<u>(1,051,933)</u>	<u>(1,020,106)</u>	<u>(18,859,862)</u>
Total	<u>\$ 64,422,027</u>	<u>\$ 5,470,259</u>	<u>\$ 3,803,176</u>	<u>\$ 73,695,462</u>

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue included in the long-term debt account group (except for the South Beltline, Galaxy Sewer Districts and 1991 Series C refunding) and must be levied in an amount sufficient to pay the principal and interest due each year. The outstanding bond balances for the two sewer districts are secured by Capital Sewer Service charges, which are assessed and collected by the City of Columbia and remitted to the County Treasurer.

Principal payments on all bonds are due annually and interest is due semiannually. The bonds are generally subject to early redemption after specified dates in reverse order of maturity at premiums of up to 3%.

On June 29, 1994 the Richland County Administrative Building Corp. issued \$4,780,000 in Certificates of Participation to finance the purchase of a new Richland County Sheriff's Department Building and to acquire and install certain furnishings and equipment for the new Richland County Detention Center and the office of the Register of Deeds for Richland County.

The certificates evidence proportionate interest of the registered owners thereof in certain rental payments (the "Base Rent") to be made by Richland County under the terms of a building lease agreement dated June 1, 1994. The base rents are equal to the principal and interest payments on the obligation.

The certificates are payable solely from the rent to be paid by the County to a trustee. The County is not a party to the certificates. The lease agreement is for a term ending on March 1, 2010. Continuance of the lease agreement and the obligation of the County to make lease rent payments for fiscal years beginning after June 30, 1994 are subject to and dependent upon lawful appropriations being made by the County for that purpose. The certificates, the lease agreement and the obligation to make base rent payments do not represent or constitute a debt of, or a pledge of faith and credit or the taxing power of the County; however, chances of non-appropriation are remote. The Richland County Administrative Building Corporation has been determined to be a component unit of Richland County subject to blended presentation. Therefore, the above referenced debt is recorded as County Long-Term Debt.

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

The County has issued a note payable of \$2,000,000 to the City of Columbia for the purchase of land to be used for economic incentive. The note is scheduled to be paid in full with fees-in-lieu of taxes received by the County from the new corporate owner of the land.

The County has established separate debt service funds to provide for repayment of each special assessment debt obligation.

The County has entered into lease agreements as lessee for financing the acquisition of a computer system and software for the finance office; computer systems for auditor and treasurer; telephone systems for magistrates; and office equipment for various other departments. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception date. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2002 were as follows:

Total minimum lease payments, June 30, 2003	\$ 74,496
Less: Amount representing interest	<u>(989)</u>
Present value of minimum lease payments	<u>\$ 73,507</u>

Cost of equipment acquired through capital leases as of June 30, 2002 totaled \$11,149,902.

The South Carolina Constitution limits local unit borrowing power to 8% of its assessed property value. The limitation excludes bonded indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits and other prescribed indebtedness approved by the voters. County bonds issued subsequent to December 1, 1977, with a balance outstanding of \$47,591,507 at June 30, 2002, are subject to the Constitutional restrictions. Based on the December 31, 2002 assessed property valuation of \$1,033,192,309 the legal debt limit is \$82,655,385 leaving a legal debt margin as of June 30, 2002, of \$35,063,875.

Other long-term liability

The County has an agreement with the South Carolina Highway Department to pay \$50,000 a year, with no interest, until the \$1,697,810 County portion of the cost of the Columbia Area Thoroughfare Plan right-of-way acquisition program is paid. The unpaid balance at June 30, 2002, of \$537,810 is included in long-term debt.

Other political subdivisions (Overlapping debt)

Various governing bodies within Richland County have issued bonds for educational and other purposes. The full faith and taxing power of each individual district is pledged to secure the outstanding debt of the district and the Treasurer of Richland County collects taxes levied on property of each district for the purpose of paying the debt as it matures. The bonds mature serially and are subject to early redemption in accordance with the terms and conditions of the bond agreements.

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

Bonds payable from the various debt service funds maintained by the Treasurer of Richland County at June 30, 2002, are as follows:

	Balance June 30, 2002
Recreation Commission General Obligation Bonds 1996-2001	\$ 10,811,217
East Richland County Public Service Commission General Obligation Sewage Disposal Bonds 1996	2,905,000
Riverbanks Park Commission General Obligation Bonds 1986-2000	17,975,000
School District No. 1 School Building Bonds 1992-2000	177,735,000
School District No. 2 School Building Bonds 1992-2001	<u>62,805,000</u>
Total other political subdivisions	<u>\$ 272,231,217</u>

The County boundaries also include an additional \$39,315,000 overlapping debt of other political subdivisions not administered by the County Treasurer. The extent of overlap ranges from 9% to 100%.

The Treasurers of both Richland and Lexington Counties collect taxes levied on all taxable property within the Counties for the purpose of retiring the debt of the Riverbanks Park Commission as it matures. All taxes collected by the Treasurer of Lexington County are remitted to the Treasurer of Richland County, who in turn, remits the appropriate amounts to the paying agent.

Proprietary fund long-term debt

The long-term debt of the proprietary fund at June 30, 2002, is as follows:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	Amounts Due Within One Year
General obligation debt					
4.6% to 5.5% Sewer System General Obligation Bonds of 1994 Series A	\$ 6,455,000	\$ -	\$ 250,000	\$ 6,205,000	\$ 250,000
Total proprietary fund long-term debt	<u>\$ 6,455,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 6,205,000</u>	<u>\$ 250,000</u>

The 4.6% to 5.5% Sewer System General Obligation Bonds of 1994 Series A were issued to construct a sewer system in certain unincorporated areas of the County by collection of special assessment levies on the residents of the service areas. The balance of the outstanding bonds due at June 30, 2002 is \$6,205,000.

(Continued)

NOTE 6 - LONG-TERM DEBT, Continued

Annual requirements to amortize Proprietary Fund long-term debt and interest which will become payable in the fiscal year indicated are summarized as follows:

<u>Year ending June 30,</u>	<u>General obligation debt</u>
2003	\$ 587,058
2004	589,838
2005	586,638
2006	587,673
2007	587,673
2008 and thereafter	<u>6,460,105</u>
	9,398,985
Less amount representing interest	<u>(3,193,985)</u>
Total	<u>\$ 6,205,000</u>

**NOTE 7 - RESERVATIONS GENERAL FUND BALANCE AND OTHER DEFICIT FUND
BALANCES/RETAINED EARNINGS**

The County has reserved a portion of the fund balance in the general fund at June 30, 2002, to indicate assets legally segregated for specific uses and to indicate resources which are not appropriable.

Legally segregated for specific future use	
Reserved for encumbrances	\$ 367,475
Reserved other	
Fire source	45,716
Narcotics investigation	78,241
Richland County Industrial Park	<u>680,752</u>
Total reserved fund balance	<u>\$ 1,172,184</u>

Deficit fund balances/retained earnings

The following individual funds have deficit balances:

Proprietary fund - net assets deficit	
Solid waste	\$ (1,131,901)
Special revenue - fund balance deficit	
Federal, state and local grants	\$ (820,086)
Road maintenance	(636,914)
Fire service	(117,187)
Debt service - fund balance deficit	
1991 Series C refunding bond	\$ (87,508)
1994 Series B fire protection bonds	(15,845)
Capital project - fund balance deficit	
Construction and repair project	\$ (419,344)
Richland County projects	(83,578)

(Continued)

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS

Richland County contributes to the South Carolina State Retirement System (SCRS) and Police Officers Retirement System (PORS), cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board.

As established by Title 91-480 Code Laws of South Carolina, 1976 (as amended), all eligible persons, except those specifically excluded, shall become members of the retirement system as a condition of their employment. The responsibility of the administration of the system is assigned by law to the State Budget & Control Board. Generally employees who are responsible for the preservation of the public order are members of the PORS; the remaining County employees are members of SCRS.

Both the SCRS and PORS offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws.

The following is a recap of the mandated contribution rates, which have been the same for the last three years:

	<u>SCRS</u>	<u>PORS</u>
Employee contributions	6.0% of salary	6.5% of salary
Employer contributions	6.7% of salary	10.3% of salary

In addition to the preceding rates, the County contributes .15% of the SCRS payroll to provide a group rate insurance benefit for their SCRS participants. Also for their PORS participants, the County contributes .2% of PORS payroll to provide a group life insurance benefit and .2% of PORS payroll to provide an accidental death benefit.

The County's contributions to the Plans for the current and preceding two fiscal years were as follows:

<u>Fiscal year ended June 30,</u> <u>PORS</u>		<u>SCRS</u>
2002	\$	1,685,924
2001		2,432,970
2000		1,576,961
		1,474,746
		2,055,706

All employer contributions were equal to the required contribution rates for each year. Contributions as a percentage of statewide contributions were not available for June 30, 2002, 2001 and 2000.

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, Post Office Box 11960, Columbia, SC 29211-1960.

(Continued)

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Funds received from federal and state grants and programs are often subject to expenditures for designated purposes only and are subject to fiscal and compliance audits by various federal and state agencies. The County can be required to refund any funds not used in compliance with grant requirements. The County is unaware of any instances of noncompliance that would require a return of funding.

At June 30, 2002 the County was the defendant in a number of lawsuits involving various tort, contractual and civil rights cases. Many of these issues are covered by insurance, but an adverse decision on other cases could result in a substantial contingent liability to the County. Legal representation did not feel that it was possible to estimate the potential liability at this point in the proceedings.

NOTE 10 - DEFERRED COMPENSATION PLAN

The County offers to its employees a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The Small Business Job Protection Act of 1996 (the Act) eliminated the requirement that Section 457 plan assets legally remain the assets of the sponsoring government. The Act now requires that amounts deferred under a Section 457 plan be held in trust for the exclusive benefit of participating employees and not be accessible by the government or its creditors. Accordingly, the amount held by the South Carolina Deferred Compensation Program on behalf of the County and its participants are not reported in the County's financial statements.

Seabury & Smith, Inc., 400 Locust Street, Des Moines, Iowa, 50306, (under state contract) is the program administrator of the 457 plan as well as the 401k plan, which is also available to County and component unit employees at their option.

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS

Retired employee health care plan

If an employee is eligible for retirement and retires from Richland County employment directly to the South Carolina Retirement System, the County shall continue to provide health, life and dental coverage for such retiring employee subject to the terms and conditions of the insurance contract at that time. All such retiring employees shall pay 100% of the premium for dental coverage and all dependent coverages. Such insurance coverage shall be identical to that provided for active county employees, except that when the retired employee becomes eligible for Medicare, the County health insurance coverage shall be supplemental.

(Continued)

NOTE 11 - POST EMPLOYMENT HEALTH CARE BENEFITS, Continued

Any separating employee who is participating in any county provided insurance program at the time of his or her separation from the County, and has been continuously employed by the County for one-half of the required years of service to qualify for County retirement, shall qualify for county group health, life and dental insurance coverage, provided the separating employee pays 100% of the premium costs until retirement under the South Carolina Retirement System.

Currently, the health care program allows for two benefit plans:

- (a) HMO-
using participating providers, the employee pays a small co-payment and the plan pays 100% of the remaining portion - in most cases. There is no lifetime maximum benefit limit.

- (b) Traditio
nal Indemnity Plan (70%/30%) - using non-participating providers the employee is responsible for satisfying a \$350 deductible every calendar year and paying 30% of the remaining portion - in most cases. The lifetime maximum benefit is \$1,000,000.

Temporary health care plan

By Federal law (Public Law 99-272, Title X), the County is required to offer a continuation of health care coverage at group rates to employees and their dependents whose coverage would otherwise end. Dependent on the circumstances of the employee's coverage loss, the employee or dependent can extend the health care plan benefits for eighteen months to three years. The plan costs are paid by the employee or dependents based on 102% (Cobra) premium rates. Benefits of this plan are the same as the County health care plan.

The cost of retiree health care benefits is recognized as an expenditure as claims are paid. Expenditures for the post employment health care benefits for the year ended June 30, 2002 were approximately \$846,000. The number of participants currently eligible to receive benefits is 285.

NOTE 12 -DEFEASED DEBT

Prior year debt defeasance

In previous years, the County defeased various bond issues by creating separate irrevocable trust funds with escrow agents to provide debt service payments. The advance refundings met the requirements of an in-substance defeasance and the debts were removed from the County's Long-Term Debt. As of June 30, 2002, the amount of defeased debt outstanding but removed from the Long-Term Debt amounts to \$13,896,653.

NOTE 13 - FIRE AND 911 SERVICE CONTRACTS

The County has entered into an agreement with the City of Columbia for the provision of fire service to unincorporated areas of the County. The City provides the fire service and the County pays the City for the cost. The City also receives a fire service water assessment fee that is charged to taxpayers and is paid directly to the City. The County has an additional agreement with the City of Columbia to provide 911 services on behalf of the City. At June 30, 2002, the County was owed \$48,455, in

(Continued)

conjunction with the fire service agreement, which has been recorded as an intergovernmental receivable from the City of Columbia. Also, the County owed the City of Columbia \$1,146,847, in conjunction with the 911 service agreement, which was recorded as an intergovernmental payable.

NOTE 14 - OTHER PAYABLES

Other payables consisted of the following at June 30, 2002:

Enterprise fund	
Contractor performance escrow	<u>\$ 148,091</u>

NOTE 15 - DUE FROM CITY OF COLUMBIA

In the debt service fund, a receivable from the City of Columbia for \$392,320 has been recorded. This represents the portion of debt service for three sewer districts (Galaxy, South Beltline and Greenview/Fairwold) that have been partially or totally annexed by the City. The City is required to pay the County for the related debt. The receivable is for future debt service requirements. The revenue was not received from the City within sixty days, and therefore does not meet the revenue recognition requirement for property taxes in a governmental fund and has been recorded as deferred revenue.

NOTE 16 - CLOSURE AND POST-CLOSURE CARE COST

Richland County Municipal Solid Waste Landfill stopped accepting solid waste on October 2, 1995. State and federal laws require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability have been recognized in the solid waste enterprise fund based on the closure and post-closure care costs that will be incurred after the date that the landfill stopped accepting waste.

The estimated liability for landfill closure and post-closure care costs has a balance of \$2,719,800 as of June 30, 2002, which is based on 100% usage of the estimated capacity of the landfill. However, the actual cost of closure and post-closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 17 - SEGMENT INFORMATION - PROPRIETARY FUND

The County has three proprietary funds: Solid Waste, Sewer System, and Parking Garage. These funds are intended to be self-supporting through user fees charged to the public for service. Segment information for the year ended June 30, 2002 is presented below.

