

**AUDITED FINANCIAL STATEMENTS**  
**NEWBERRY COUNTY, SOUTH CAROLINA**  
Newberry, South Carolina

June 30, 2012

**Audited Financial Statements**

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# RISH & ENZASTIGA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Honorable Chairman and Members of the County  
Council for Newberry County, South Carolina  
Newberry, South Carolina

We have audited the accompanying primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Newberry County, South Carolina, as of and for the year ended June 30, 2012. These financial statements are the responsibility of Newberry County, South Carolina's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, the primary government financial statements and cash flows, where applicable, present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the primary government of Newberry County, South Carolina, as of June 30, 2012 for the year then ended in conformity with generally accepted accounting principles.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. However, the primary government financial statements, because they do not include the financial data of component units of Newberry County, South Carolina, do not purport to, and do not, present fairly the financial position of Newberry County, South Carolina, as of June 30, 2012 and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but it is supplementary information required by GASB No. 34. We have applied certain limited procedures, which consist primarily on 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2012 on our consideration of Newberry County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements of Newberry County. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Risk and Emportez*

Lexington, South Carolina  
October 30, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2012**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2012. Our purpose is to inform our citizens of the effect of our County's operations and to present our financial position. The readers should also review the detail statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial aspects were as follows:

- **Net Assets:** The County's Total Net Assets as of June 30, 2012, were \$44,154,350, which represented an decrease of \$4,986,867 from the prior year end. The net assets of the governmental activities totaled \$44,154,350. The County had no business activity net assets at year end. The operating assets of the County's business-type activity were sold in February 2011.
- **Revenues and Expenditures:** Revenues totaled \$27,074,712 and expenditures totaled \$39,341,260 for all Governmental Funds at the fund level. Accordingly, expenditures exceeded revenues by \$12,266,548 before other financing activities. The general fund increased the fund balance by \$1,612,160. The debt service fund balance decreased \$5,192,864 on the 2005 Sales Tax bond defeasance. The capital projects fund balance decreased \$7,859,899 from the Sales Tax Bond and the lease purchase spending.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$1,567,989 consisting of purchases of equipment and vehicles. Depreciation expense in governmental activities was \$2,838,788. This resulted in a net decrease of capital assets of \$1,270,799.
- **Business Type Activities:** J. F. Hawkins' Nursing Home is an Enterprise Fund that operates as a business enterprise. The County sold the assets of the Nursing Home to a private company in February 2011. During the fiscal year the County collected on accounts receivable and paid any outstanding bills.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$21,662,253 in fiscal year 2012 Revenues, which primarily consisted of property taxes and intergovernmental sources. Net other financing uses were \$1,156,633, and \$18,893,460 in expenditures, leaving a surplus for the year of \$1,612,160.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

- **Debt Service:** The County retired \$8,517,860 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance decreased from \$11,379,871 to \$6,187,007. Bonds payable are \$22,553,418 at June 30, 2012 in governmental activities. Detail for long term debt is shown in Note G.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: (1) government-wide financial statements; (2) fund financial statements (General, Special Revenue, Debt Service, Capital, Fiduciary, Proprietary), and; (3) notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves. A description of these statements and some related definitions follow:

**Government-wide Financial Statements:** The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private sector business. These statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include legislative, finance, election and registration, public safety, public works, social services, education and cultural, and public health expenditures.

**Statement of Net Assets:** The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

**Statement of Activities:** The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).



**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**Fund Financial Statements:** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental Funds:** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows of spend-able resources, as well as on balances of spend-able resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains its accounting records in conformity with the Governmental Accounting Standards. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Capital Projects Funds and non-major Special Revenue funds.

**Proprietary Funds:** Proprietary (Enterprise) funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that of monitoring the cost of such programs for public policy.

**Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of county residents and 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 accrual basis of accounting is used for fiduciary funds. The primary funds are held for fire service protection, school funds and regional rescue squads

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**Notes to the Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other Supplemental Information:** In addition to the basic financial statements and accompanying notes, this report also presents certain information concerning the County's budget process. The County adopts an annual expenditure budget for the general fund. A budgetary comparison statement has been provided for the General Fund.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$44,154,350 as of June 30, 2012. The largest portion of the County's net assets (53.5 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending.

The County's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the County's net assets for the fiscal year ended June 30, 2012.

Current assets	\$ 36,599,096
Non-current assets	<u>36,390,794</u>
Total assets	<u>72,989,890</u>
Current liabilities	6,703,047
Non-current liabilities	<u>22,150,493</u>
Total liabilities	<u>28,853,540</u>
Net assets	<u>\$ 44,154,350</u>
Net assets -	
Invested in capital assets, net of related debt	\$ 26,762,376
Restricted	15,045,789
Unrestricted	<u>2,346,185</u>
Total net assets	<u>\$ 44,154,350</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

The following are significant current year transactions that have had an impact on the Statement of Net Assets:

- GO Bond principal payments of \$8,517,860
- Purchases of vehicles and equipment of \$1,567,989 and depreciation of \$2,838,788
- Spending the remaining proceeds of the Sales Tax Bond and other capital projects \$7,649,598

**Changes in net assets:** The County's combined governmental and business-type revenues for the fiscal year ended June 30, 2012, were \$27,042,014. The total cost of all programs and services was \$32,028,881. The following table presents a summary of the activity that resulted in changes to total net assets for the fiscal year ended June 30, 2012.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 857,529
Operating grants and contributions	281,640
Capital grants	188,717
General revenues:	
Property taxes	18,831,565
Intergovernmental sources	1,631,463
Fines and assessments	965,399
Sales tax	3,340,403
Miscellaneous	<u>945,298</u>
Total revenues	<u>27,042,014</u>
<b>EXPENSES:</b>	
Governmental - current	( 23,088,783)
Intergovernmental - capital	
Construction & improvements	( 7,649,598)
Debt service	( 1,160,183)
J. F. Hawkins Nursing Home	<u>( 130,317)</u>
Total expenses	<u>( 32,028,881)</u>
Decrease in net assets	<u>(\$ 4,986,867)</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**Statement of Activities:** The following table presents the cost of the four major functional activities: current, capital outlays, debt service, and J. F. Hawkins Nursing Home. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

	Total Expenses	Net Revenue (Expense)
Governmental - Current	\$ 23,088,783	\$ (21,760,897)
Intergovernmental - capital		
Construction & improvements	7,649,598	(7,649,598)
Debt Service - interest	1,160,183	(1,160,183)
J. F. Hawkins Nursing Home	<u>130,317</u>	<u>(130,317)</u>
 Total expenses	 <u>\$ 32,028,881</u>	 <u>\$(30,700,995)</u>

- The cost of all activities this year was \$32,028,881
- Net cost of governmental activities (\$21,760,897) was financed by general revenues (\$25,714,128), which are made up of primarily property taxes (\$18,831,565), intergovernmental sources (\$1,631,463), fines and assessments (\$965,399), sales tax (\$3,340,403), and other revenue (\$945,298).
- Net cost of business-type activities (\$130,317) was financed by the transfer from the governmental activities.

