

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

Contributions Payable

Contributions payable includes amounts received from employers in excess of current unemployment tax liabilities. The Commission maintains the "credits" on account to cover future tax liabilities.

Fund Equity

Reserves represent those portions of governmental and Expendable Trust Fund balances not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative managerial plans for future use of unreserved financial resources. At June 30 1998, three of the Commission's reserves were as follows:

Reed Act Funds – The Commission has funds totaling \$53,522 available under the Reed Act. These funds have not been appropriated by the General Assembly. A reserve has been established to account for the funds until they are legally appropriated.

SCOICC – Pursuant to 1998 Appropriation Act Proviso 65.3, all user fees collected by the South Carolina Occupational Information Coordinating Committee through the Commission may be retained to use for operating the South Carolina Occupational Information System. All user fees not expended in the prior fiscal year were brought forward for use in the current fiscal year. As provided by 1999 Appropriation Act Proviso 51.3, all user fees not expended in fiscal year 1998 may be carried forward to fiscal year 1999 for use in the SCOICC program. At June 30, 1998, \$371,418 was carried forward and is reported as a reserved fund balance.

Use of Estimates

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

Changes in Presentation

In prior years, the Commission presented a statement of revenues, expenditures and changes in fund balance with administrative expenditures separately reported in the general fund as budgeted in the State's Appropriation Act. In the current year, the expenditures are reported based on the program for which the expenditure was incurred.

NOTE 2. DEPOSITS:

The amounts shown as cash and cash equivalents on the balance sheet at June 30, 1998 are composed of the following:

Cash on hand	\$ 800
Deposits held by State Treasurer	19,498,024
Deposits held by U.S. Treasury	721,513,965
Other deposits	<u>824,640</u>
Totals	<u>\$741,837,429</u>