	<u>Solid waste</u>	<u>Sewer</u>	<u>Parking</u>	<u>Total</u>
Operating revenues	\$ 11,153,778	\$ 2,069,514	\$ 135,319	\$ 13,358,611
Intergovernmental revenues	129,377	-	-	129,377
Depreciation expense	213,480	333,357	104,038	650,875
Operating income (loss)	(2,057,564)	340,833	(114,871)	(1,831,602)
Change in net assets	(1,796,149)	23,618	(114,871)	(1,887,402)
Property, plant & equip. additions	61,668	445,332	8,931	515,931
Net working capital	40,028	483,156	77,881	601,065
Total assets	7,308,131	9,866,599	2,376,007	19,550,737

(Continued)

Closure/post-closure care cost payable	2,719,800	-	-	2,719,800
Total equity	(1,131,901)	3,084,626	2,358,106	4,310,831
Bonds payable	-	6,205,000	-	6,205,000

(Continued)

NOTE 18 - RISK MANAGEMENT

The County is exposed to losses from property perils, accidents, illnesses, and negligence for which the County carries commercial insurance. During the year which ended June 30, 2002 the County obtained its health insurance from Physicians Health Plan, Inc.

The County has self-funded part of its workers compensation and obtained excess insurance through the South Carolina Counties Workers Compensation Trust. The County, also, self-funded part of its general and auto liability and obtained excess insurance from Arthur J. Gallagher & Co.

The self-funded risk management activities for general and auto liability are accounted for in the general fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered. The County estimates that the amount of actual claims as of June 30, 2002, is \$1,292,395. A provision has been recorded in the general fund and is disclosed in accounts payable and accrued expenses on the balance sheet. An analysis of claim activities is presented below.

	For the years ended	
	June 30,	
	2002	2001
Beginning of year liability	\$ 1,209,938	\$ 1,478,679
Current year claims	720,646	1,556,660
Actual claim payments	<u>(638,189)</u>	<u>(1,825,401)</u>
End of year liability	<u>\$ 1,292,395</u>	<u>\$ 1,209,938</u>

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

NOTE 19 - COMPONENT UNITS INFORMATION

In conformity with accounting principles generally accepted in the United States of America, the financial statements of component units have been included in the financial reporting entity. The Township and the Richland County Public Library are discretely presented on the financial statements and the following is the associated note disclosures.

Condensed Statement of Net Assets

	Richland County Public Library	The Township	Total
ASSETS			
Cash and cash equivalents	\$ 1,313,795	\$ 124,193	\$ 1,437,988
Investments	2,690,435	-	2,690,435
Other Receivables	103,458	3,406	106,864
Property tax receivable	648,373	-	648,373
Inventory	-	7,329	7,329
Other assets	31,510	2,095	33,605
Capital assets			
Property, plant and equipment	19,363,133	197,835	19,560,968
Less accumulated depreciation	<u>(15,249,095)</u>	<u>(154,534)</u>	<u>(15,403,629)</u>
Total capital assets, net of depreciation	<u>4,114,038</u>	<u>43,301</u>	<u>4,157,339</u>
Total assets	<u>8,901,609</u>	<u>180,324</u>	<u>9,081,933</u>

(Continued)

NOTE 19 - COMPONENT UNITS INFORMATION, Continued

Condensed Statement of Net Assets, Continued

	Richland County Public Library	The Township	Total
LIABILITIES			
Accounts payable and accrued expenses	52,659	660	53,319
Accrued compensated absences	-	21,436	21,436
Accrued wages and benefits	608,465	-	608,465
Other liabilities	<u>6,732</u>	<u>36,812</u>	<u>43,544</u>
Total liabilities	<u>667,856</u>	<u>58,908</u>	<u>726,764</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,114,038	43,301	4,157,339
Restricted for:			
Capital Projects	909,580	-	909,580
Other purposes	228,330	-	228,330
Unrestricted	<u>2,981,805</u>	<u>78,115</u>	<u>3,059,920</u>
Total net assets	<u>\$ 8,233,753</u>	<u>\$ 121,416</u>	<u>\$ 8,355,169</u>

Condensed Statement of Activities

	Expenses	Charges for services and sales	Operating grants and contributions	Net (expense) revenue and changes in net assets
Richland County Public Library	<u>\$ 14,083,029</u>	<u>\$ 552,436</u>	<u>\$ 576,153</u>	\$ (12,954,440)
General Revenue				
Property taxes				12,472,170
Grants not restricted				14,934
Interest income				71,012
Miscellaneous				<u>43,682</u>
Total general revenue and transfers				
Changes in net assets				(352,642)
Net assets beginning of year				<u>8,586,395</u>
Net assets end of year				<u>\$ 8,233,753</u>
General Revenue				
Interest income				228
Changes in net assets				16,252
Net assets beginning of year				<u>105,164</u>
Net assets end of year				<u>\$ 121,416</u>
The Township	<u>\$ 859,333</u>	<u>\$ 875,357</u>	<u>\$ -</u>	\$ 16,024

(Continued)

NOTE 19 - COMPONENT UNITS INFORMATION, Continued

Condensed component units' capital asset activity for the year ended June 30, 2002 was as follows:

	<u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Capital assets being depreciated				
Property, plant and equipment	\$ 19,833,601	\$ 2,342,006	\$ (2,614,639)	\$ 19,560,968
Total capital assets at historical cost being depreciated	19,833,601	2,342,006	(2,614,639)	19,560,968
Less accumulated depreciation	<u>(14,990,961)</u>	<u>(3,009,233)</u>	<u>2,596,565</u>	<u>(15,403,629)</u>
Total capital assets being depreciated, net	<u>\$ 4,842,640</u>	<u>\$ (667,227)</u>	<u>\$ (18,074)</u>	<u>\$ 4,157,339</u>

Component unit - Township (discrete presentation)

The Township is an organization that operates a multi-purpose facility for the benefit of the citizens of the City of Columbia and Richland County. The Board was created by an Act of the South Carolina General Assembly in 1928. Since the advent of Home-Rule, the seven member Board is appointed by the Richland County Council for a term of five years.

The accounting policies of The Township conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

Cash

All bank balances on deposit as of the balance sheet date are entirely insured or collateralized with securities held by The Township or by its agent in The Township's name.

Accounts receivable

Accounts receivable are stated at net of allowance for uncollectibles. Uncollectible accounts are based on Management's periodic assessment of the collectibility of outstanding accounts receivable.

Inventory

Inventory is valued at the lower-of-cost (first-in, first-out) or market. Inventory consists of concession merchandise held for resale and is recorded as expenses when consumed rather than when purchased.

Depreciation

Only the capital assets acquired since July 1, 1985 have been capitalized and depreciated. The estimated useful life for these assets is five to twenty years and they are depreciated using the straight-line method of depreciation.

Capital assets

A summary of the capital asset activity for the year ended June 30, 2002 follows:

	<u>Restated</u> <u>Balance</u> <u>July 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2002</u>
Improvements to buildings	\$ 144,791	\$ -	\$ -	\$ 144,791
Equipment	53,044	-	-	53,044

(Continued)

Less: accumulated depreciation	<u>(144,092)</u>	<u>(10,442)</u>	<u>-</u>	<u>(154,534)</u>
Total	<u>\$ 53,743</u>	<u>\$ (10,442)</u>	<u>\$ -</u>	<u>\$ 43,301</u>

NOTE 19 - COMPONENT UNITS INFORMATION, Continued

Accrued compensated absences

The Township operates under the personnel policies of the Richland County Code, which provides that full-time employees may accrue annual leave and sick leave to a maximum of forty-five days and ninety days, respectively. Upon termination of employment 100% of accrued annual leave and 25% of accrued sick leave over twenty days are paid to the employees. As of June 30, 2002, The Township's obligation for accrued leave was \$21,436.

Component unit - Richland County Public Library (discrete presentation)

Deposits consists of the following at June 30, 2002:

	<u>Carrying amount</u>	<u>Bank balance</u>
General fund	\$ 1,157,863	\$ 2,161,578
Other governmental funds	<u>1,346,367</u>	<u>1,343,868</u>
Total	<u>\$ 2,504,230</u>	<u>\$ 3,505,446</u>

Of the bank balance \$200,000 is covered by federal depository insurance. All of the remaining balance is collateralized in that the collateral is held by the pledging financial institution under the Library's control via book entry.

Investments

The Library's investments are categorized to indicate the level of risk assumed by the Library at year end. Category 1 investments are insured or registered, securities held by the Library or its agent in the Library's name. Category 2 investments are uninsured and unregistered, with securities held by the counterparty's trust department (if a bank) or agent in the Library's name.

Category 3 investments are uninsured and unregistered, with securities held by the counterparty in the Library's name or held by the counterparty's trust department (if a bank) or agent, but not in the Library's name.

	<u>Category</u>			<u>Carrying amount</u>	<u>Approximate fair value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
General fund					
Discount notes	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>

Capital assets

Richland County includes Library land, building and associated costs as part of its capital assets, as a result \$23,762,500 has been eliminated from the capital assets of the Library in the discrete presentation. The remaining balance is comprised of equipment, furniture and library materials.

A summary of the capital asset activity for the year ended June 30, 2002 follows:

	<u>Balance June 30, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2002</u>
Vehicles	\$ 163,207	\$ -	\$ -	\$ 163,207
Furniture	1,755,622	10,736	(5,705)	1,760,653
Equipment	3,976,153	106,611	(593,343)	3,489,421

(Continued)

Library materials	13,740,784	2,224,659	(2,015,591)	13,949,852
Less - accumulated depreciation	<u>(14,846,869)</u>	<u>(2,998,791)</u>	<u>2,596,565</u>	<u>(15,249,095)</u>
Total	<u>\$ 4,788,897</u>	<u>\$ (656,785)</u>	<u>\$ (18,074)</u>	<u>\$ 4,114,038</u>

(Continued)

NOTE 19 - COMPONENT UNITS INFORMATION, Continued

Retirement plan

The Library operates under the same South Carolina Retirement System (SCRS) as Richland County and the note disclosures are the same. Disclosures for the library are as follows:

For the fiscal years ended June 30,	Employer contributions
2000	\$ 390,420
2001	427,312
2002	454,387

Accrued compensated absences

Library employees are entitled to accrue and carryforward a maximum of ninety days sick leave and forty-five days annual leave. Upon termination of employment, all accumulated annual leave is paid to the employee; however, rights to sick leave benefits do not vest and are forfeited upon termination, except that 25% of the total accumulated sick leave is paid upon resignation if the employee has a balance of twenty days or more. At June 30, 2002 accumulated and accrued vacation and sick leave benefits totaled \$608,465.

NOTE 20 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS

For fiscal year 2002, the County implemented GASB Statement No. 34 (GASB 34), *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, Omnibus, an amendment to GASB Statements No. 27 and 34, issued in June 2001 and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001. GASB 34 creates new basic financial statements for reporting on the County's financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds, if applicable, are presented in total in one column.

The government-wide financial statements split the County's programs between business-type and governmental activities. Except for the restatement explained below, the beginning net asset amount for the business-type activities equals fund equity of the enterprise funds from last year. The beginning net asset amount for governmental programs reflects the change in fund balance for governmental funds at June 30, 2001 caused by the conversion to the accrual basis of accounting.

During 2001, the County changed its policy for capitalizing fixed assets by raising the capitalization threshold to \$5,000. The County also has removed all items previously recorded with a value less than \$5,000 from fixed asset records and eliminated those items, and related accumulated depreciation, for reporting purposes.

(Continued)

NOTE 20 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENTS,
Continued

Implementation of GASB 34 and 35 resulted in certain retroactive adjustments to beginning net assets. The transition from governmental fund balance to net assets of the governmental activities is presented as follows:

	<u>Governmental</u> <u>activities</u>	<u>Business-type</u> <u>activities</u>	<u>Total</u>
Total fund balances and fund equity, June 30, 2001, as previously reported	\$ 39,253,638	\$ 5,387,611	\$ 44,641,249
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:			
Capital assets	293,633,784	-	293,633,782
Construction in progress	720,854	-	720,856
Adjustments to capital assets	(14,070,099)	1,158,574	(12,911,525)
Change in capitalization policy	(19,162,979)	(347,952)	(19,510,931)
Accumulated depreciation	(78,505,837)	-	(78,505,837)
Infrastructure	<u>253,597,522</u>	<u>-</u>	<u>253,597,522</u>
	<u>436,213,245</u>	<u>810,622</u>	<u>437,023,867</u>
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds			
Property taxes	<u>2,059,068</u>	<u>-</u>	<u>2,059,068</u>
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds			
General obligation bonds	(48,805,567)	-	(48,805,567)
Special assessment bonds	(6,461,719)	-	(6,461,719)
Other liabilities	(4,494,038)	-	(4,494,038)
Accrued interest	(900,322)	-	(900,322)
Compensated absences	<u>(4,396,329)</u>	<u>-</u>	<u>(4,396,329)</u>
Total	<u>(65,057,975)</u>	<u>-</u>	<u>(65,057,975)</u>
Net assets, June 30, 2001, restated	<u>\$ 412,467,976</u>	<u>\$ 6,198,233</u>	<u>\$ 418,666,209</u>

NOTE 21 - SUBSEQUENT EVENTS

In September 2002, the County issued bonds within the 8% debt limit in the amount of \$7,850,000 for fire protection and various other projects within the County.

(Continued)

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund. All property taxes, licenses and permits, intergovernmental revenue, charges for services, fines and forfeits and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt, construct or acquire major capital facilities or for which the County Treasurer collects taxes and other funds in a fiduciary capacity. Operational expenditures for general government, public safety, public works and other departments of the County are paid through the General Fund.

RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the year ended June 30, 2002

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
TAXES				
Property taxes and fee in lieu of taxes	\$ 38,582,557	\$ 38,582,557	\$ 38,263,875	\$ (318,682)
Penalties	966,000	966,000	1,082,665	116,665
County documentary stamps	1,400,000	1,400,000	1,555,438	155,438
County recording stamps	775,000	775,000	906,877	131,877
Accommodation tax	500,000	500,000	539,701	39,701
Total taxes	<u>42,223,557</u>	<u>42,223,557</u>	<u>42,348,556</u>	<u>124,999</u>
LICENSES AND PERMITS				
Business licenses	4,600,000	4,600,000	4,544,933	(55,067)
Cable TV franchise fee	1,300,000	1,300,000	1,535,103	235,103
Other licenses and permits	28,435	28,435	28,852	417
Marriage licenses	70,080	70,080	54,427	(15,653)
Mobile home licenses and permits	3,502	3,502	2,970	(532)
Building permits	1,503,876	1,503,876	1,150,038	(353,838)
Hazardous materials permits	48,000	48,000	43,900	(4,100)
Total licenses and permits	<u>7,553,893</u>	<u>7,553,893</u>	<u>7,360,223</u>	<u>(193,670)</u>
INTERGOVERNMENTAL				
State allocations - Doc stamps	100,000	100,000	108,152	8,152
Veterans' service office	25,438	25,438	18,087	(7,351)
Election commission	71,421	71,421	16,175	(55,246)
Tax supplies	11,549	11,549	11,429	(120)
State aid to subdivisions	14,841,665	14,841,665	14,324,077	(517,588)
Mini bottle tax	500,000	500,000	497,842	(2,158)
Pollution control	30,000	30,000	31,532	1,532
Other state allocations	25,000	25,000	140,508	115,508
Agency reimbursements	115,440	115,440	-	(115,440)
Total intergovernmental	<u>15,720,513</u>	<u>15,720,513</u>	<u>15,147,802</u>	<u>(572,711)</u>
CHARGES FOR SERVICES				
Clerk of court, court costs, fees and charges	230,000	230,000	231,006	1,006
Family court, court costs, fees and charges	400,000	400,000	649,416	249,416
DSS Family court costs, fees and charges	-	-	103,460	103,460
Master in equity, court costs, fees and charges	275,000	275,000	314,490	39,490
Probate court, court costs, fees and charges	455,000	455,000	672,681	217,681
Magistrate court, court costs, fees and charges	900,000	900,000	665,070	(234,930)
Sheriff, service of civil process	90,000	90,000	82,929	(7,071)
Housing of federal prisoners	447,000	447,000	179,809	(267,191)
Health and social services	61,000	61,000	59,067	(1,933)
Family court, sheriff DSS unit cost and incentives	578,300	578,300	608,850	30,550
DSS - Federal participation	235,000	235,000	305,490	70,490
Ambulance services	4,475,000	4,475,000	4,103,083	(371,917)
Other services	108,000	108,000	69,041	(38,959)
Copy and map sales	287,212	287,212	298,939	11,727
Sale of data access	119	119	-	(119)
Total charges for services	<u>8,541,631</u>	<u>8,541,631</u>	<u>8,343,331</u>	<u>(198,300)</u>

RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
For the year ended June 30, 2002

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
FINES AND FORFEITS				
Clerk of court	145,000	145,000	138,403	(6,597)
Magistrate courts	650,000	650,000	702,355	52,355
Fines - Other courts and jurisdictions	21,500	21,500	10,678	(10,822)
Bond escheatment	50,000	50,000	94,861	44,861
Traffic court	<u>2,029,000</u>	<u>2,029,000</u>	<u>1,529,919</u>	<u>(499,081)</u>
Total fines and forfeits	<u>2,895,500</u>	<u>2,895,500</u>	<u>2,476,216</u>	<u>(419,284)</u>
MISCELLANEOUS REVENUES				
Investment interest	2,975,000	2,975,000	1,065,377	(1,909,623)
Rental of County property	10,000	10,000	17,701	7,701
Appeal interest	-	-	4,250	4,250
Miscellaneous	<u>1,099,510</u>	<u>1,099,510</u>	<u>749,853</u>	<u>(349,657)</u>
Total miscellaneous revenues	<u>4,084,510</u>	<u>4,084,510</u>	<u>1,837,181</u>	<u>(2,247,329)</u>
CAPITAL REPLACEMENT AND DEPRECIATION FUND				
Property taxes	<u>2,600,000</u>	<u>2,600,000</u>	<u>3,007,581</u>	<u>407,581</u>
MEDICAL INDIGENT CARE FUND				
Property Taxes	1,047,995	1,047,995	1,047,995	-
Richland Memorial/Baptist Hospital reimbursements	<u>-</u>	<u>1,693,000</u>	<u>1,693,200</u>	<u>200</u>
Total medical indigent care fund	<u>1,047,995</u>	<u>2,740,995</u>	<u>2,741,195</u>	<u>200</u>
	<u>84,667,599</u>	<u>86,360,599</u>	<u>83,262,085</u>	<u>(3,098,514)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	100,000	100,000
Sale of scrap	-	-	8,543	8,543
Proceeds from sale of fixed assets	<u>169,960</u>	<u>169,960</u>	<u>(8,642)</u>	<u>(178,602)</u>
	<u>169,960</u>	<u>169,960</u>	<u>99,901</u>	<u>(70,059)</u>
	<u>\$ 84,837,559</u>	<u>\$ 86,530,559</u>	<u>\$ 83,361,986</u>	<u>\$ (3,168,573)</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
LEGISLATIVE				
County council				
Personal services	\$ 183,064	\$ 183,064	\$ 187,278	\$ (4,214)
Operating expenses	118,839	114,310	81,444	32,866
	<u>301,903</u>	<u>297,374</u>	<u>268,722</u>	<u>28,652</u>
Delegation				
Personal services	104,438	107,320	110,493	(3,173)
Operating expenses	1,375	2,675	1,828	847
	<u>105,813</u>	<u>109,995</u>	<u>112,321</u>	<u>(2,326)</u>
Total legislative	<u>407,716</u>	<u>407,369</u>	<u>381,043</u>	<u>26,326</u>
JUDICIAL				
State judges telephone				
Operating expense	24,044	24,044	14,868	9,176
Master-in-Equity				
Personal services	232,836	239,008	242,911	(3,903)
Operating expenses	11,200	11,400	8,952	2,448
Capital outlay	4,240	316	(3)	319
	<u>248,276</u>	<u>250,724</u>	<u>251,860</u>	<u>(1,136)</u>
Probate judge				
Personal services	699,977	717,794	691,976	25,818
Operating expenses	75,227	72,060	65,688	6,372
Capital outlay	8,290	-	(2)	2
Data processing	300	-	-	-
	<u>783,794</u>	<u>789,854</u>	<u>757,662</u>	<u>32,192</u>
Columbia magistrate				
Personal services	166,690	171,770	179,879	(8,109)
Operating expenses	18,250	40,671	35,115	5,556
Capital outlay	7,550	10,863	9,924	939
	<u>192,490</u>	<u>223,304</u>	<u>224,918</u>	<u>(1,614)</u>
Dentsville magistrate				
Personal services	183,747	182,890	200,034	(17,144)
Operating expenses	43,950	43,950	39,964	3,986
Capital outlay	500	-	-	-
	<u>228,197</u>	<u>226,840</u>	<u>239,998</u>	<u>(13,158)</u>
Dutch Fork magistrate				
Personal services	190,607	192,109	204,231	(12,122)
Operating expenses	31,850	31,850	29,896	1,954
Capital outlay	5,800	114	-	114
Data processing	2,500	-	-	-
	<u>230,757</u>	<u>224,073</u>	<u>234,127</u>	<u>(10,054)</u>
Lykesland magistrate				
Personal services	173,516	178,221	202,874	(24,653)
Operating expenses	27,750	27,638	21,709	5,929
	<u>201,266</u>	<u>205,859</u>	<u>224,583</u>	<u>(18,724)</u>
Olympia magistrate				
Personal services	173,188	180,457	185,066	(4,609)
Operating expenses	43,600	41,009	36,988	4,021
Capital outlay	15,000	2,578	839	1,739
	<u>231,788</u>	<u>224,044</u>	<u>222,893</u>	<u>1,151</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
JUDICIAL, Continued				
Upper Township magistrate				
Personal services	176,197	180,695	183,658	(2,963)
Operating expenses	<u>28,975</u>	<u>28,975</u>	<u>23,982</u>	<u>4,993</u>
	<u>205,172</u>	<u>209,670</u>	<u>207,640</u>	<u>2,030</u>
Waverly magistrate				
Personal services	217,775	223,936	215,191	8,745
Operating expenses	<u>55,450</u>	<u>55,450</u>	<u>50,516</u>	<u>4,934</u>
	<u>273,225</u>	<u>279,386</u>	<u>265,707</u>	<u>13,679</u>
Eastover magistrate				
Personal services	145,800	149,285	155,769	(6,484)
Operating expenses	<u>20,800</u>	<u>20,800</u>	<u>18,210</u>	<u>2,590</u>
	<u>166,600</u>	<u>170,085</u>	<u>173,979</u>	<u>(3,894)</u>
Hopkins magistrate				
Personal services	146,162	156,725	161,931	(5,206)
Operating expenses	<u>30,700</u>	<u>28,700</u>	<u>24,711</u>	<u>3,989</u>
	<u>176,862</u>	<u>185,425</u>	<u>186,642</u>	<u>(1,217)</u>
Pontiac magistrate				
Personal services	136,588	141,470	147,406	(5,936)
Operating expenses	<u>36,800</u>	<u>36,500</u>	<u>33,275</u>	<u>3,225</u>
	<u>173,388</u>	<u>177,970</u>	<u>180,681</u>	<u>(2,711)</u>
Administrative magistrate				
Personal services	141,199	263,733	279,480	(15,747)
Operating expenses	2,600	30,850	26,073	4,777
Capital outlay	-	27,905	27,618	287
	<u>143,799</u>	<u>322,488</u>	<u>333,171</u>	<u>(10,683)</u>
General magistrate				
Operating expenses	156,550	156,550	163,339	(6,789)
Capital outlay	<u>13,050</u>	<u>13,050</u>	<u>50</u>	<u>13,000</u>
	<u>169,600</u>	<u>169,600</u>	<u>163,389</u>	<u>6,211</u>
Solicitor				
Personal services	2,286,337	2,312,988	2,261,608	51,380
Operating expenses	<u>113,637</u>	<u>116,637</u>	<u>86,621</u>	<u>30,016</u>
	<u>2,399,974</u>	<u>2,429,625</u>	<u>2,348,229</u>	<u>81,396</u>
Clerk of court				
Personal services	1,767,613	1,811,015	1,787,651	23,364
Operating expenses	420,450	420,450	361,805	58,645
Capital outlay	11,755	11,935	1,840	10,095
Data processing	<u>3,000</u>	<u>3,000</u>	<u>1,500</u>	<u>1,500</u>
	<u>2,202,818</u>	<u>2,246,400</u>	<u>2,152,796</u>	<u>93,604</u>
Total judicial	<u>8,052,050</u>	<u>8,359,391</u>	<u>8,183,143</u>	<u>176,248</u>
EXECUTIVE				
County administrator				
Personal services	635,397	635,341	621,481	13,860
Operating expenses	76,420	67,584	54,203	13,381
Capital outlay	<u>4,000</u>	<u>2,000</u>	<u>125</u>	<u>1,875</u>
	<u>715,817</u>	<u>704,925</u>	<u>675,809</u>	<u>29,116</u>
Public information				
Personal services	108,575	105,958	107,080	(1,122)
Operating expenses	<u>135,890</u>	<u>132,223</u>	<u>97,471</u>	<u>34,752</u>
	<u>244,465</u>	<u>238,181</u>	<u>204,551</u>	<u>33,630</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
EXECUTIVE, Continued				
Risk Management				
Personal services	377,830	379,680	89,553	290,127
Operating expenses	1,395,272	1,395,272	1,085,179	310,093
	<u>1,773,102</u>	<u>1,774,952</u>	<u>1,174,732</u>	<u>600,220</u>
County Ombudsman				
Personal services	170,897	183,196	170,382	12,814
Operating expenses	36,768	31,578	27,011	4,567
Capital outlay	9,500	3,933	3,933	-
	<u>217,165</u>	<u>218,707</u>	<u>201,326</u>	<u>17,381</u>
Clerk of council				
Personal services	107,783	109,877	118,052	(8,175)
Operating expenses	20,288	18,367	15,524	2,843
	<u>128,071</u>	<u>128,244</u>	<u>133,576</u>	<u>(5,332)</u>
County attorney				
Personal services	353,347	360,455	356,223	4,232
Operating expenses	227,149	220,442	127,968	92,474
	<u>580,496</u>	<u>580,897</u>	<u>484,191</u>	<u>96,706</u>
Total executive	<u>3,659,116</u>	<u>3,645,906</u>	<u>2,874,185</u>	<u>771,721</u>
ELECTIONS				
Board of registration				
Personal services	217,559	222,857	212,676	10,181
Operating expenses	6,925	7,725	6,415	1,310
	<u>224,484</u>	<u>230,582</u>	<u>219,091</u>	<u>11,491</u>
Election commission				
Personal services	216,294	218,076	194,603	23,473
Operating expenses	60,580	60,580	28,635	31,945
Capital outlay	22,000	22,000	10,248	11,752
Data processing	3,500	3,500	75	3,425
	<u>302,374</u>	<u>304,156</u>	<u>233,561</u>	<u>70,595</u>
Total elections	<u>526,858</u>	<u>534,738</u>	<u>452,652</u>	<u>82,086</u>
TAXATION				
Auditor				
Personal services	649,357	672,036	691,852	(19,816)
Operating expenses	119,960	114,599	112,974	1,625
Capital outlay	65,215	62,486	62,066	420
Data processing	45,900	40,997	40,288	709
	<u>880,432</u>	<u>890,118</u>	<u>907,180</u>	<u>(17,062)</u>
Treasurer				
Personal services	879,620	908,964	928,179	(19,215)
Operating expenses	56,300	55,326	48,445	6,881
Capital outlay	6,000	7,586	7,486	100
Data processing	89,890	88,162	88,137	25
	<u>1,031,810</u>	<u>1,060,038</u>	<u>1,072,247</u>	<u>(12,209)</u>
Assessment appeals				
Personal services	4,305	4,305	-	4,305
Operating expenses	404	404	-	404
	<u>4,709</u>	<u>4,709</u>	<u>-</u>	<u>4,709</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
TAXATION, Continued				
Assessor				
Personal services	1,303,531	1,332,250	1,315,641	16,609
Operating expenses	134,045	125,159	105,243	19,916
Capital outlay	24,461	43,280	43,102	178
Data processing	41,530	50,080	41,043	9,037
	<u>1,503,567</u>	<u>1,550,769</u>	<u>1,505,029</u>	<u>45,740</u>
Total taxation	<u>3,420,518</u>	<u>3,505,634</u>	<u>3,484,456</u>	<u>21,178</u>
ADMINISTRATION AND STAFF SERVICES				
Finance department				
Personal services	732,278	726,511	721,479	5,032
Operating expenses	206,914	202,913	193,557	9,356
Capital outlay	15,640	7,134	7,134	-
	<u>954,832</u>	<u>936,558</u>	<u>922,170</u>	<u>14,388</u>
Procurement department				
Personal services	245,219	250,471	226,227	24,244
Operating expenses	30,590	29,364	28,703	661
Capital outlay	1,500	-	-	-
Data processing	1,000	-	-	-
	<u>278,309</u>	<u>279,835</u>	<u>254,930</u>	<u>24,905</u>
Volunteer guardian ad litem				
Personal services	281,113	289,563	295,716	(6,153)
Operating expenses	8,225	8,225	8,482	(257)
Capital outlay	-	-	1,985	(1,985)
	<u>289,338</u>	<u>297,788</u>	<u>306,183</u>	<u>(8,395)</u>
Register of Deeds				
Personal services	472,414	480,457	490,111	(9,654)
Operating expenses	103,296	107,318	104,394	2,924
Capital outlay	100,000	63,091	39,267	23,824
Data processing	738,710	66,306	66,291	15
	<u>1,414,420</u>	<u>717,172</u>	<u>700,063</u>	<u>17,109</u>
Human Resources				
Personal services	323,699	338,224	280,804	57,420
Operating expenses	416,139	393,665	228,778	164,887
Capital outlay	33,500	34,700	3,621	31,079
	<u>773,338</u>	<u>766,589</u>	<u>513,203</u>	<u>253,386</u>
Central services				
Personal services	147,938	164,794	166,821	(2,027)
Operating expenses	27,900	26,117	(4,285)	30,402
Capital outlay	2,000	2,000	1,866	134
	<u>177,838</u>	<u>192,911</u>	<u>164,402</u>	<u>28,509</u>
Court Administrator				
Personal services	812,886	834,146	862,934	(28,788)
Operating expenses	38,355	38,083	38,666	(583)
Capital outlay	3,942	4,214	-	4,214
Data processing	-	-	4,214	(4,214)
	<u>855,183</u>	<u>876,443</u>	<u>905,814</u>	<u>(29,371)</u>
Information Technology				
Personal services	1,770,235	1,869,781	1,773,294	96,487
Operating expenses	145,450	143,296	138,952	4,344
Capital outlay	489,608	416,781	415,437	1,344
Data processing	823,311	842,927	825,810	17,117
	<u>3,228,604</u>	<u>3,272,785</u>	<u>3,153,493</u>	<u>119,292</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
ADMINISTRATION AND STAFF SERVICES, Continued				
Geographic Information Systems				
Personal services	34,425	66,307	66,196	111
Operating expenses	302,425	119,829	91,495	28,334
Capital outlay	14,000	110,175	387,672	(277,497)
	<u>350,850</u>	<u>296,311</u>	<u>545,363</u>	<u>(249,052)</u>
Non-departmental				
Personal services	9,095,985	6,197,011	6,119,417	77,594
Operating expenses	2,006,520	4,816,858	1,040,826	3,776,032
Capital outlay	-	-	51,370	(51,370)
	<u>11,102,505</u>	<u>11,013,869</u>	<u>7,211,613</u>	<u>3,802,256</u>
Total administration and staff services	<u>19,425,217</u>	<u>18,650,261</u>	<u>14,677,234</u>	<u>3,973,027</u>
Total general government	<u>35,491,475</u>	<u>35,103,299</u>	<u>30,052,713</u>	<u>5,050,586</u>
PUBLIC SAFETY				
Sheriff				
Personal services	14,620,069	15,611,042	15,591,821	19,221
Operating expenses	3,400,715	3,355,629	3,212,655	142,974
Capital outlay	616,000	539,539	520,170	19,369
Data processing	20,000	-	-	-
	<u>18,656,784</u>	<u>19,506,210</u>	<u>19,324,646</u>	<u>181,564</u>
Detention Center				
Personal services	8,846,924	8,829,115	9,505,787	(676,672)
Operating expenses	4,159,207	4,017,729	3,728,645	289,084
Capital outlay	129,542	227,362	20,844	206,518
Data processing	3,700	3,700	-	3,700
	<u>13,139,373</u>	<u>13,077,906</u>	<u>13,255,276</u>	<u>(177,370)</u>
Emergency Services - Administration				
Personal services	350,789	364,668	368,433	(3,765)
Operating expenses	1,103,595	1,082,480	928,723	153,757
Capital outlay	15,410	15,410	1,443	13,967
	<u>1,469,794</u>	<u>1,462,558</u>	<u>1,298,599</u>	<u>163,959</u>
Emergency Medical Services				
Personal services	5,218,412	5,265,051	4,904,642	360,409
Operating expenses	912,850	949,121	842,759	106,362
Capital outlay	1,071,495	963,453	746,533	216,920
	<u>7,202,757</u>	<u>7,177,625</u>	<u>6,493,934</u>	<u>683,691</u>
Planning				
Personal services	616,640	628,919	572,027	56,892
Operating expenses	130,900	127,409	95,146	32,263
Capital outlay	6,500	6,150	5,785	365
Data processing	4,000	4,000	-	4,000
	<u>758,040</u>	<u>766,478</u>	<u>672,958</u>	<u>93,520</u>
Zoning				
Personal services	326,448	337,797	254,241	83,556
Operating expenses	62,031	58,205	37,378	20,827
Capital outlay	6,700	4,574	2,700	1,874
	<u>395,179</u>	<u>400,576</u>	<u>294,319</u>	<u>106,257</u>
Planning/Growth				
Operating expenses	<u>651,500</u>	<u>135,500</u>	<u>29,772</u>	<u>105,728</u>