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$34,428,300, a decrease of \$11,606,157 since June 30, 2011. A fund balance of \$8,863,355 or 25.7 percent of total governmental fund balance constitutes unreserved and unassigned, which is available for spending at the County's discretion.

The remaining fund balance is reserved:

- \$ 18,551,908 assigned for future capital projects
- \$ 6,187,007 assigned for debt service
- \$ 302,189 committed for special revenue
- \$ 500,000 assigned for notes receivable – due from J. F. Hawkins Nursing Home
- \$ 23,841 nonspendable for inventory - fuel

The General Fund is the principal operating fund of the County. The increase in fund balance in the General Fund for the fiscal year was \$1,612,160 was the result of increased savings for future projects in FY 2012 – 2013. The Debt Service Fund balance showed a decrease of \$5,192,864 from the prior year due to the 2005 Sales Tax Bond defeasance. The Capital Projects Funds showed a fund balance of \$11,895,315, a combination of remaining Sales Tax, Lease purchase and GO Bonds proceeds. The Capital Projects had expenditures of \$8,983,351.

**Proprietary Fund:** Proprietary Funds are used to account for operations that are financial and operated in a manner similar to private business enterprises. The J. F. Hawkins Nursing Home is the only Proprietary Fund. This Fund had a net increase of \$30,803. The Nursing Home assets were sold in February 2011 to a private party. The operations in 2012 were limited to trying to collect on accounts receivable and paying expenses of the past operations.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) –  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**BUDGETARY HIGHLIGHTS**

A schedule showing the original and final budget amounts compared to the County's actual financial activity for the General Fund is provided in this report.

The County budgeted \$20,786,252 in General Fund Revenue with actual revenue totaling \$21,662,253 for a difference of \$876,001. The budget for expenditures was \$20,796,252 with the actual expenditures being \$18,257,257 for a difference of \$2,228,826. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$1,612,160. Changes to the original and final budget were made through budget amendments during the year to adjust for various projects and costs.

**CAPITAL ASSETS**

As of June 30, 2012, the County had invested \$35,890,794. in capital assets, net of accumulated depreciation, including buildings and facilities, fire service and rescue squad vehicles, other vehicles, and other equipment. Total depreciation expense for the year was \$2,838,788 for governmental activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2012.

	Amount
Land	\$ 8,143,969
Buildings and improvements	32,367,809
Vehicles and equipment	13,994,668
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
 Total	 <u>\$ 71,500,595</u>

Additional information on the County's capital assets can be found in Note O of this report.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**DEBT ADMINISTRATION**

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2012.

	Amount
General obligation bonds	\$ 22,553,418
Lease purchase	2,029,451
Accrued compensated absences	<u>510,304</u>
 Total	 <u>\$ 25,093,173</u>

State statutes currently limit the amount of general obligation debt a County may issue to 8 percent of its total assessed valuation. Additional information on the County's long-term debt can be found in Note G of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Newberry County is one of the oldest counties in the State of South Carolina, having been created by the old Ninety-Six District in 1785. The county is located in the central piedmont portion of the state and encompasses a land area of 630 square miles. Approximately 54,000 acres located within the northeastern portion of Newberry County are within the Sumter National Forest.

Agriculture and manufacturing are important sources of employment for the residents of the County. Some of Newberry County's major taxpayers are Louis Rich, Renfro Corporation, Georgia Pacific Corporation and International Paper.

Numerous factors will be considered by County Council during the process of developing the fiscal year 2012 - 2013 budget. Some of County Council's main goals are to enhance the tax base and job opportunities for Newberry County. This will be done by continuing the refinement of the County's economic development plan. This plan will consist of industrial, commercial and tourism elements. A portion of this plan includes the development of a new industrial park. County staff is currently developing a plan to implement GIS and also developing a plan to enhance the Newberry County Airport. Further, we are studying alternative sources for revenue.

Another goal established by Newberry County Council is to continue to improve the quality and efficiency of services to all our citizens. This will be accomplished by the proper alignment of resources with professional service priorities as established by County Council.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) –  
CONTINUED  
YEAR ENDED JUNE 30, 2012**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I – VI are presented for additional analysis of the County's finances for the FY 11- 12.

Table I – Statement of Net Assets – Governmental Activities – Total current assets decreased \$12,865,027 versus the prior year due to decreases in cash (capital projects fund and debt service). Capital assets decreased \$772,436 net as shown in Note O for capital asset additions for new equipment less depreciation expense. Total liabilities decreased \$8.6 million for net issuance/payments of bond principal. The 2005 Sales Tax Bond was defeased during the fiscal year. Net assets decreased because of the payment of debt and the capital outlays from reserves.

Table II – Statement of Net Assets – Business-Type Activity – The assets of the Nursing Home were sold in February 2011. For fiscal year 2011-2012, the County collected on accounts receivable and paid any outstanding bills. The remaining asset is the \$500,000 held in escrow which becomes available to the County in 2014.

Table IV – Statement of Activities – Governmental Activities – Total revenues decreased \$2,732,346. The Sheriff's office received a grant to upgrade equipment and C-fund revenues were higher in FY 2011. The County also issued the 2011 Sales Tax Bond and received a bond premium of \$1,048,080 in addition to the bond proceeds. This income was shown in the Other Revenue. Total expenses increased \$4.8 million due to increases in GO Bond and Sales Tax Bond expenses used for intergovernmental expenses.

Table V – Statement of Activities – Business-Type Activities –. The Nursing Home operations ended effective February 2011 due to the sale of the Nursing Home's assets. The County expensed bad debts of \$130,317 from accounts receivable from previous fiscal years.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Division of Financial Services, Newberry County, 1309 College Street, Newberry, South Carolina 29108. (Telephone # 803-321-2100).

Information on component units and their financial reports can be obtained by contacting Division of Financial Services, Newberry County, 1309 College Street, Newberry, South Carolina 29108. (Telephone # 803-321-2100).



NEWBERRY COUNTY, SOUTH CAROLINA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued  
 YEAR ENDED JUNE 30, 2012

**Table I - Current vs. Prior - Statements of Net Assets - Governmental Activities**

	Governmental Activities		
	2012	2011	Variance
<b>Assets</b>			
Total Current Assets	\$ 36,599,096	\$ 49,464,123	\$ (12,865,027)
Capital Assets, net of accumulated depreciation	<u>36,390,794</u>	<u>37,163,230</u>	<u>(772,436)</u>
Total Assets	<u>\$ 72,989,890</u>	<u>\$ 86,627,353</u>	<u>\$ (13,637,463)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 6,703,047	\$ 8,889,341	\$ (2,186,294)
Non-Current Liabilities	<u>22,150,493</u>	<u>28,565,992</u>	<u>(6,415,499)</u>
Total Liabilities	<u>\$ 28,853,540</u>	<u>\$ 37,455,333</u>	<u>\$ (8,601,793)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 26,762,376	\$ 26,328,230	\$ 434,146
Restricted	15,045,789	14,862,265	183,524
Unrestricted/(deficit)	<u>2,346,185</u>	<u>7,981,525</u>	<u>(5,635,340)</u>
Total Net Assets	<u>\$ 44,154,350</u>	<u>\$ 49,172,020</u>	<u>\$ (5,017,670)</u>

**Table II - Current vs. Prior - Statements of Net Assets - Business-Type Activities**

	Business-Type Activities		
	2012	2011	Variance
<b>Assets</b>			
Total Current Assets	\$ -	\$ 693,942	\$ (693,942)
Other Non-current Assets	500,000	500,000	-
Capital Assets, net of accumulated depreciation	-	-	-
Total Assets	<u>\$ 500,000</u>	<u>\$ 1,193,942</u>	<u>\$ (693,942)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ -	\$ 88,761	\$ (88,761)
Non-Current Liabilities	<u>500,000</u>	<u>1,135,984</u>	<u>(635,984)</u>
Total Liabilities	<u>\$ 500,000</u>	<u>\$ 1,224,745</u>	<u>\$ (724,745)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ -	\$ -	-
Unrestricted/(deficit)	-	<u>(30,803)</u>	<u>30,803</u>
Total Net Assets	<u>\$ -</u>	<u>\$ (30,803)</u>	<u>\$ 30,803</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2012**

**Table III - Current vs. Prior - Statements of Net Assets - Total  
Government-Wide Activities**

	Total Government-Wide Activities		
	<u>2012</u>	<u>2011</u>	<u>Variance</u>
<b>Assets</b>			
Total Current Assets	\$ 36,599,096	\$ 50,158,065	\$ (13,558,969)
Other Non-current Assets	500,000	500,000	-
Capital Assets, net of accumulated depreciation	<u>36,390,794</u>	<u>37,163,230</u>	<u>(772,436)</u>
Total Assets	<u>\$ 73,489,890</u>	<u>\$ 87,821,295</u>	<u>(14,331,405)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 6,703,047	\$ 8,978,102	\$ (2,275,055)
Non-Current Liabilities	<u>22,650,493</u>	<u>29,701,976</u>	<u>(7,051,483)</u>
Total Liabilities	<u>\$ 29,353,540</u>	<u>\$ 38,680,078</u>	<u>\$ (9,326,538)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 26,762,376	\$ 26,328,230	\$ 434,146
Restricted	15,045,789	14,862,265	183,524
Unrestricted/(deficit)	<u>2,346,185</u>	<u>7,950,722</u>	<u>(5,604,537)</u>
Total Net Assets	<u>\$ 44,154,350</u>	<u>\$ 49,141,217</u>	<u>\$ (4,986,867)</u>

**Table IV - Current vs Prior - Statement of Activities - Governmental Activities**

	Governmental Activities		
	2012	2011	Variance
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 857,529	\$ 1,112,808	\$ (255,279)
Operating Grants	281,640	319,767	(38,127)
Capital Grants	188,717	1,461,109	(1,272,392)
General Revenue:			
Property Taxes			
Intergovernmental Sources	18,831,565	18,974,148	(142,583)
Fines and Assessments	1,631,463	1,688,323	(56,860)
Sales Tax - Debt Service	965,399	1,012,716	(47,317)
Other	3,340,403	3,494,878	(154,475)
	945,298	1,710,611	(765,313)
<b>Total Revenues</b>	<b>\$ 27,042,014</b>	<b>\$ 29,774,360</b>	<b>\$ (2,732,346)</b>
<b>Expenses</b>			
Current			
Legislative			
Administration	\$ 261,093	\$ 255,275	\$ 5,818
Tax assessment & collection	980,580	1,461,515	(480,935)
Election & registration	1,397,389	1,334,889	62,500
Administration of Justice	237,966	207,067	30,899
Law enforcement	1,744,953	1,666,660	78,293
Detention	3,887,941	4,261,914	(373,973)
Public safety	1,776,280	1,664,174	112,106
Public works & maintenance	4,171,946	4,058,454	113,492
Planning & development	5,632,563	6,395,224	(762,661)
Agriculture & home economics	417,864	411,868	5,996
Public health	123,545	125,239	(1,694)
Social services	24,879	37,150	(12,271)
Miscellaneous	248,820	240,041	8,779
Emergency telephone reporting	1,880,899	1,385,678	495,221
Capital Construction & Improvements - Intergovernmental	302,065	748,435	(446,370)
Interest and Fees	7,649,598	2,828,992	4,820,606
	1,160,183	809,126	351,057
<b>Total Expenses</b>	<b>\$ 31,898,564</b>	<b>\$ 27,891,701</b>	<b>\$ 4,006,863</b>

**Table V - Current vs Prior - Statement of Activities - Business-Type Activities**

	Business-Type Activities		
	2012	2011	Variance
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ -	\$ 5,850,960	\$ (5,850,960)
Insurance proceeds	-	-	-
Other	-	2,572,474	(2,572,474)
<b>Total Revenues</b>	<b>\$ -</b>	<b>\$ 8,423,434</b>	<b>\$ (8,423,434)</b>
<b>Expenses</b>			
J. F. Hawkins Nursing Home	\$ 130,317	\$ 6,537,238	\$ (6,406,921)