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
PUBLIC SAFETY, Continued				
Building inspection				
Personal services	556,038	574,733	561,749	12,984
Operating expenses	159,470	144,705	119,490	25,215
Capital outlay	2,500	2,500	1,400	1,100
	<u>718,008</u>	<u>721,938</u>	<u>682,639</u>	<u>39,299</u>
Coroner				
Personal services	343,851	397,030	412,746	(15,716)
Operating expenses	290,283	393,148	429,752	(36,604)
Capital outlay	63,540	63,619	63,619	-
	<u>697,674</u>	<u>853,797</u>	<u>906,117</u>	<u>(52,320)</u>
Total public safety	<u>43,689,109</u>	<u>44,102,588</u>	<u>42,958,260</u>	<u>1,144,328</u>
PUBLIC WORKS AND UTILITIES				
Public works administration				
Personal services	-	60,082	62,826	(2,744)
Engineering				
Personal services	495,583	509,699	479,692	30,007
Operating expenses	93,836	93,310	148,936	(55,626)
Capital outlay	1,000	12,978	6,672	6,306
Data processing	-	840	839	1
	<u>590,419</u>	<u>616,827</u>	<u>636,139</u>	<u>(19,312)</u>
Road maintenance				
Personal services	1,487,993	-	-	-
Operating expenses	749,046	-	-	-
Capital outlay	408,003	-	-	-
	<u>2,645,042</u>	<u>-</u>	<u>-</u>	<u>-</u>
Central garage				
Operating expenses	6,640	6,640	30,472	(23,832)
Capital outlay	10,500	10,500	10,225	275
	<u>17,140</u>	<u>17,140</u>	<u>40,697</u>	<u>(23,557)</u>
Special services				
Personal services	701,215	709,904	707,320	2,584
Operating expenses	173,870	194,868	159,307	35,561
Capital outlay	212,708	100,446	85,432	15,014
	<u>1,087,793</u>	<u>1,005,218</u>	<u>952,059</u>	<u>53,159</u>
Animal Control				
Personal services	394,468	393,072	387,817	5,255
Operating expenses	139,082	139,901	149,844	(9,943)
Capital outlay	3,000	2,443	2,443	-
Data processing	1,250	1,250	1,100	150
	<u>537,800</u>	<u>536,666</u>	<u>541,204</u>	<u>(4,538)</u>
Construction and facilities maintenance				
Personal services	1,247,386	1,179,509	1,120,358	59,151
Operating expenses	125,372	165,549	142,869	22,680
Capital outlay	167,232	80,232	59,414	20,818
	<u>1,539,990</u>	<u>1,425,290</u>	<u>1,322,641</u>	<u>102,649</u>
Building maintenance - Judicial				
Operating expenses	435,324	523,798	487,661	36,137
Building maintenance - 2020 Hampton				
Operating expenses	397,702	436,117	424,662	11,455

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget		Actual	Variance favorable (unfavorable)
	Original	Final		
PUBLIC WORKS AND UTILITIES, Continued				
Building maintenance - Gregg St.				
Operating expenses	43,594	42,331	41,202	1,129
Building maintenance - 1400 Huger St.				
Operating expenses	86,968	60,867	56,435	4,432
Building maintenance - PW Compound				
Operating expenses	116,749	133,436	122,813	10,623
Building maintenance - Sheriff's Substance				
Operating expenses	12,806	17,968	14,133	3,835
Building maintenance - Other building				
Operating expenses	9,384	12,965	12,346	619
Building maintenance - Sheriff				
Operating expenses	67,442	75,880	78,584	(2,704)
Building maintenance - Fire Stations				
Personal services	49,171	51,104	51,018	86
Operating expenses	28,811	28,811	23,965	4,846
	77,982	79,915	74,983	4,932
Building maintenance - Two Notch Road				
Operating expenses	74,087	85,405	87,773	(2,368)
Building maintenance - Township Auditorium				
Operating expenses	36,848	36,848	35,889	959
Building maintenance - Eastover Magistrate				
Operating expenses	14,384	3,159	1,379	1,780
Total public works and utilities	7,791,454	5,169,912	4,993,426	176,486
HEALTH AND SOCIAL SERVICES				
Health Department				
Personal services	11,834	8,515	6,453	2,062
Operating expenses	161,970	160,531	153,541	6,990
Capital outlay	1,200	-	-	-
Data processing	900	900	-	900
	175,904	169,946	159,994	9,952
Vector Control				
Operating expenses	124,385	122,508	117,223	5,285
	124,385	122,508	117,223	5,285
Department of Social Services				
Operating expenses	267,951	267,951	254,570	13,381
	50,000	50,000	-	50,000
	317,951	317,951	254,570	63,381
Total health and social services	618,240	610,405	531,787	78,618
OTHER				
Richland Soil and Water Conservation				
Personal services	102,614	105,103	106,111	(1,008)
Operating expenses	4,661	8,181	5,643	2,538
	107,275	113,284	111,754	1,530
Veterans Affairs				
Personal services	38,709	39,855	50,417	(10,562)
Operating expenses	1,540	1,540	1,383	157
Capital outlay	-	-	400	(400)
Data processing	400	400	-	400
	40,649	41,795	52,200	(10,405)
Lump Sum Agencies				
Operating expenses	3,391,073	3,353,523	3,390,432	(36,909)

**RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND**

Schedule B-2

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the year ended June 30, 2002**

	Budget			Variance favorable (unfavorable)
	Original	Final	Actual	
OTHER, Continued				
Richland Northeast Industrial Park				
Operating expenses	100,000	100,000	50,732	49,268
Capital outlay	265,000	265,000	259,211	5,789
	365,000	365,000	309,943	55,057
Total other	3,903,997	3,873,602	3,864,329	9,273
MEDICAL INDIGENT CARE				
Operating expenses	1,047,995	1,047,995	1,047,995	-
ACCOMMODATION TAX				
Operating expenses	500,000	500,000	500,000	-
Total budgeted expenditures	93,042,270	90,407,801	83,948,510	6,459,291
NONBUDGETED EXPENDITURES				
Miscellaneous				
Operating expenses	-	-	418,731	(418,731)
Total expenditures	93,042,270	90,407,801	84,367,241	6,040,560
OTHER FINANCING USES				
Transfers out				
Operating transfers	-	-	961,292	(961,292)
Total expenditures and other financing uses	\$ 93,042,270	\$ 90,407,801	\$ 85,328,533	\$ 5,079,268

RICHLAND COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2002

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Services Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Investments	\$ -	\$ 327,173	\$ -	\$ 327,173
Due from other funds	3,020,742	222,391	22,813,938	26,057,071
Receivables:				
Property taxes	110,627	53,836	-	164,463
Other	-	-	100,861	100,861
Intergovernmental receivable	<u>348,455</u>	<u>392,320</u>	<u>-</u>	<u>740,775</u>
Total assets	<u>\$ 3,479,824</u>	<u>\$ 995,720</u>	<u>\$ 22,914,799</u>	<u>\$ 27,390,343</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 580,414	\$ -	\$ 708,025	\$ 1,288,439
Intergovernmental payable	286,712	-	-	286,712
Due to other funds	400,054	117,307	333,075	850,436
Deferred revenue - Property taxes	85,596	16,433	-	102,029
Deferred revenue - Other	<u>-</u>	<u>392,320</u>	<u>-</u>	<u>392,320</u>
Total liabilities	<u>1,352,776</u>	<u>526,060</u>	<u>1,041,100</u>	<u>2,919,936</u>
Fund balances				
Reserved for:				
Encumbrances	483,003	-	-	483,003
Debt service	-	469,660	-	469,660
Unreserved:				
Designated for capital projects	-	-	21,873,699	21,873,699
Undesignated	<u>1,644,045</u>	<u>-</u>	<u>-</u>	<u>1,644,045</u>
Total fund balances	<u>2,127,048</u>	<u>469,660</u>	<u>21,873,699</u>	<u>24,470,407</u>
Total liabilities and fund balances	<u>\$ 3,479,824</u>	<u>\$ 995,720</u>	<u>\$ 22,914,799</u>	<u>\$ 27,390,343</u>

RICHLAND COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2002

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Services Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES				
Property taxes and fee in lieu of taxes	\$ 7,263,210	\$ 976,836	\$ -	\$ 8,240,046
Intergovernmental	1,191,731	-	-	1,191,731
Charges for services	3,029,165	-	-	3,029,165
Fines and forfeits	651,454	-	-	651,454
Local funds	-	-	188,746	188,746
Interest	9,367	7,337	439,435	456,139
Other	-	185,967	-	185,967
Total revenues	<u>12,144,927</u>	<u>1,170,140</u>	<u>628,181</u>	<u>13,943,248</u>
EXPENDITURES				
Capital outlay	1,099,093	-	4,719,201	5,818,294
Debt service:				
Principal retirement	-	2,671,460	-	2,671,460
Interest and fiscal charges	-	951,807	-	951,807
Public Works	1,968,307	-	-	1,968,307
Public Safety	8,147,199	-	-	8,147,199
Other	2,112,823	-	237,707	2,350,530
Total expenditures	<u>13,327,422</u>	<u>3,623,267</u>	<u>4,956,908</u>	<u>21,907,597</u>
Excess of revenues over (under) expenditures	<u>(1,182,495)</u>	<u>(2,453,127)</u>	<u>(4,328,727)</u>	<u>(7,964,349)</u>
Other financing sources (uses):				
Bond proceeds	-	-	36,035,000	36,035,000
Payment on refunded bond escrow agent	-	-	(12,900,000)	(12,900,000)
Operating transfers, net	716,902	931,576	(199,710)	1,448,768
Total other financing sources (uses)	<u>716,902</u>	<u>931,576</u>	<u>22,935,290</u>	<u>24,583,768</u>
Net change in fund balances	(465,593)	(1,521,551)	18,606,563	16,619,419
Fund balances, July 1	<u>2,592,641</u>	<u>1,991,211</u>	<u>3,267,136</u>	<u>7,850,988</u>
Fund balances, June 30	<u>\$ 2,127,048</u>	<u>\$ 469,660</u>	<u>\$ 21,873,699</u>	<u>\$ 24,470,407</u>

SPECIAL REVENUE FUNDS

Federal, State and Local Grants

This fund is to account for revenues and expenditures associated with grant funds received from any Federal, State or Local source.

Victims Assistance Surcharge and Victims Assistance Assessment

These funds are used to account for surcharges and assessments collected from individuals convicted of certain crimes. The revenues are restricted to use in providing services to crime victims.

Airport Operations

The Airport fund is used to accumulate the revenues and expenses related to the operation of the County's airport operations. Operations are financed primarily through fees collected for services, leases, grants and other airport related services.

Temporary Alcohol Permits

This fund was created to account for funds collected by the State from the sale of Sunday alcohol liquor licenses. The funds are restricted to use in accordance with State statute 61-6-2010.

Emergency Telephone

This fund is used to account for tariff charges collected by the local telephone utility companies. The revenues can be used for equipment purchases and maintenance of the 911 Emergency phone system.