Table VI - Current vs Prior - Statement of Activities - Total Government-Wide Activities

	Total Government-Wide Activities		
	2012	2011	Variance
<b>Revenues</b>			
Program Revenues:			
Charges for Services	\$ 857,529	\$ 6,963,768	\$ (6,106,239)
Operating Grants	281,640	319,767	(38,127)
Capital Grants	188,717	1,461,109	(1,272,392)
General Revenue:			
Property Taxes	18,831,565	18,974,148	(142,583)
Intergovernmental Sources	1,631,463	1,688,323	(56,860)
Fines and Assessments	965,399	1,012,716	(47,317)
Sales Tax - Debt Service	3,340,403	3,494,878	(154,475)
Other	945,298	4,283,085	(3,337,787)
Insurance proceeds	-	-	-
Total Revenues	\$ 27,042,014	\$ 38,197,794	\$ (11,155,780)
<b>Expenses</b>			
Current			
Legislative	\$ 261,093	\$ 255,275	5,818
Administration	980,580	1,461,515	(480,935)
Tax assessment & collection	1,397,389	1,334,889	62,500
Election & registration	237,966	207,067	30,899
Administration of Justice	1,744,953	1,666,660	78,293
Law enforcement	3,887,941	4,261,914	(373,973)
Detention	1,776,280	1,664,174	112,106
Public safety	4,171,946	4,058,454	113,492
Public works & maintenance	5,632,563	6,395,224	(762,661)
Planning & development	417,864	411,868	5,996
Agriculture & home economics	123,545	125,239	(1,694)
Public health	24,879	37,150	(12,271)
Social services	248,820	240,041	8,779
Miscellaneous	1,880,899	1,385,678	495,221
Emergency telephone reporting	302,065	748,435	(446,370)
Capital Construction & Improvements - Intergovernmental	7,649,598	2,828,992	4,820,606
Interest and Fees	1,160,183	809,126	351,057
J. F. Hawkins Nursing Home	130,317	6,537,238	(6,406,921)
Total Expenses	32,028,881	34,428,939	(2,400,058)
Change in Net Assets	(4,986,867)	3,768,855	(8,755,722)
Net Assets, Beginning of Year	49,141,217	45,372,362	3,768,855
Net Assets, End of Year	\$ 44,154,350	\$ 49,141,217	\$ (4,986,867)

**BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT**

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash - Notes B & C	\$ 18,254,170	\$ -	\$ 18,254,170
Investments - Note C	15,861,224	-	15,861,224
Receivables			
Property taxes - delinquent - Note E	1,114,313	-	1,114,313
Fines and fees	45,864	-	45,864
Other	58,065	-	58,065
Due from other governments			
State shared revenue	364,955	-	364,955
Sales tax	866,767	-	866,767
Grant revenue	9,897	-	9,897
Inventory - jet fuel	23,841	-	23,841
<b>Total Current Assets</b>	<b>36,599,096</b>	<b>-</b>	<b>36,599,096</b>
Restricted cash - Note F	-	500,000	500,000
Due to/from internal balances - Note D	500,000	(500,000)	-
Capital Assets - Note O			
Land	8,143,969	-	8,143,969
Buildings	32,367,809	-	32,367,809
Roads	11,340,105	-	11,340,105
Equipment	13,994,668	-	13,994,668
Airport improvements	5,654,044	-	5,654,044
Accumulated depreciation	(35,609,801)	-	(35,609,801)
<b>TOTAL ASSETS</b>	<b>\$ 72,989,890</b>	<b>\$ -</b>	<b>\$ 72,989,890</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Current Liabilities			
Accrued expenses	\$ 683,042	\$ -	\$ 683,042
Deferred revenue			
Grant revenue	11,542	-	11,542
Due to other taxing units and others	1,048,374	-	1,048,374
Accrued interest	155,087	-	155,087
Lease payable, current portion	900,366	-	900,366
Bonds payable, current portion	3,904,636	-	3,904,636
<b>Total Current Liabilities</b>	<b>6,703,047</b>	<b>-</b>	<b>6,703,047</b>
Bonds payable, less current portion	18,648,782	-	18,648,782
Compensated absences	510,304	-	510,304
Net OPEB Obligation - See Note R	1,844,322	-	1,844,322
Lease purchase, less current portion	1,129,085	-	1,129,085
<b>TOTAL LIABILITIES</b>	<b>28,835,540</b>	<b>-</b>	<b>28,835,540</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt, \$9,128,418	26,762,376	-	26,762,376
Restricted for:			
notes receivable	500,000	-	500,000
special projects, net of related debt, \$10,495,315	8,358,782	-	8,358,782
debt service	6,187,007	-	6,187,007
Unrestricted	2,346,185	-	2,346,185
<b>TOTAL NET ASSETS</b>	<b>44,154,350</b>	<b>-</b>	<b>44,154,350</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 72,989,890</b>	<b>\$ -</b>	<b>\$ 72,989,890</b>