Road Maintenance

This fund is used to account for the \$15 fee that is assessed on all motorized vehicles licensed in Richland County. The new fee was implemented in January 2002 and is included on the motor vehicle tax notice. The funds are restricted and must be used specially for the maintenance and improvement of the county road system and any associated costs.

Fire Service

This fund represents revenue and expenditures for the purpose of providing fire protection and safety education throughout the county. Property taxes are the major source of funding for this fund. The tax millage is not a countywide millage and is only levied against areas of the county that are provided with fire protection.

**RICHLAND COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	Federal, State and Local Grants	Victims Assistance Surcharge	Victims Assistance Assessment	Airport Operations	Temporary Alcohol Permits	Emergency Telephone	Road Maintenance	Fire Service	Other	Totals	Less Major Fund: Grants	Total Nonmajor Funds
ASSETS												
Due from other funds	\$ -	\$ 300,084	\$ 439,080	\$ 276,836	\$ 135,333	\$ 1,814,684	\$ -	\$ -	\$ 54,725	\$ 3,020,742	\$ -	\$ 3,020,742
Receivables - Net of allowance for uncollectibles												
Property Taxes	-	-	-	-	-	-	-	86,918	23,709	110,627	-	110,627
Other	78,264	-	-	-	-	-	-	-	-	78,264	78,264	-
Intergovernmental receivable	<u>1,446,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>348,455</u>	<u>-</u>	<u>1,795,361</u>	<u>1,446,906</u>	<u>348,455</u>
Total assets	<u>\$ 1,525,170</u>	<u>\$ 300,084</u>	<u>\$ 439,080</u>	<u>\$ 276,836</u>	<u>\$ 135,333</u>	<u>\$ 1,814,684</u>	<u>\$ -</u>	<u>\$ 435,373</u>	<u>\$ 78,434</u>	<u>\$ 5,004,994</u>	<u>\$ 1,525,170</u>	<u>\$ 3,479,824</u>
LIABILITIES AND FUND BALANCES												
Accounts payable	\$ 711,959	\$ 35,025	\$ 34,269	\$ 2,680	\$ 30,888	\$ 45,580	\$ 341,633	\$ 75,767	\$ 14,572	\$ 1,292,373	\$ 711,959	\$ 580,414
Intergovernmental payables	-	-	-	-	-	-	-	286,712	-	286,712	-	286,712
Due to other funds	1,027,492	-	-	-	-	-	295,281	104,773	-	1,427,546	1,027,492	400,054
Deferred revenue - Property taxes	-	-	-	-	-	-	-	85,308	288	85,596	-	85,596
Deferred revenue - Other	<u>605,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,805</u>	<u>605,805</u>	<u>-</u>
Total liabilities	<u>2,345,256</u>	<u>35,025</u>	<u>34,269</u>	<u>2,680</u>	<u>30,888</u>	<u>45,580</u>	<u>636,914</u>	<u>552,560</u>	<u>14,860</u>	<u>3,698,032</u>	<u>2,345,256</u>	<u>1,352,776</u>
Fund balance												
Reserved for encumbrances	679,011	-	-	-	-	-	-	-	483,003	1,162,014	679,011	483,003
Unreserved undesignated (deficit)	<u>(1,499,097)</u>	<u>265,059</u>	<u>404,811</u>	<u>274,156</u>	<u>104,445</u>	<u>1,769,104</u>	<u>(636,914)</u>	<u>(117,187)</u>	<u>(419,429)</u>	<u>144,948</u>	<u>(1,499,097)</u>	<u>1,644,045</u>
Total fund balances	<u>(820,086)</u>	<u>265,059</u>	<u>404,811</u>	<u>274,156</u>	<u>104,445</u>	<u>1,769,104</u>	<u>(636,914)</u>	<u>(117,187)</u>	<u>63,574</u>	<u>1,306,962</u>	<u>(820,086)</u>	<u>2,127,048</u>
Total liabilities and fund balances	<u>\$ 1,525,170</u>	<u>\$ 300,084</u>	<u>\$ 439,080</u>	<u>\$ 276,836</u>	<u>\$ 135,333</u>	<u>\$ 1,814,684</u>	<u>\$ -</u>	<u>\$ 435,373</u>	<u>\$ 78,434</u>	<u>\$ 5,004,994</u>	<u>\$ 1,525,170</u>	<u>\$ 3,479,824</u>

RICHLAND COUNTY, SOUTH CAROLINA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2002

	Federal, State and Local Grants	Victims Assistance Surcharge	Victims Assistance Assessment	Airport Operations	Temporary Alcohol Permits	Emergency Telephone	Road Maintenance	Fire Service	Other	Totals	Less Major Fund: Grants	Total Nonmajor Funds
REVENUES												
Property taxes and fee in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,674,625	\$ 588,585	\$ 7,263,210	\$ -	\$ 7,263,210
Intergovernmental	6,226,892	-	-	-	99,427	-	-	930,836	161,468	7,418,623	6,226,892	1,191,731
Charges for services	-	-	-	156,701	-	1,212,747	1,659,717	-	-	3,029,165	-	3,029,165
Fines and forfeits	-	348,495	302,959	-	-	-	-	-	-	651,454	-	651,454
Interest	-	-	-	6,640	-	-	1,898	829	-	9,367	-	9,367
Total revenue	<u>6,226,892</u>	<u>348,495</u>	<u>302,959</u>	<u>163,341</u>	<u>99,427</u>	<u>1,212,747</u>	<u>1,661,615</u>	<u>7,606,290</u>	<u>750,053</u>	<u>18,371,819</u>	<u>6,226,892</u>	<u>12,144,927</u>
EXPENDITURES												
Capital outlay	3,684,466	-	99,420	-	32,990	(660)	330,222	293,180	343,941	4,783,559	3,684,466	1,099,093
Public Works	576,040	-	-	-	-	-	1,968,307	-	-	2,544,347	576,040	1,968,307
Public Safety	2,204,337	-	-	-	-	-	-	8,147,199	-	10,351,536	2,204,337	8,147,199
Other	3,583,417	394,368	311,724	120,991	236,867	678,849	-	-	370,024	5,696,240	3,583,417	2,112,823
Total expenditures	<u>10,048,260</u>	<u>394,368</u>	<u>411,144</u>	<u>120,991</u>	<u>269,857</u>	<u>678,189</u>	<u>2,298,529</u>	<u>8,440,379</u>	<u>713,965</u>	<u>23,375,682</u>	<u>10,048,260</u>	<u>13,327,422</u>
Excess of revenues over (under) expenditures	(3,821,368)	(45,873)	(108,185)	42,350	(170,430)	534,558	(636,914)	(834,089)	36,088	(5,003,863)	(3,821,368)	(1,182,495)
OTHER FINANCING SOURCES												
Operating transfers - Net	99,710	-	-	-	-	-	-	716,902	-	816,612	99,710	716,902
Net change in fund balances	(3,721,658)	(45,873)	(108,185)	42,350	(170,430)	534,558	(636,914)	(117,187)	36,088	(4,187,251)	(3,721,658)	(465,593)
FUND BALANCE, JULY 1	<u>2,901,572</u>	<u>310,932</u>	<u>512,996</u>	<u>231,806</u>	<u>274,875</u>	<u>1,234,546</u>	<u>-</u>	<u>-</u>	<u>27,486</u>	<u>5,494,213</u>	<u>2,901,572</u>	<u>2,592,641</u>
FUND BALANCE (DEFICIT), JUNE 30	<u>\$ (820,086)</u>	<u>\$ 265,059</u>	<u>\$ 404,811</u>	<u>\$ 274,156</u>	<u>\$ 104,445</u>	<u>\$ 1,769,104</u>	<u>\$ (636,914)</u>	<u>\$ (117,187)</u>	<u>\$ 63,574</u>	<u>\$ 1,306,962</u>	<u>\$ (820,086)</u>	<u>\$ 2,127,048</u>

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Debt service funds of the County are established and maintained in accordance with Acts passed by the General Assembly of South Carolina authorizing the sale of general debt bonds of the County.

General Obligation Bonds

To accumulate monies for the payment of various countywide general obligation bonds and a note payable to the City of Columbia other than those listed below for which separate funds are maintained. Property taxes are levied throughout the County for the payment of principal and interest for the various bond issues. An unpaid principal balance of \$66,008,886 remained at June 30, 2002.

1997 Series A Drainage Improvement Bonds

To accumulate monies for the payment of the 1997 Drainage Improvement Bonds. Property taxes were levied on the special tax district consisting of the entire county for the payment of principal and interest. At June 30, 2002, the outstanding principal was \$2,500,000.

South Beltline Sewer District Bonds, 1989

To accumulate monies for the payment of 1989 South Beltline Bonds. At June 30, 2002, the outstanding principal was \$200,000. Interest is paid semi-annually on the first of May and November and principal is paid each May, as bonds mature in a serial sequence.

Galaxy Sewer District Bonds, 1989

To accumulate monies for the payment of 1989 Galaxy Bonds. At June 30, 2002, the outstanding principal was \$55,000. Interest is paid semi-annually on the first of May and November and principal is paid each May, as bonds mature in a serial sequence.

Richland County Administrative Building Corporation Certificates of Participation

To accumulate monies for the payment of Richland County Administrative Building Corporation Certificates of Participation. At June 30, 2002, the principal balance outstanding was \$1,605,000.

1991 Series C Refunding Bond

To accumulate monies for the payment of 1991 Series C Refunding Bond which was used to partially defease 1987 Greenview Fairwold Sewer District Bonds. Payments for interest are made semi-annually on the first of June and December and principal is paid each December as the bond matures. At June 30, 2002, the principal outstanding was \$155,779.

1994 Series B Fire Protection Refunding Bonds

To accumulate monies for the payment of the 4.6% to 6.5% fire protection refunding bond of 1994. Property taxes are levied on the unincorporated areas of the County for the payment of principal and interest. Payments for interest are made semi-annually on the first of September and March and principal is paid each March as the bond matures. At June 30, 2002, the principal outstanding was \$2,559,480.

The County maintains a separate debt service fund for each of its special assessment bond issues and one debt service fund for all other bond issues of the County.

RICHLAND COUNTY, SOUTH CAROLINA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002

	General Obligation Bonds			1997 Series A Drainage Improvement Bonds	South Beltline Sewer District Bonds	Galaxy Sewer District Bonds	Richland County Administrative Building C.O.P.	1991 Series C Refunding Bond	1994 Series B Fire Protection Bonds	Totals	Less Major Fund: General Obligation Bonds	Total Nonmajor Funds
	General	Series 2001A Detention Center	Series 2001B Midlands Technical College									
ASSETS												
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,173	\$ -	\$ -	\$ 327,173	\$ -	\$ 327,173
Due from other funds	2,746,790	-	-	58,408	42,616	121,367	-	-	-	2,969,181	2,746,790	222,391
Property taxes receivable	472,603	-	-	31,998	-	-	-	-	21,838	526,439	472,603	53,836
Other receivables	423,250	-	-	-	-	-	-	-	-	423,250	423,250	-
Intergovernmental receivable	-	-	-	-	177,691	58,850	-	155,779	-	392,320	-	392,320
Total assets	<u>\$ 3,642,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,406</u>	<u>\$ 220,307</u>	<u>\$ 180,217</u>	<u>\$ 327,173</u>	<u>\$ 155,779</u>	<u>\$ 21,838</u>	<u>\$ 4,638,363</u>	<u>\$ 3,642,643</u>	<u>\$ 995,720</u>
LIABILITIES AND FUND BALANCES												
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,508	\$ 29,799	\$ 117,307	\$ -	\$ 117,307
Deferred revenue - Property taxes	172,221	-	-	8,549	-	-	-	-	7,884	188,654	172,221	16,433
Deferred revenue - Other	-	-	-	-	177,691	58,850	-	155,779	-	392,320	-	392,320
Total liabilities	<u>172,221</u>	<u>-</u>	<u>-</u>	<u>8,549</u>	<u>177,691</u>	<u>58,850</u>	<u>-</u>	<u>243,287</u>	<u>37,683</u>	<u>698,281</u>	<u>172,221</u>	<u>526,060</u>
Fund balance												
Reserved for debt service	<u>3,470,422</u>	<u>-</u>	<u>-</u>	<u>81,857</u>	<u>42,616</u>	<u>121,367</u>	<u>327,173</u>	<u>(87,508)</u>	<u>(15,845)</u>	<u>3,940,082</u>	<u>3,470,422</u>	<u>469,660</u>
Total liabilities and fund balances	<u>\$ 3,642,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,406</u>	<u>\$ 220,307</u>	<u>\$ 180,217</u>	<u>\$ 327,173</u>	<u>\$ 155,779</u>	<u>\$ 21,838</u>	<u>\$ 4,638,363</u>	<u>\$ 3,642,643</u>	<u>\$ 995,720</u>

RICHLAND COUNTY, SOUTH CAROLINA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2002

	General Obligation Bonds			1997 Series A Drainage Improvement Bonds	South Beltline Sewer District Bonds	Galaxy Sewer District Bonds	Richland County Admin- istrative Building C.O.P.	1991 Series C Refunding Bond	1994 Series B Fire Protection Bonds	Totals	Less Major Fund: General Obligation Bonds	Total Nonmajor Funds
	General	Series 2001A Detention Center	Series 2001B Midlands Technical College									
REVENUES												
Taxes	\$ 8,913,065	\$ -	\$ -	\$ 601,225	\$ -	\$ -	\$ -	\$ -	\$ 375,611	\$ 9,889,901	\$ 8,913,065	\$ 976,836
Interest	215,505	-	-	88	-	-	7,176	-	73	222,842	215,505	7,337
Other	114,361	-	-	-	123,267	62,700	-	-	-	300,328	114,361	185,967
Total revenue	9,242,931	-	-	601,313	123,267	62,700	7,176	-	375,684	10,413,071	9,242,931	1,170,140
EXPENDITURES												
Principal retirement	6,287,670	1,375,000	150,000	500,000	100,000	55,000	155,000	85,000	251,460	8,959,130	6,287,670	2,671,460
Interest and fiscal charges	2,325,002	494,321	46,827	134,297	21,776	11,777	100,232	2,508	140,069	3,276,809	2,325,002	951,807
Total expenditures	8,612,672	1,869,321	196,827	634,297	121,776	66,777	255,232	87,508	391,529	12,235,939	8,612,672	3,623,267
Excess of revenues over (under) expenditures	630,259	(1,869,321)	(196,827)	(32,984)	1,491	(4,077)	(248,056)	(87,508)	(15,845)	(1,822,868)	630,259	(2,453,127)
OTHER FINANCING SOURCES (USES)												
Operating transfers - Net	(687,186)	1,869,321	196,827	-	-	-	244,390	-	(1,378,962)	244,390	(687,186)	931,576
Net change in fund balances	(56,927)	-	-	(32,984)	1,491	(4,077)	(3,666)	(87,508)	(1,394,807)	(1,578,478)	(56,927)	(1,521,551)
FUND BALANCE, JULY 1	3,527,349	-	-	114,841	41,125	125,444	330,839	-	1,378,962	5,518,560	3,527,349	1,991,211
FUND BALANCE (DEFICIT), JUNE 30	\$ 3,470,422	\$ -	\$ -	\$ 81,857	\$ 42,616	\$ 121,367	\$ 327,173	\$ (87,508)	\$ (15,845)	\$ 3,940,082	\$ 3,470,422	\$ 469,660

CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition and construction of major capital facilities. Proceeds of bond issues and tax revenue of the County and other governmental units are maintained by the County Treasurer until such funds are required for their designated purpose. Funds held by the Treasurer may be invested, and interest earned is used toward retirement of interest and principal on the related bond issue.

The County maintains separate capital project funds for each of the following projects:

Drainage Improvement Project

The County is using bond proceeds to construct and repair drainage facilities and infrastructure in the entire unincorporated area of the County.

Construction and Repair Project

The County is using bond proceeds to perform renovation, demolition, retrofitting, relocation, and roofing of various County facilities.

Richland County Projects

The County has designated funds to be used as part of a seven-year vehicle replacement program.

Renovations and Refunding Program

This fund is used to account for the use of bond proceeds for the following major projects: expansion of the Detention Center, renovations of the Township Auditorium, capital investment in GIS program, defray a portion of the cost of the Northeast Technology Center of Midlands Technical College, implementation of countywide telephone system, acquisition of voting machines, substation and lab expansion for the Sheriff's Department, and such other lawful corporate and public purposes as the County Council shall determine.

**RICHLAND COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	Drainage Improvement Project	Construction and Repair Project	Richland County Projects	Renovations and Refunding Program	Total Nonmajor Capital Projects
ASSETS					
Due from other funds	\$ 1,749,589	\$ -	\$ 46,170	\$ 21,018,179	\$ 22,813,938
Other receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,861</u>	<u>100,861</u>
Total assets	<u>\$ 1,749,589</u>	<u>\$ -</u>	<u>\$ 46,170</u>	<u>\$ 21,119,040</u>	<u>\$ 22,914,799</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued expenditures	\$ 228,014	\$ 86,269	\$ 129,748	\$ 263,994	\$ 708,025
Due to other funds	<u>-</u>	<u>333,075</u>	<u>-</u>	<u>-</u>	<u>333,075</u>
Total liabilities	<u>228,014</u>	<u>419,344</u>	<u>129,748</u>	<u>263,994</u>	<u>1,041,100</u>
FUND BALANCES					
Unreserved (deficit) - designated for capital projects	<u>1,521,575</u>	<u>(419,344)</u>	<u>(83,578)</u>	<u>20,855,046</u>	<u>21,873,699</u>
Total fund balances	<u>1,521,575</u>	<u>(419,344)</u>	<u>(83,578)</u>	<u>20,855,046</u>	<u>21,873,699</u>
Total liabilities and fund balances	<u>\$ 1,749,589</u>	<u>\$ -</u>	<u>\$ 46,170</u>	<u>\$ 21,119,040</u>	<u>\$ 22,914,799</u>

RICHLAND COUNTY, SOUTH CAROLINA
CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2002

	<u>Drainage Improvement Project</u>	<u>Construction and Repair Project</u>	<u>Richland County Projects</u>	<u>Renovations and Refunding Program</u>	<u>Total Nonmajor Capital Projects</u>
REVENUES					
Local funds	\$ -	\$ -	\$ 87,885	\$ 100,861	\$ 188,746
Interest income	<u>38,746</u>	<u>22,432</u>	<u>-</u>	<u>378,257</u>	<u>439,435</u>
Total revenue	<u>38,746</u>	<u>22,432</u>	<u>87,885</u>	<u>479,118</u>	<u>628,181</u>
EXPENDITURES					
Other	82,257	41,330	-	114,120	237,707
Capital outlay	<u>205,918</u>	<u>529,578</u>	<u>1,490,933</u>	<u>2,492,772</u>	<u>4,719,201</u>
Total expenditures	<u>288,175</u>	<u>570,908</u>	<u>1,490,933</u>	<u>2,606,892</u>	<u>4,956,908</u>
Excess of revenues over (under) expenditures	<u>(249,429)</u>	<u>(548,476)</u>	<u>(1,403,048)</u>	<u>(2,127,774)</u>	<u>(4,328,727)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	152,180	-	-	35,882,820	36,035,000
Payments to refunded bond escrow agent	-	-	-	(12,900,000)	(12,900,000)
Operating transfers - Net	<u>-</u>	<u>-</u>	<u>(199,710)</u>	<u>-</u>	<u>(199,710)</u>
Total other financing sources (uses)	<u>152,180</u>	<u>-</u>	<u>(199,710)</u>	<u>22,982,820</u>	<u>22,935,290</u>
Net change in fund balances	(97,249)	(548,476)	(1,602,758)	20,855,046	18,606,563
FUND BALANCES, JULY 1	<u>1,618,824</u>	<u>129,132</u>	<u>1,519,180</u>	<u>-</u>	<u>3,267,136</u>
FUND BALANCES (DEFICIT), JUNE 30	<u><u>\$ 1,521,575</u></u>	<u><u>\$ (419,344)</u></u>	<u><u>\$ (83,578)</u></u>	<u><u>\$ 20,855,046</u></u>	<u><u>\$ 21,873,699</u></u>

AGENCY FUNDS

To account for assets held by the County as an agent for other governmental units. Property taxes and other revenue are collected, temporarily retained and distributed by the County Treasurer in accordance with Acts of the General Assembly of South Carolina. Each governmental unit for which an agency fund is maintained is administered by a governing body independent of County Council.

RICHLAND COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2002

	<u>School Funds</u>	<u>Municipalities</u>	<u>Clerk of Court - Trust</u>	<u>Clerk of Court</u>	<u>Family Court</u>	<u>Richland County Recreation Commission</u>	<u>Richland County Recreation Commission - Bonds</u>	<u>Probate Judge</u>
ASSETS								
Cash and cash equivalents	\$ 48,021,958	\$ 95,907	\$ 1,713,507	\$ 363,608	\$ 479,841	\$ 211,438	\$ 508,071	\$ 23,047
Due from other funds	1,114,309	-	-	-	-	-	-	-
Property taxes receivable	11,223,500	2,792,239	-	-	-	264,436	58,446	-
Due from taxing unit	-	28,414	-	-	-	-	-	-
Total assets	<u>\$ 60,359,767</u>	<u>\$ 2,916,560</u>	<u>\$ 1,713,507</u>	<u>\$ 363,608</u>	<u>\$ 479,841</u>	<u>\$ 475,874</u>	<u>\$ 566,517</u>	<u>\$ 23,047</u>
LIABILITIES								
Due to taxing unit	\$ 60,344,793	\$ 2,466,945	\$ -	\$ -	\$ -	\$ 475,874	\$ 566,517	\$ -
Due to other funds	14,974	449,615	-	132,864	-	-	-	-
Funds held for others	-	-	1,713,507	230,744	479,841	-	-	23,047
Total liabilities	<u>\$ 60,359,767</u>	<u>\$ 2,916,560</u>	<u>\$ 1,713,507</u>	<u>\$ 363,608</u>	<u>\$ 479,841</u>	<u>\$ 475,874</u>	<u>\$ 566,517</u>	<u>\$ 23,047</u>

RICHLAND COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2002

	Master in Equity	Magistrates	Columbia Area Mental Health	Richland County Public Library	RMC State Documentary Stamps	Riverbanks Park Commission - Operating	Midlands Technical College	Riverbanks Park Commission - Bonds
ASSETS								
Cash and cash equivalents	\$ 405,391	\$ 166,865	\$ 66,837	\$ 492,237	\$ 396,198	\$ 61,314	\$ 157,480	\$ 1,198,877
Due from other funds	-	-	-	-	-	-	-	-
Property taxes receivable	-	-	61,969	648,374	-	68,519	214,179	57,462
Due from taxing unit	-	-	-	-	-	-	-	-
Total assets	<u>\$ 405,391</u>	<u>\$ 166,865</u>	<u>\$ 128,806</u>	<u>\$ 1,140,611</u>	<u>\$ 396,198</u>	<u>\$ 129,833</u>	<u>\$ 371,659</u>	<u>\$ 1,256,339</u>
LIABILITIES								
Due to taxing unit	\$ -	\$ -	\$ 128,806	\$ 1,140,611	\$ 396,198	\$ 129,833	\$ 371,659	\$ 1,256,339
Due to other funds	-	83,765	-	-	-	-	-	-
Funds held for others	405,391	83,100	-	-	-	-	-	-
Total liabilities	<u>\$ 405,391</u>	<u>\$ 166,865</u>	<u>\$ 128,806</u>	<u>\$ 1,140,611</u>	<u>\$ 396,198</u>	<u>\$ 129,833</u>	<u>\$ 371,659</u>	<u>\$ 1,256,339</u>

RICHLAND COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2002

	South Carolina Department of Revenue	Sheriff Funds	Solicitor Funds	Tax Sale	Reimbursable Accounts	East Richland Public Service District - Bonds	Total
ASSETS							
Cash and cash equivalents	\$ 1,018,804	\$ 547,054	\$ 109,472	\$ 7,276,780	\$ -	\$ 313,551	\$ 63,628,237
Due from other funds	-	-	-	-	-	-	1,114,309
Property taxes receivable	-	-	-	-	-	21,850	15,410,974
Due from taxing unit	-	-	-	-	101,813	-	130,227
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,018,804</u>	<u>\$ 547,054</u>	<u>\$ 109,472</u>	<u>\$ 7,276,780</u>	<u>\$ 101,813</u>	<u>\$ 335,401</u>	<u>\$ 80,283,747</u>
LIABILITIES							
Due to taxing unit	\$ 1,018,804	\$ -	\$ -	\$ -	\$ -	\$ 335,401	\$ 68,631,780
Due to other funds	-	331,278	-	-	101,813	-	1,114,309
Funds held for others	-	215,776	109,472	7,276,780	-	-	10,537,658
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>\$ 1,018,804</u>	<u>\$ 547,054</u>	<u>\$ 109,472</u>	<u>\$ 7,276,780</u>	<u>\$ 101,813</u>	<u>\$ 335,401</u>	<u>\$ 80,283,747</u>

RICHLAND COUNTY, SOUTH CAROLINA
AGENCY FUNDS - SCHOOL FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2002

	School District Number 1 - Operating	School District Number 2 - Operating	School District Number 6 - Operating	School District Number 1 - Bonds and Bond Anticipation Note	School District Number 1 - Capital Projects	School District Number 2 - Bonds	School District Number 6 - Bonds	Total
ASSETS								
Cash and cash equivalents	\$ 3,248,152	\$ 5,160,382	\$ 224,456	\$ 21,111,084	\$ 17,714,746	\$ 563,138	\$ -	\$ 48,021,958
Due from other funds	1,114,309	-	-	-	-	-	-	1,114,309
Property taxes receivable	<u>6,214,998</u>	<u>2,379,312</u>	<u>582,024</u>	<u>1,000,852</u>	<u>-</u>	<u>872,636</u>	<u>173,678</u>	<u>11,223,500</u>
Total assets	<u>\$ 10,577,459</u>	<u>\$ 7,539,694</u>	<u>\$ 806,480</u>	<u>\$ 22,111,936</u>	<u>\$ 17,714,746</u>	<u>\$ 1,435,774</u>	<u>\$ 173,678</u>	<u>\$ 60,359,767</u>
LIABILITIES								
Due to taxing unit	\$ 10,577,459	\$ 7,539,694	\$ 806,480	\$ 22,111,936	\$ 17,714,746	\$ 1,435,774	\$ 158,704	\$ 60,344,793
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,974</u>	<u>14,974</u>
Total liabilities	<u>\$ 10,577,459</u>	<u>\$ 7,539,694</u>	<u>\$ 806,480</u>	<u>\$ 22,111,936</u>	<u>\$ 17,714,746</u>	<u>\$ 1,435,774</u>	<u>\$ 173,678</u>	<u>\$ 60,359,767</u>

RICHLAND COUNTY, SOUTH CAROLINA
AGENCY FUNDS - MUNICIPALITIES
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2002

	<u>City of Columbia</u>	<u>City of Forest Acres</u>	<u>Town of Eastover</u>	<u>Town of Blythewood</u>	<u>Town of Irmo</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 26,629	\$ -	\$ -	\$ 69,278	\$ 95,907
Property taxes receivable	2,706,493	30,586	28,811	10,579	15,770	2,792,239
Due from taxing unit	<u>-</u>	<u>-</u>	<u>28,414</u>	<u>-</u>	<u>-</u>	<u>28,414</u>
Total assets	<u>\$ 2,706,493</u>	<u>\$ 57,215</u>	<u>\$ 57,225</u>	<u>\$ 10,579</u>	<u>\$ 85,048</u>	<u>\$ 2,916,560</u>
LIABILITIES						
Due to taxing unit	\$ 2,314,530	\$ 57,215	\$ -	\$ 10,152	\$ 85,048	\$ 2,466,945
Due to other funds	<u>391,963</u>	<u>-</u>	<u>57,225</u>	<u>427</u>	<u>-</u>	<u>449,615</u>
Total liabilities	<u>\$ 2,706,493</u>	<u>\$ 57,215</u>	<u>\$ 57,225</u>	<u>\$ 10,579</u>	<u>\$ 85,048</u>	<u>\$ 2,916,560</u>

RICHLAND COUNTY, SOUTH CAROLINA
FINES AND ASSESSMENTS
For the year ended June 30, 2002

	Clerk of Court	Magistrates
Fines collected	\$ 173,090	\$ 2,064,883
Assessments from general sessions	183,976	1,876,312
Surcharges collected	<u>163,412</u>	<u>185,083</u>
 Total fines, assessments and surcharges collected	 <u>\$ 520,478</u>	 <u>\$ 4,126,278</u>
 Fines retained by County Treasurer	 \$ 92,815	 \$ 2,064,883
Assessments retained by County Treasurer	69,911	223,240
Surcharges retained by County Treasurer	<u>163,412</u>	<u>185,083</u>
 Total fines, assessments and surcharges retained by County Treasurer	 <u>\$ 326,138</u>	 <u>\$ 2,473,206</u>
 Fines remitted to State Treasurer	 \$ 80,274	 \$ -
Assessments remitted to State Treasurer	<u>114,065</u>	<u>1,653,072</u>
 Total fines, assessments and surcharges remitted to State Treasurer	 <u>\$ 194,339</u>	 <u>\$ 1,653,072</u>

**STATISTICAL
SECTION**

Table C-1

RICHLAND COUNTY, SOUTH CAROLINA
EXPENDITURES AND OTHER USES FOR GENERAL FUND FUNCTIONS
Fiscal years ended June 30, 1993 - 2002

<u>Fiscal year</u>	<u>General government</u>	<u>Public safety (b)</u>	<u>Public works and utilities</u>	<u>Health and social services (c)</u>	<u>Other expenditures (d)</u>	<u>Fire service (e)</u>	<u>Total (a)</u>
1993	\$ 17,593,120	\$ 20,342,343	\$ 5,263,888	\$ 2,839,782	\$ 4,514,788	\$ 3,478,592	\$ 54,032,513
1994	18,839,882	22,660,409	5,084,322	3,281,562	5,085,358	3,996,262	58,947,795
1995	16,365,391	25,031,647	5,337,141	3,008,388	6,505,340	4,042,590	60,290,497
1996	19,654,891	27,120,692	5,630,562	3,070,694	9,872,506	4,463,075	69,812,420
1997	24,591,211	31,495,350	6,886,201	2,837,187	2,242,517	4,852,573	72,905,039
1998	23,659,556	32,972,468	7,023,429	2,653,726	4,272,679	6,152,486	76,734,344
1999	28,495,578	34,434,941	6,921,396	1,597,041	5,913,547	6,657,336	84,019,839
2000	30,293,896	37,671,674	6,962,338	1,708,009	5,493,261	6,437,931	88,567,109
2001	28,952,242	39,799,015	7,728,465	1,684,919	7,218,852	7,682,068	93,065,561
2002	30,052,713	42,958,260	4,993,426	1,579,782	5,744,352	-	85,328,533

Sources: General fund expenditure records maintained by the Richland County Finance Department.