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	Expenses	Program Revenues			Net Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Current							
Legislative	\$ 261,093	\$ -	\$ -	\$ -	\$ (261,093)	\$ -	\$ (261,093)
Administration	980,580	-	-	-	(980,580)	-	(980,580)
Tax assessment & collection	1,397,389	-	-	-	(1,397,389)	-	(1,397,389)
Election & registration	237,966	-	-	-	(237,966)	-	(237,966)
Administration of Justice	1,744,953	-	187,159	-	(1,557,794)	-	(1,557,794)
Law enforcement	3,887,941	-	-	-	(3,887,941)	-	(3,887,941)
Detention	1,776,280	-	-	-	(1,776,280)	-	(1,776,280)
Public safety	4,171,946	-	-	-	(4,085,422)	-	(4,085,422)
Public works & maintenance	5,632,563	86,524	-	188,717	(4,871,751)	-	(4,871,751)
Planning & development	417,864	572,095	-	-	(417,864)	-	(417,864)
Agriculture & home economics	123,545	-	-	-	(123,545)	-	(123,545)
Public health	24,879	-	-	-	(24,879)	-	(24,879)
Social services	248,820	-	-	-	(248,820)	-	(248,820)
Miscellaneous	1,880,899	-	94,481	-	(1,786,418)	-	(1,786,418)
Emergency telephone reporting	302,065	198,910	-	-	(103,155)	-	(103,155)
Capital construction & improvements - intergovernmental	7,649,598	-	-	-	(7,649,598)	-	(7,649,598)
Debt service	1,160,183	-	-	-	(1,160,183)	-	(1,160,183)
Interest & other bond costs	-	-	-	-	-	-	-
Total Governmental Activities	31,898,564	857,529	281,640	188,717	(30,570,678)	-	(30,570,678)
Business-Type Activities							
J. F. Hawkins Nursing Home	130,317	-	-	-	-	(130,317)	(130,317)
TOTAL	\$ 32,028,881	\$ 857,529	\$ 281,640	\$ 188,717	\$ (30,570,678)	\$ (130,317)	\$ (30,700,995)
General Revenues							
Property Taxes Levied For:							
General Purposes							
Debt Service							
Intergovernmental sources							
Fines and assessments							
Sales tax - debt service							
Other							
Transfer							
Total General Revenues		17,833,661					17,833,661
Change in Net Assets		997,904					997,904
Net Assets, Beginning of Year		1,631,463					1,631,463
NET ASSETS, END OF YEAR		3,340,403					3,340,403
		945,298					945,298
		(161,120)					-
		25,553,008					25,714,128
		(5,017,670)					(4,986,867)
		49,172,020					49,141,217
		(30,803)					-
		\$ 44,154,350					\$ 44,154,350

June 30, 2012

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>ASSETS</b>					
Cash - Notes B & C	\$ 13,872,772	\$ 854,235	\$ 2,921,679	\$ 605,484	\$ 18,254,170
Investments - Note C	3,830,396	4,457,192	7,573,636	-	15,861,224
Receivables					
Property taxes - delinquent - Note E	177,662	50,531	-	-	228,193
Fines and fees	45,864	-	-	-	45,864
Other	58,065	-	-	-	58,065
Due from other governments					
State shared revenue	364,955	-	-	-	364,955
Sales tax	-	866,767	-	-	866,767
Grant revenue	-	-	-	9,897	9,897
Inventory - jet fuel	-	-	-	23,841	23,841
Due from JF Hawkins - Note F	-	-	500,000	-	500,000
Due from other funds - Note D	301,650	-	900,000	5,875	1,207,525
<b>TOTAL ASSETS</b>	<b>\$ 18,651,364</b>	<b>\$ 6,228,725</b>	<b>\$ 11,895,315</b>	<b>\$ 645,097</b>	<b>\$ 37,420,501</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 683,042	\$ -	\$ -	\$ -	\$ 683,042
Deferred revenue					
Property taxes	-	41,718	-	-	41,718
Grant revenue	-	-	-	11,542	11,542
Due to taxing units and others	1,048,374	-	-	-	1,048,374
Due to other funds - Note D	900,000	-	-	307,525	1,207,525
<b>TOTAL LIABILITIES</b>	<b>2,631,416</b>	<b>41,718</b>	<b>-</b>	<b>319,067</b>	<b>2,992,201</b>
<b>FUND BALANCES</b>					
Reserved:					
Nonspendable - inventory - fuel	-	-	-	23,841	23,841
Committed for special revenue	-	-	-	302,189	302,189
Assigned for notes receivable	-	-	500,000	-	500,000
Assigned for capital projects	7,156,593	-	11,395,315	-	18,551,908
Assigned for debt service	-	6,187,007	-	-	6,187,007
Unreserved:					
Unassigned	8,863,355	-	-	-	8,863,355
<b>TOTAL FUND BALANCES</b>	<b>16,019,948</b>	<b>6,187,007</b>	<b>11,895,315</b>	<b>326,030</b>	<b>34,428,300</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 18,651,364</b>	<b>\$ 6,228,725</b>	<b>\$ 11,895,315</b>	<b>\$ 645,097</b>	<b>\$ 37,420,501</b>

## Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balances - Governmental Funds	\$ 34,428,300
Capital assets, net of accumulated depreciation	35,890,794
Bonds payable	(22,553,418)
Leases payable	(2,029,451)
Compensated absences	(510,304)
Net OPEB Obligation	(1,844,322)
Accrued interest	(155,087)
Recognition of deferred taxes	927,838
<b>Total Net Assets - Governmental Activities</b>	<b>\$ 44,154,350</b>

The accompanying notes are an integral part of this statement.



NEWBERRY COUNTY, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds		\$ (11,606,157)
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.</p>		
Capital outlays	1,567,989	
Depreciation expense	<u>(2,838,788)</u>	(1,270,799)
<p>Net Repayment/(Issuance) of bond principal is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities</p>		
	(333,465)	
	<u>8,517,860</u>	8,184,395
<p>In the statement of activities, compensated absences are measured by the amounts expended during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		32,705
<p>Repayment/(Issuance) of lease purchase/(lease purchase proceeds) is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
Issuance of principal	(790,637)	
Repayment of principal	<u>889,051</u>	98,414
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as it accrues, regardless of the due date.</p>		
Interest on bonds and lease purchase increased by:		36,059
<p>In the statement of activities, OPEB benefits are measured by the accrued OPEB cost recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		(428,715)
<p>Some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred tax revenues. In the statement of activities, property taxes are recorded as revenue in the year levied.</p>		
		<u>(63,572)</u>
Change in net assets - governmental activities		<u>\$ (5,017,670)</u>

NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2012

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>REVENUE</b>					
Taxes	\$ 17,897,233	\$ 997,904	\$ -	\$ -	\$ 18,895,137
Intergovernmental	1,631,463	-	-	470,357	2,101,820
Fines and fees	1,499,473	-	-	323,455	1,822,928
Sales tax	-	3,340,403	-	-	3,340,403
Other	634,084	46,357	7,111	226,872	914,424
<b>TOTAL REVENUE</b>	<b>21,662,253</b>	<b>4,384,664</b>	<b>7,111</b>	<b>1,020,684</b>	<b>27,074,712</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Legislative	261,093	-	-	-	261,093
Administration	991,058	-	-	-	991,058
Tax assessment & collection	1,380,820	-	-	-	1,380,820
Election & registration	179,142	-	-	-	179,142
Administration of Justice	1,669,612	-	-	54,031	1,723,643
Law enforcement	3,280,465	-	-	329,669	3,610,134
Detention	1,731,690	-	-	-	1,731,690
Public safety	3,756,314	-	-	-	3,756,314
Public works & maintenance	4,221,255	-	-	-	4,221,255
Planning & development	403,927	-	-	-	403,927
Agriculture & home economics	123,545	-	-	-	123,545
Public health	24,879	-	-	-	24,879
Social services	248,820	-	-	-	248,820
Miscellaneous	387,602	-	-	-	387,602
Emergency telephone reporting	-	-	-	1,064,582	1,452,184
Capital outlays	-	-	-	302,065	302,065
Capital construction & improvements	233,238	-	8,983,351	-	9,216,589
<b>Debt service</b>					
Principal retirement - Note G	-	8,517,860	-	-	8,517,860
Interest	-	1,196,242	-	-	1,196,242
Fees & other bond service costs	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>18,893,460</b>	<b>9,714,102</b>	<b>8,983,351</b>	<b>1,750,347</b>	<b>39,341,260</b>
<b>Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources</b>					
	<u>2,768,793</u>	<u>(5,329,438)</u>	<u>(8,976,240)</u>	<u>(729,663)</u>	<u>(12,266,548)</u>
<b>OTHER FINANCING SOURCES</b>					
GO Bond proceeds	-	-	333,465	-	333,465
Lease purchase proceeds	-	-	790,637	-	790,637
Lease purchase payment	-	-	(333,465)	-	(333,465)
Surplus property sale	30,874	-	-	-	30,874
Transfer to JF Hawkins (loan)	-	-	(161,120)	-	(161,120)
Transfer In/(Out)	<u>(1,187,507)</u>	<u>136,574</u>	<u>486,824</u>	<u>564,109</u>	<u>-</u>
<b>Excess/(Deficiency) of Revenue Over/(Under) Expenditures</b>					
	1,612,160	(5,192,864)	(7,859,899)	(165,554)	(11,606,157)
Fund Balance, Beginning of Year,	<u>14,407,788</u>	<u>11,379,871</u>	<u>19,755,214</u>	<u>491,584</u>	<u>46,034,457</u>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 16,019,948</b>	<b>\$ 6,187,007</b>	<b>\$ 11,895,315</b>	<b>\$ 326,030</b>	<b>\$ 34,428,300</b>

The accompanying notes are an integral part of this statement.

NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2012

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Property taxes, current	\$ 14,998,965	\$ 14,998,965	\$ 14,738,379	\$ (260,586)
Special education levies - taxes	721,505	721,505	716,207	(5,298)
Fee In Lieu	750,000	750,000	1,314,184	564,184
Delinquent taxes and cost	1,092,500	1,092,500	1,128,463	35,963
Intergovernmental	1,632,508	1,632,508	1,631,463	(1,045)
Fines and fees	1,570,785	1,570,785	1,499,473	(71,312)
Other	575,528	575,528	634,084	58,556
Balance brought forward	<u>226,566</u>	<u>226,566</u>	<u>-</u>	<u>(226,566)</u>
<b>TOTAL REVENUE</b>	<u>21,568,357</u>	<u>21,568,357</u>	<u>21,662,253</u>	<u>93,896</u>
<b>EXPENDITURES</b>				
Current				
Legislative	282,643	291,823	261,093	30,730
Administration	1,619,445	1,207,059	991,058	216,001
Tax assessment & collection	1,451,044	1,490,400	1,380,820	109,580
Election & registration	173,250	175,141	179,142	(4,001)
Administration of Justice	1,673,933	1,714,134	1,669,612	44,522
Law enforcement	3,271,438	3,392,222	3,280,465	111,757
Detention	1,857,828	1,896,939	1,731,690	165,249
Public safety	4,096,641	4,183,506	3,756,314	427,192
Public works & maintenance	4,795,695	4,836,330	4,221,255	615,075
Planning & development	491,439	502,023	403,927	98,096
Agriculture & home economics	127,846	127,846	123,545	4,301
Public health	40,630	40,629	24,879	15,750
Social services	247,681	254,738	248,820	5,918
Miscellaneous	474,947	491,670	387,602	104,068
Capital outlays				
Capital construction & improvements	<u>252,392</u>	<u>252,392</u>	<u>233,238</u>	<u>19,154</u>
<b>TOTAL EXPENDITURES</b>	<u>20,856,852</u>	<u>20,856,852</u>	<u>18,893,460</u>	<u>1,963,392</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>711,505</u>	<u>711,505</u>	<u>2,768,793</u>	<u>2,057,288</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Surplus property sale	10,000	10,000	30,874	20,874
Transfer from special revenue	-	-	215,853	215,853
Transfer to capital projects	-	-	(623,398)	(623,398)
Transfer to special revenue (includes Special Education Levies)	<u>(721,505)</u>	<u>(721,505)</u>	<u>(779,962)</u>	<u>(58,457)</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,612,160</u>	<u>1,612,160</u>
Fund Balance, Beginning of Year			<u>14,407,788</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 16,019,948</u>	

The accompanying notes are an integral part of this statement.

PROPRIETARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2012

	Business-Type Activities
	<u>J. F. Hawkins Nursing Home</u>
<b>ASSETS</b>	
Escrow - Restricted cash - Note F	\$ 500,000
<b>TOTAL ASSETS</b>	<u>\$ 500,000</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Due to governmental funds - long term	\$ 500,000
<b>TOTAL LIABILITIES</b>	<u>500,000</u>
<b>NET ASSETS</b>	
Unrestricted	-
<b>TOTAL NET ASSETS</b>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 500,000</u>

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2012

<b>REVENUE</b>	
Other revenue	\$ <u>          -</u>
<b>TOTAL OPERATING REVENUE</b>	<u>                  -</u>
<b>OPERATING EXPENSES</b>	
Bad debts	<u>          130,317</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>          130,317</u>
<b>OPERATING INCOME</b>	(130,317)
<b>NON-OPERATING ITEMS</b>	
Transfer from capital projects (loan)	<u>          161,120</u>
<b>TOTAL NON-OPERATING ITEMS</b>	<u>          161,120</u>
<b>CHANGE IN NET ASSETS</b>	30,803
Net Assets/(Deficit), Beginning of Year	<u>          (30,803)</u>
<b>NET ASSETS/(DEFICIT), END OF YEAR</b>	<u><u>                  -</u></u>

For the Year Ended June 30, 2012

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and patients	<u>\$ 58,846</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>58,846</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
- None -	<u>-</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>-</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due to governmental funds	<u>(474,864)</u>
<b>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(474,864)</u>
<b>NET CHANGE IN CASH AND EQUIVALENTS</b>	(416,018)
Cash and equivalents, Beginning of Year	<u>416,018</u>
<b>CASH AND EQUIVALENTS, END OF YEAR</b>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of this statement.