- (a) Includes federal and state grants and revenue sharing.
- (b) Includes detention center.
- (c) Includes medical indigent.
- (d) Includes other financing uses.
- (e) Fire service is shown as a special revenue fund beginning in FY 2002.

Table C-2

RICHLAND COUNTY, SOUTH CAROLINA
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE
Fiscal years ended June 30, 1993 - 2002

<u>Fiscal year</u>	<u>Total taxes</u>	<u>Intergovernmental</u>	<u>Charges for services</u>	<u>Fines and forfeits (c)</u>	<u>Miscellaneous (b)</u>	<u>Total (a)</u>
1993	\$ 34,172,434	\$ 12,140,545	\$ 5,543,691	\$ 1,710,559	\$ 5,329,097	\$ 58,896,326
1994	36,664,932	12,215,481	5,082,767	2,279,143	7,798,916	64,041,239
1995	37,339,302	11,513,024	5,531,458	2,082,155	10,317,968	66,783,907
1996	41,540,477	12,452,807	6,633,202	2,141,719	14,014,491	76,782,696
1997	40,913,146	14,613,791	7,204,561	2,616,905	14,870,478	80,218,881
1998	40,008,055	14,879,973	7,056,498	1,923,896	14,810,918	78,679,340
1999	43,866,268	14,361,764	6,737,863	2,310,335	11,848,200	79,124,430
2000	49,108,011	15,030,099	6,903,787	2,269,498	12,939,325	86,250,720
2001	48,964,294	15,363,992	7,173,596	2,768,529	11,638,196	85,908,607
2002	46,404,132	15,147,802	8,343,331	2,476,216	10,990,505	83,361,986

Sources: General fund revenue records maintained by the Richland County Treasurer

(a) Includes federal and state grants

(b) Includes licenses, permits, and all other financing sources

(c) Reduced by \$74,736 for prior period adjustment made at June 30, 1996

RICHLAND COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
Fiscal years ended June 30, 1993 - 2002

Fiscal year ended June 30	Total tax levy (b)	Net tax collections (a)	Percent of levy collected
1993	\$ 176,618,221	\$ 159,045,082	90.05%
1994	190,898,745	170,722,872	89.43%
1995	192,716,031	182,876,874	94.89%
1996	204,270,066	193,769,548	94.86%
1997	213,268,872	202,690,686	95.04%
1998	223,235,427	217,682,326	97.52%
1999	235,929,009	230,985,246	97.90%
2000	264,204,373	254,075,740	96.17%
2001	286,732,478	274,431,098	95.71%
2002	301,464,318	294,220,184	97.60%

Sources: This schedule contains tax levies and receipts for the Richland County General Government and other County taxing agencies. It does not include the City or Public Service Commission.

(a) Tax records maintained by the Richland County Treasurer.
Includes current taxes only.

(b) Adjusted levy at closeout provided by the Richland County Auditor.

RICHLAND COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND ESTIMATED TRUE VALUE OF ALL TAXABLE PROPERTY
For the years ended June 30, 1993 - 2002

Fiscal year	Tax year	Real property		Personal property	
		Assessed value (a)	Estimated true value	Assessed value (a)	Estimated true value
1993	1992	\$ 442,499,514	\$ 8,687,605,694	\$ 276,618,099	\$ 2,634,458,086
1994	1993	440,966,820	8,939,321,519	282,685,029	2,692,238,371
1995	1994	432,012,320	8,820,500,116	304,714,617	2,902,043,971
1996	1995	433,590,890	8,979,076,100	326,474,350	3,109,279,500
1997	1996	446,334,260	9,792,343,000	343,174,290	3,207,731,600
1998	1997	457,548,360	10,255,184,600	366,390,260	3,415,775,323
1999	1998	460,744,580	10,528,438,600	370,097,901	3,636,233,657
2000	1999	552,901,020	11,507,558,166	403,029,942	4,045,204,636
2001	2000	570,537,150	11,791,101,100	440,595,932	4,196,151,733
2002	2001	594,322,360	12,381,715,833	438,869,949	4,179,713,800

Sources:

(a) Tax abstracts maintained by the Richland County Auditor.

Table C-5

RICHLAND COUNTY, SOUTH CAROLINA
TAX MILLAGE RATES AND TAX LEVIES (PER \$1,000 OF ASSESSED VALUE)
For the years ended June 30, 1993 - 2002

Fiscal year	Tax year	Columbia	Forest Acres	Eastover	Blythewood	Irmo	School district		
							One	Two	Six
Tax Millage Rates (a)									
1993	1992	96.0	25.0	140.0	4.0	38.4	142.7	178.9	203.6
1994	1993	99.0	25.0	140.0	4.0	33.4	174.3	176.1	205.6
1995	1994	99.0	25.0	140.0	4.0	31.4	164.0	181.9	208.0
1996	1995	99.0	25.0	140.0	4.0	27.4	161.6	182.4	205.0
1997	1996	99.0	25.0	140.0	4.0	27.4	171.4	203.4	205.0
1998	1997	99.0	25.0	140.0	8.0	24.3	182.2	202.4	205.0
1999	1998	99.0	25.0	140.0	8.0	23.0	187.2	206.8	209.0
2000	1999	90.0	22.4	121.2	5.2	23.0	183.9	197.5	197.2
2001	2000	92.0	22.4	121.2	8.0	21.0	193.0	208.8	212.9
2002	2001	92.0	35.0	121.2	8.0	19.0	200.9	215.8	221.2
Tax Levies (b) (in thousands of dollars)									
1993	1992	\$ 18,561	\$ 581	\$ 105	\$ 2	\$ 336	\$ 67,069	\$ 29,519	\$ 8,481
1994	1993	21,626	614	94	2	323	78,343	35,178	9,946
1995	1994	22,177	703	102	2	370	76,280	34,543	10,624
1996	1995	22,852	632	111	2	357	82,630	39,661	11,757
1997	1996	24,198	723	112	3	339	88,946	42,760	12,370
1998	1997	24,860	818	132	7	303	99,665	45,880	13,626
1999	1998	25,191	860	118	9	291	96,723	48,614	14,382
2000	1999	27,004	874	132	10	323	109,453	54,525	16,697
2001	2000	28,970	889	134	27	299	119,460	62,565	19,698
2002	2001	29,509	1,382	132	31	283	124,594	67,595	22,071

RICHLAND COUNTY, SOUTH CAROLINA
TAX MILLAGE RATES AND TAX LEVIES (PER \$1,000 OF ASSESSED VALUE)
For the years ended June 30, 1993 - 2002

<u>Fiscal year</u>	<u>Tax year</u>	<u>Midlands Technical College</u>	<u>County purposes</u>	<u>Rural recreation</u>	<u>East Richland County Public Service District</u>	<u>Riverbanks Park</u>
Tax Millage Rates (a)						
1993	1992	3.7	72.4	6.1	10.3	2.1
1994	1993	2.8	76.4	5.8	11.7	1.8
1995	1994	3.1	80.9	5.5	6.9	2.0
1996	1995	3.6	88.5	5.8	9.5	1.9
1997	1996	3.5	78.9	5.4	8.1	1.9
1998	1997	3.5	76.9	5.9	3.4	1.4
1999	1998	4.2	80.8	7.2	1.5	2.7
2000	1999	4.0	64.1	8.8	1.2	2.5
2001	2000	3.9	62.2	8.5	1.2	2.6
2002	2001	3.8	64.4	9.2	1.7	2.2
Tax Levies (b) (in thousands of dollars)						
1993	1992	\$ 2,108	\$ 47,784	\$ 2,928	\$ 1,337	\$ 1,408
1994	1993	2,050	55,756	3,209	1,879	1,985
1995	1994	2,167	60,603	2,785	1,417	2,013
1996	1995	2,521	65,495	3,070	1,425	1,424
1997	1996	2,763	60,384	2,943	1,263	1,476
1998	1997	2,940	64,608	2,612	539	1,176
1999	1998	3,446	66,303	4,076	246	2,215
2000	1999	3,823	61,275	5,771	225	2,389
2001	2000	3,943	62,892	5,928	232	2,628
2002	2001	3,926	66,537	6,554	331	2,273

Sources:

- (a) Tax schedules published by the Richland County Auditor's Office.
- (b) Tax abstracts maintained by the Richland County Auditor.

RICHLAND COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND TAX LEVIES FOR MUNICIPALITIES
For the years ended June 30, 1993 - 2002

Fiscal year	Tax year	City of Columbia		City of Forest Acres		Town of Eastover		Town of Blythewood		Town of Irmo	
		Assessed value (a)	Levy	Assessed value (a)	Levy	Assessed value (a)	Levy	Assessed value (a)	Levy	Assessed value (a)	Levy
1993	1992	\$ 187,483,862	\$ 18,560,902	\$ 23,258,220	\$ 581,456	\$ 749,690	\$ 104,957	\$ 475,460	\$ 1,902	\$ 10,059,365	\$ 335,983
1994	1993	216,694,250	21,511,239	25,263,172	631,580	727,747	101,885	552,589	2,210	11,201,626	374,134
1995	1994	224,013,426	22,177,329	28,137,440	703,436	731,865	102,461	567,032	2,268	11,492,986	390,299
1996	1995	230,820,610	22,852,235	25,304,600	632,615	798,180	111,745	641,800	2,567	12,162,510	357,578
1997	1996	244,426,406	24,198,214	28,907,100	722,670	802,540	112,355	702,976	2,812	12,366,180	338,833
1998	1997	251,118,230	24,860,696	32,734,733	818,368	948,488	132,788	951,980	7,615	12,505,410	303,881
1999	1998	254,458,432	25,191,385	34,417,081	860,427	848,705	118,818	1,231,250	12,250	12,675,099	291,527
2000	1999	300,048,689	27,004,382	39,034,889	874,381	1,092,628	132,426	2,080,360	10,817	14,085,753	323,972
2001	2000	318,330,591	29,286,414	39,699,110	889,260	1,107,078	134,177	3,449,940	27,599	14,241,926	299,080
2002	2001	320,751,600	29,509,147	39,504,145	1,382,645	1,089,180	132,008	3,982,525	31,860	14,944,245	283,940

Sources:

(a) Tax abstracts maintained by the Richland County Auditor.

RICHLAND COUNTY, SOUTH CAROLINA
PERCENTAGE OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
For the years ended June 30, 1993 - 2002

Fiscal year	Population (a)	Assessed value (b)	General bonded debt (c)	Percentage of net general bonded debt to assessed valuation	Net general bonded debt per capita
1993	293,328	\$ 719,117,613	\$67,778,248	9.43%	231.07
1994	296,000	723,651,849	59,728,163	8.25%	201.78
1995	302,150	741,893,897	75,082,255	10.12%	248.49
1996	302,150	760,065,240	79,485,034	10.46%	263.06
1997	305,458	789,508,550	73,271,296	9.28%	239.87
1998	307,838	823,938,620	67,648,966	8.21%	219.76
1999	307,279	830,842,481	61,662,812	7.42%	200.67
2000	320,677	955,930,962	55,122,087	5.77%	171.89
2001	323,303	1,011,133,082	48,805,567	4.83%	150.96
2002	326,421	1,033,192,309	64,422,027	6.24%	197.36

Sources:

- (a) Central Midlands Council Of Governments.
- (b) Tax abstracts are maintained by the Richland County Auditor.
- (c) Richland County Treasurer.

***RICHLAND COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2002***

Assessed value		<u>\$ 1,033,192,309</u>
Debt limit - 8% of assessed value		82,655,385
Amount of debt applicable to debt limit		
Total bonded debt	\$ 69,892,286	
Less		
Issues authorized by referendum	16,830,520	
Issues only for a particular geographical section of the county	<u>5,470,256</u>	
Total amount of debt applicable to debt limit		<u>47,591,510</u>
Legal debt margin		<u>\$ 35,063,875</u>

Note A - Debt Limit

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 total debt outstanding in an amount that exceeds 8 percent of its assessed property value. Excluded from the limitation are: bonded indebtedness approved by the voters and issued within five years of the date of such referendum; special bonded indebtedness levies assessed on properties located in an area receiving special benefits from the taxes collected and, bonded indebtedness existing on December 1, 1977, the effective date of amendment of Article X of the Constitution of South Carolina pertaining to bonded debt.

Sources: Richland County Auditor and Richland County Treasurer.

RICHLAND COUNTY, SOUTH CAROLINA
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2002

	<u>Net general debt outstanding</u>	<u>Percentage applicable to county</u>	<u>County's share of debt</u>
DIRECT			
Richland County - general obligation debt	\$ 64,422,027	100.00%	\$ 64,422,027
Richland County - special assessment debt	<u>5,470,259</u>	100.00%	<u>5,470,259</u>
Total direct	<u>69,892,286</u>		<u>69,892,286</u>
OVERLAPPING			
School District No. 1 of Richland County	177,735,000	100.00%	177,735,000
School District No. 2 of Richland County	62,805,000	100.00%	62,805,000
Lexington County School District No. 5 (School District No. 6 of Richland County)	30,755,000	9.20%	2,829,460
Recreation District of Richland County	10,811,217	100.00%	10,811,217
Richland/Lexington Riverbanks Park District	17,975,000	62.73%	11,275,718
East Richland County Public Service District	2,905,000	100.00%	2,905,000
City of Columbia	<u>8,560,000</u>	98.95%	<u>8,470,120</u>
Total overlapping	<u>311,546,217</u>		<u>276,831,515</u>
Total direct and overlapping debt	<u>\$ 381,438,503</u>		<u>\$ 346,723,801</u>

Sources: Richland County Treasurer, Richland School District No. 1, Lexington County Treasurer.

RICHLAND COUNTY, SOUTH CAROLINA
PERCENTAGE OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL FUND EXPENDITURES
For the years ended June 30, 1993 - 2002

Fiscal year	Total general fund expenditures (a)	County debt service general bonded debt expenditures (b)	Percentage of county debt service expenditures to general fund expenditures
1993	\$ 54,032,513	\$ 10,275,654	19.02%
1994	58,947,795	9,689,551	16.44%
1995	60,290,497	9,029,614	14.98%
1996	69,812,420	10,701,615	15.33%
1997	72,905,039	12,120,610	16.63%
1998	76,734,344	16,270,035	21.20%
1999	84,019,839	12,021,877	14.31%
2000	88,377,864	11,667,144	13.20%
2001	91,313,869	11,350,377	12.43%
2002	85,328,533	12,235,939	14.34%

Sources:

- (a) General Fund expenditure records maintained by the Richland County Finance Department.
- (b) County debt service expenditure records maintained by the Richland County Treasurer.

***RICHLAND COUNTY, SOUTH CAROLINA
PROPERTY VALUE AND CONSTRUCTION VALUE
LAST TEN FISCAL YEARS***

Year	Property value (a) (in thousands)	Construction value (b) (in thousands)
1993	\$ 11,322,064	\$ 145,303
1994	11,631,560	179,298
1995	11,722,544	189,455
1996	12,088,355	317,722
1997	13,000,075	255,714
1998	13,670,960	308,300
1999	14,164,672	355,126
2000	15,552,763	322,571
2001	15,987,253	253,377
2002	16,561,429	283,543

Sources:

- (a) Property value includes all real and personal property per Table C-4.
- (b) Value of building permits issued by Richland County Building Inspection Department.

Table C-12

RICHLAND COUNTY, SOUTH CAROLINA
PRINCIPAL TAXPAYERS
JUNE 30, 2002

<u>Taxpayers</u>	<u>Type business</u>	<u>All property assessed valuation</u>	<u>County taxes paid</u>	<u>Percentage of total assessed valuation</u>
S.C. Electric & Gas	Electric utility	\$ 46,704,070	\$ 14,767,553	4.52%
BellSouth Telecom, Inc.	Telephone service	23,811,680	7,639,467	2.31%
International Paper Co.	Paper products	20,714,690	5,569,437	2.01%
Blue Cross Blue Shield	Insurance	7,166,520	2,179,842	0.70%
Westinghouse Electric Co.	Nuclear fuel	5,371,070	1,531,546	0.52%
AT&T Communications	Telephone service	3,948,630	1,472,049	0.39%
Mynd Corporation	Insurance management	4,633,882	1,416,256	0.45%
Advance Newhouse Partnership	Real estate investments	3,547,380	1,212,832	0.35%
American Italian Pasta	Manufacturing	5,039,060	1,204,839	0.49%
Bose Corporation	Manufacturing	3,783,780	1,111,676	0.37%
Total principal taxpayers		<u>\$ 124,720,762</u>	<u>\$ 38,105,497</u>	<u>12.11%</u>

Table C-13

RICHLAND COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Fiscal year	Population	Per Capita Income	Median age	Education level in years of formal schooling (a)	School enrollment (b)	Unemployment rate
1993	293,328 (a)	19,314 (a)	30.0 (a)	12.7	44,532	5.7% (a)
1994	296,000 (a)	20,366 (a)	30.0 (a)	12.7	46,125	4.4% (a)
1995	302,150 (a)	21,478 (a)	30.0 (a)	12.7	49,476	4% (a)
1996	302,150 (a)	22,692 (a)	30.0 (a)	12.7	48,372	3.4% (a)
1997	305,458 (a)	23,874 (a)	32.0 (a)	12.7	48,416	3% (a)
1998	307,838 (a)	22,891 (a)	32.5 (a)	12.7	48,242	2.2% (a)
1999	307,279 (a)	26,547 (a)	33.1 (a)	12.7	43,152 ***	2.8% (a)
2000	320,677 (a)	26,548 (a) **	31.6 (a)	12.7 **	44,000 ***	2.8% (a) **
2001	323,303 (a)	20,152 (a)	31.9 (a)	12.7 **	44,029 ***	3.1% (c)
2002	326,421 (d)	21,450 (d)	32.2 (d)	12.7 **	44,076	3.9% (c)

Sources:

(a) South Carolina Office of Research and Statistical Information

(b) Richland County School District One and Two

(c) Employment Security Commission

(d) Central Midlands Council of Government Website

* Information based on current year projection

** Information representative of latest information available

*** Richland County School Districts 1 and 2 (previously included District 6 Richland/Lexington)

Table C-14

RICHLAND COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2002

Date of incorporation		1868
Date first charter adopted		1799
Form of government		Council-Administrator
Area - Square miles (1978)		756.5
Highways and roads		
State maintained (2002)		<u>Miles maintained</u>
Interstate	(a)	<u>69.42</u>
Primary		264.79
Secondary		<u>1,354.63</u>
Total state		<u>1,688.84</u>
County maintained	(a)	
Paved		380.32
Dirt		<u>252.59</u>
Total county		<u>632.91</u>
City maintained	(a)	
Paved(2002)		<u>123.10</u>
Grand total		<u><u>2,444.85</u></u>
Building permits	(c)	
Permits issued		3,266
Value of buildings		\$ 283,543,285
Sheriff's protection	(d)	
Number of employees		520
Number of stations		5
Number of patrol units		419
Education (2002)	(e)	
Number of schools		71
Number of administrative personnel*		249
Number of teachers*		3,779
Number of students		44,076

Table C-14

**RICHLAND COUNTY, SOUTH CAROLINA
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2002**

Number of employees	(f)	
Regular county		
Elected		17
Full-time		1,432
Part-time		193
Boards/Commissions		10
Elections	(g)	
Number of registered voters		184,624
Number of voters in last election		118,089
Voter precincts or wards		110
Last election		11/7/2000

Populations: (h)		County and City	Columbia
	Year		
	1993	293,328	112,812
	1994	296,000	111,282
	1995	299,267	110,911
	1996	302,150	111,153
	1997	305,458	110,674
	1998	307,838	110,840
	1999	307,279	111,000
	2000	320,677	111,048
	2001	323,303	116,278
	2002	326,421 *	116,278 (b)

Sources:

- (a) Richland County Public Works
- (b) Information representative of latest information available
- (c) Richland County Planning Department
- (d) Richland County Sheriff's Department
- (e) Richland County School District One and Two
- (f) Richland County Finance Department
- (g) Richland County Election Commission
- (h) Central Midlands Council of Government
- * Estimated population for 2002

***RICHLAND COUNTY, SOUTH CAROLINA
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS***

<u>Year</u>	<u>Special assessment billings (a)</u>	<u>Special assessments collected (b)</u>
1993	\$ 324,326	\$ 514,092
1994	328,972	626,563
1995	328,970	577,826
1996	282,829	265,233
1997	353,862	344,733
1998	262,250	252,890
1999	256,721	247,553
2000	255,130	249,521
2001	268,770	259,907
2002	269,577	278,919

Sources:

- (a) Information provided by the Richland County Auditor
- (b) Special assessments collected information was provided by the Richland County Treasurer and includes current and delinquent collections.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Chairperson and
Members of the County Council for
Richland County, South Carolina

We have audited the financial statements of Richland County, South Carolina as of and for the year ended June 30, 2002, and have issued our report thereon dated December 12, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether Richland County, South Carolina's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is in the accompanying Schedule of Findings and Questions Cost as Item 2002 B1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Richland County, South Carolina's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of Richland County, South Carolina in a separate letter dated December 12, 2002.

This report is intended for the information of the county council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

ELLIOTT DAVIS, LLC

December 12, 2002

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Chairperson and
Members of the County Council for
Richland County, South Carolina

Compliance

We have audited the compliance of Richland County, South Carolina with the types of compliance requirements described in the *United States Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. Richland County, South Carolina'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 Richland County, South Carolina's management. Our responsibility is to express an opinion on Richland County, South Carolina'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 Richland County, South Carolina's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Richland County, South Carolina's compliance with those requirements.

In our opinion, Richland County, South Carolina complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of Richland County, South Carolina is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Richland County, South Carolina's internal control over compliance with requirements that could have a direct and material effect on major federal programs in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we considered to be material weaknesses.

This report is intended for the information of the county council, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

ELLIOTT DAVIS, LLC

December 12, 2002

RICHLAND COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2002

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Richland County, South Carolina.
2. No reportable conditions relating to the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Richland County, South Carolina were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Schedule of Findings and Questioned Costs.
5. The auditor's report on compliance for the major federal award programs for Richland County, South Carolina expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Richland County, South Carolina are reported.
7. The programs tested as major programs include:

U.S. Department of Justice	
COPS Universal Hiring	16.710
COPS More 2001	16.710
Crime Victims Assistance	16.575
U.S. Department of Transportation	
Landscaping Major Blvd.	20.214
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Richland County, South Carolina qualified as a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

- 2002B.1 South Carolina Code of Laws, Section 12-45-220 collateral pledging requirement to secure deposit in excess of federal depository insurance coverage.

Condition and criteria

Demand deposits invested with three financial institutions were not in full compliance with SC Code of Laws Section 12-45-220.

Effect

The County had \$1,425,998 of demand deposits invested with one financial institution with no collateral pledged to secure the deposits as of June 30, 2002.

Cause

Procedures were not followed to insure collateral was pledged by the financial institution for funds deposited in excess of federal depository insurance coverage.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT, Continued

Auditor's recommendation

We recommend that the County fully comply with SC Code of Laws, Section 12-45-220 and periodic verifications of collateral pledged be obtained from financial institutions were County deposits are invested which exceed the federal depository insurance coverage amounts.

Management response

Management concurs with the recommendation. The treasurer will be reminded of the importance of verifying that adequate collateral is pledged to secure any deposits invested with any financial institution in excess of federal depository insurance coverage.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

NONE

RICHLAND COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2002

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Grant Award</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services				
Passed Through SC Department of Social Services				
DSS Teen Pregnancy Reduction	93.558	CA98-40	\$ 511,050	\$ 34,649
DSS Teen Pregnancy Reduction	93.558	CA98-40	170,350	\$ 107,867
Child Support Enforcement Sheriff Warrants	93.563		unit cost	104,462
Child Support Enforcement Family Court	93.563		unit cost	519,648
Total U.S. Department of Health and Human Services				<u>\$ 766,626</u>
U.S. Department of Housing and Urban Development				
Passed through SC Department of Commerce				
Atlas Road Phase II - CDBG	14.228	3L99012	798,868	\$ 218,675
Haskell Heights Sewer Phase II CDBG	14.228	4L00017	446,600	414,189
Passed through SC State Housing Financing and Investment Partnership				
	14.239	MO1SG450124	300,000	110,177
Passed through JEDA/CCIC				
Gilbert Brother's, Inc. Wendy's	14.228	07A01002	318,550	11,792
Southerly's, LLC	14.228	07A01001	550,000	11,192
Direct from U.S. Department of Housing and Urban Development				
Atlas Road Phase I HUD	14.227	SC16SPG34	3,000,000	22,204
Total U.S. Department of Housing and Urban Development				<u>\$ 788,229</u>
U.S. Department of Justice				
Passed through S.C. Department of Public Safety				
Victim Advocate	16.575	1V01086	\$ 33,923	\$ 25,423
Victim Advocate	16.575	1V02084	31,202	7,992
Victim Advocate Services	16.575	1V01044	30,610	23,031
Criminal Domestic Violence Court	16.575	1K01032	50,000	11,135
School Resources Officer Program	16.523	1JS9909	88,813	28,688
School Resources Officer	16.523	1JS0011	88,095	61,379
Undeserved Victims	16.575	1W02009	15,792	15,800
Victim Advocate Services	16.575	1V02095	33,680	8,453
Victim Advocate Services	16.575	1V01108	35,605	24,412
Truancy Intervention and Prevention Program	16.540	1J01005	54,065	17,760
STOP Violence Against Women	16.575	1K01013	68,908	39,446
Sexual Assault Unit	16.575	1K00020	67,745	19,152
Traffic Enforcement Division	20.600	2H02031	100,488	76,422
Highway Safety Traffic Enforcement Division	20.600	2H01031	127,875	37,006
Forensic Laboratory Services	16.579	1F00075	185,623	179,958
Direct from U.S. Department of Justice				
Local 99 Law Enforcement Block	16.592	1999LBVX8987	413,550	49,369
Local 00 Law Enforcement Block	16.592	2000LBBX0025	380,799	230,708
Local 01 Law Enforcement Block	16.592	2001LBBX1739	423,018	277,951
COPS Universal Hiring	16.710	95CCWX0236	887,400	71,989
COPS Universal Hiring	16.710	95CCWX0236	1,134,396	369,096
COPS in School	16.710	1999SHWX0550	322,368	84,487
COPS in School	16.710	2001SHWX0614	312,051	49,511
COPS More 2000	16.710	2000CLWX0060	31,200	23,808
COPS More 2001	16.710	2001CLWX0017	750,000	635,385
Total U.S. Department of Justice				<u>\$ 2,368,361</u>

(Continued)

RICHLAND COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2002

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Grant Award</u>	<u>Expenditures</u>
U.S. Department of Interior				
Passed through the S.C. Dept of Archives and History	15.904	none	20,000	\$ 20,000
Total U.S. Department of Interior				<u>\$ 20,000</u>
U.S. Department of Agriculture				
Passed through S.C. Forestry Commission	10.202	2001U59	3,520	1,994
Total U.S. Department of Agriculture				<u>\$ 1,994</u>
U.S. Department of Treasury				
Gang Resistance Education and Training (GREAT)	21.053	ATC010174	25,000	23,602
Gang Resistance Education and Training (GREAT)	21.053	ATC020185	38,400	5,327
Project DARE	84.186	DFS01RCSD	38,320	35,138
Total U.S. Department of Treasury				<u>\$ 64,067</u>
U.S. Department of Transportation				
Passed through Richland Emergency Preparedness Office				
EMPG	83.552	EMA02GR0506	28,047	\$ 12,616
2002 EMS Grant-in in Aide Program	83.552	EM-2-318	76,625	\$ 66,560
EMPG	83.552	EM0A1-GR-0032	28,047	880
FEMA TCMPE Program	83.552	EMA00-GR0007	15,000	4,924
HMEP Planning	83.548	1313-0001	55,000	53,718
FEMA TCMPE Program	83.552	EMA02GR0506	10,000	3,628
HMEP Planning	20.703	HMESC9042070	2,825	1,818
Passed through SC Department of Transportation				
Landscaping Major Blvd	20.214	STP-MPOE 001	312,168	250,056
Total U.S. Department of Transportation				<u>\$ 394,200</u>
Total Federal Expenditures				<u>\$ 4,403,477</u>

Note All expenditures reported on the above Schedule of Expenditures of Federal Awards are report on the modified accrual basis of accounting as applicable to governmental funds. The accounting policies of the County conform to accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board is the accepted standard setting body for establishing governmental accounting and financial reporting principles. A summary of the more significant policies can be found on the notes to financial statements of Richland County, South Carolina's general purpose financial statements for the year ended June 30, 2002.

***RICHLAND COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2002***

NONE