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2012

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income	\$ (130,317)
Adjustments to reconcile operating loss to net cash provided by operating activities	
- None -	
Changes in operating assets and liabilities - increase/(decrease) in cash flows	
Accounts receivable	277,924
Accrued expenses	<u>(88,761)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 58,846</u>

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS STATEMENT  
 NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2012

	Newberry County School District	Fire Departments/ Rescue Squads	Market St Escrow	Total Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents - Note B and C	\$ 4,497,655	\$ 278,005	\$ -	\$ 4,775,660
Investments	<u>20,269,476</u>	<u>-</u>	<u>50,000</u>	<u>20,319,476</u>
<b>TOTAL ASSETS</b>	<u>\$ 24,767,131</u>	<u>\$ 278,005</u>	<u>\$ 50,000</u>	<u>\$ 25,095,136</u>
<b>LIABILITIES</b>				
Due to other entities	<u>\$ 24,767,131</u>	<u>\$ 278,005</u>	<u>\$ 50,000</u>	<u>\$ 25,095,136</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 24,767,131</u>	<u>\$ 278,005</u>	<u>\$ 50,000</u>	<u>\$ 25,095,136</u>

The accompanying notes are an integral part of this statement.



Year Ended June 30, 2012

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of PresentationGeneral

The accounting and reporting policies of Newberry County, South Carolina (the County), relating to the funds and account group included in the accompanying general-purpose financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the County are described below.

Reporting Entity

The foundation of a primary government is a separately elected governing body - one that is elected by the citizens in a general, popular election. As the nucleus of the financial reporting entity, the primary government generally is the focal point of the users of the financial statements. Thus, it is important to define the primary government and determine what it comprises. A primary government is any state government or general purpose local government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. These component units combined with the primary government form the Reporting Entity. These financial statements include only the data of the primary government and do not include data of component units necessary for reporting in conformity with generally accepted accounting principles.

Component units that are not included in these financial statements are the Newberry County Memorial Hospital, Newberry County Alcohol and Drug Abuse Center, Newberry County Community Hall Commission, Newberry Regional Library, and the Newberry County Airport Commission. These organizations have boards that are appointed by Newberry County Council and are fiscally dependent to varying degrees.

Rural Fire Control

The fire departments are funded by the County. The fire departments are governed by the Board of Rural Fire Control. Personnel for the fire departments serve on a volunteer basis. Additional funds are raised through donations and fund raisers upon approval of the Board of Rural Fire Control. Each Fire Department Chief controls and designates spending for each department. The funds held by each department are custodial in nature to be used for each department's fire control needs and not for the benefit of the County's daily operations. Therefore the fire departments have been shown in an agency fund and do not involve measurement of results of operations.

Year Ended June 30, 2012

## NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES --Continued

Rescue Squads

The rescue squads are funded by County monies. The rescue squads are governed by the Board of Rescue Squads. Personnel for the rescue squads serve on a volunteer basis. Additional funds are raised through donations and fund-raisers upon approval of the Board of Rescue Squads. Each rescue squad chief controls and designates spending for each rescue squad. The funds held by each squad are custodial in nature to be used for each squad's needs and not for the benefit of the County's daily operations. Therefore the rescue squads have been shown in an agency fund and do not involve measurement of results of operations.

J. F. Hawkins Nursing Home

The Nursing Home was a proprietary fund of Newberry County used to provide housing, health care and other related services to residents through the operation of a 118 bed nursing home. The Nursing Home was sold February 2011 to a private investor.

Other Information

Since the other political subdivisions of the County, including the School District, have the authority to hire and terminate employees, establish their own operating budgets and enter into their own contracts, the County does not significantly influence their operations. As these entities have the authority to borrow funds and are responsible for funding their own deficits, the County does not have accountability for their fiscal matters. Accordingly, these other political subdivisions have been excluded from the County's financial statements.

Government-Wide and Fund Accounting

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. The effect of interfund transfers has been eliminated from these statements. Governmental activities are reported separately from business-type activities.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

**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 fees, and miscellaneous revenue are recorded in this fund except amounts which are specifically collected to service debt 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 – Non-Major Funds

Special revenue funds are shown as non-major funds. These funds are for sheriff's grants and assessments, intergovernmental expenditures and clerk of court. These funds are used to account for the revenue and expenditures for specific projects outside of general fund purposes.

Capital Projects Fund - Major Fund

The Capital Projects Fund is used to account for financial resources specifically allocated for the County's future building and construction projects.

Debt Service Fund – Major Fund

This fund accounts for the accumulation of resources for and the payment of bond 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 obligation debt bonds of the County. Bonds and interest for which the County Treasurer collects and remits receipts to, or on behalf of, other governmental units are accounted for as part of the agency fund.

**PROPRIETARY FUND**

The Proprietary Fund is used for activities which are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The County currently has one proprietary fund – J. F. Hawkins Nursing Home. The Nursing Home bills for services of medical care on a monthly basis and accounts for that revenue when billed. Revenue includes services to patients covered by Medicare and Medicaid. These payments represent approximately 70% of total revenue. Differences between anticipated reimbursement amounts and established billing rates are recorded as contractual adjustments. These adjustments are reported as deductions from patient service revenue.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

**FIDUCIARY FUND TYPE – AGENCY FUND**

Fiduciary Fund Type – Agency Fund - This fund accounts 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.

Basis of Accounting- Government-wide and Governmental Funds

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenue when the County has assessed and levied the appropriate amounts due. Government-wide financial statements are prepared using a different measurement focus than government fund financial statements. A reconciliation of the two financial statements has been shown to identify the relationship between the government-wide statements and the governmental fund financial statements.

The governmental fund types utilize the modified accrual basis of accounting. The modified accrual basis of accounting is summarized as follows: Revenue is recognized when it becomes measurable and available as a net current asset. State shared revenues are considered “measurable” in the hands of the State Treasurer and are recognized as revenue at that time. Grant revenue is recognized when the corresponding expenditure is incurred. Other major revenues that are determined to be susceptible to accrual are property taxes received within 60 days of year-end, state and federal grants earned, and interest. Major revenue that is determined not to be susceptible to accrual because it is either not available soon enough to pay liabilities to the current period or is not objectively measurable include licenses, permits, and the majority of fines and fees. Expenditures are recognized when the related fund liability is incurred. An exception to the general rule includes: (1) interest on general long-term indebtedness, which is not accrued but is recorded as an expenditure when paid.

Proprietary funds utilize the accrual basis of accounting, under which, the County recognizes revenue when earned and expenses are recorded as they occur.

Cash and Cash Equivalents

For financial statement reporting purposes, the County considers all short-term cash investments and other highly liquid investments such as treasury bills, commercial paper, and money market funds with a maturity of three months or less to be cash and cash equivalents.

Investments

Investments, consisting primarily of the State Treasury Investment Pool, are stated at fair market value. It is generally the policy of the County to hold investments to maturity.

Inventories

The County has fuel facilities at the County Airport. Inventory consisting of jet fuel had a cost of \$23,841 at June 30, 2012. The County values its inventory at cost.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Compensated Absences

Accumulated unpaid vacation benefits are not accrued in governmental funds, as the County intends to fund such costs from future operations; i.e., from assets not representing expendable available resources at June 30, 2012. The County does not accrue sick leave as the employees' rights to it do not vest.

Budget

County Council adopts an annual appropriated budget 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 appropriated budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments and any additional appropriations and transfers between departments are approved by County Council. The budget is prepared on a basis other than the one prescribed by GAAP. Adjustments are made to present the amounts properly in the general-purpose financial statements. See Note M – Budget.

Encumbrances

The County did not have any material encumbrances at June 30, 2012. Under encumbrance accounting, contracts, purchase orders and other commitments for expenditures are recorded in order to reserve that portion of an applicable appropriation as an extension of the formal budgetary integration in the County's general fund.

Fund Equity

Restricted, Committed and Assigned fund balances represent tentative plans for future use of financial resources. Restricted fund balance is when constraints are externally imposed by creditors, grantors, laws or enabling legislation and placed on resources. Committed fund balance are amounts that can only be used for specific purposes imposed by formal action of the government's highest level of decision-making authority. Assigned fund balance are amounts constrained by the government's intent to be used for a specific purpose.

When both restricted, committed, assigned and unassigned resources are available for use, it is the government's policy to use restricted, committed or assigned resources first, then unassigned resources as needed.

Use of Estimates

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Capital Assets

All Capital Assets are capitalized at historical cost and updated for additions and deletions during the fiscal year less accumulated depreciation. The County maintains a capitalization threshold of \$5,000 for capital assets – governmental activities. The County's proprietary fund has a capitalization threshold of \$1,000. Donated capital assets are recorded at fair value when received. Repairs and maintenance are charged directly to operations as incurred. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets ranging from five to fifty years.

Accounts Receivable

The Nursing Home collects the majority of its balances within thirty days. The Nursing Home uses the allowances method for uncollectible amounts and bad debts, where an allowance is recorded for estimated bad debts based on historical averages.

The Nursing Home is subject to audit by third party payors and is contingently liable for any adjustments in excess of estimated contractual settlements already reflected in the accompanying financial statements.

Bond Issuance Costs

The County's governmental activities do not capitalize bond issuance costs. These fees associated with bond issuance should be capitalized to be in accordance with GAAP and GASB No. 34 but management feels these amounts are not material.

Tax Status

The County is exempt from federal and state income tax as it is part of the South Carolina government.

Revenue

Program revenues are funds that directly affect the specific expense categories on the statement of activities. Program revenues are categorized into charges for services, operating grants and capital grants. Charges for services are revenues users pay for services in the County. Operating grants are grants that are used to operate specific programs within the County. Capital grants are funds used to purchase equipment and other capital assets.

The County distinguishes between operating and non-operating revenues in the business-type activities. Operating revenues are categorized as funds derived from the sale of goods and services. Non-operating revenue includes transfers from other funds, contributions and interest earned on investments.

NOTE B - CASH

Deposits

At June 30, 2012, the carrying amount of the County's deposits was \$23,029,830 (\$18,254,170 for the primary government, and \$4,775,660 for the Agency Funds), which were covered by federal depository insurance, federal savings and loan insurance or by collateral held in the pledging banks' trust departments in the County's name or by their agents in the County's name. The carrying amount of the County's deposits also included \$19,997 cash on hand at June 30, 2012.

NOTE C - INVESTMENTS

Newberry 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 government.

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 deposit including interest.

The County's investments are categorized below to indicate the level of risk assumed by the entity at June 30, 2012. Category 1 includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Bank deposit accounts	\$ 23,029,830	\$ --	\$ --	\$ 23,029,830	\$ 23,029,830
Total	<u>\$ 23,029,830</u>	<u>\$ --</u>	<u>\$ --</u>		
State treasurer's investment pool				15,861,224	15,861,224
State treasurer's investment pool - Agency funds				<u>20,269,476</u>	<u>20,269,476</u>
Total Investments and Deposits				<u>\$ 59,160,530</u>	<u>\$ 59,160,530</u>

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2012 of \$36,130,700 (\$15,861,224 for the primary government and \$20,269,476 for the Agency Funds) which are not categorized because they are not evidenced by securities that exist in physical or book entry form. The investment pool is managed by the State Treasurer and the fair value of the County's position equals the value of the pool's shares. Shares may lose value and fall below original cost. The investment pool does not have a credit rating. The regulatory oversight of the pool is the State of South Carolina. The pool financial statements may be obtained by writing: State Treasurer's Office, SCLGIP, PO Box 11778, Columbia, SC 29211.

The County's investment policy is the same as state law. Interest rate risk, credit risk and concentration risk are limited by State Law and investments, which consist of bank deposits and the State Treasurer's investment pool.

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 307,525
Special Revenue	General	5,875
Capital Projects	General	900,000
Enterprise	Capital Projects	<u>500,000</u>
	Total	<u>\$ 1,713,400</u>



NOTE E - PROPERTY TAXES

Property taxes are levied on real properties owned on the preceding December 31 of each County fiscal year ended June 30. Liens attach to the property at the time the taxes are levied, which is usually in October of each year. These taxes are due without penalty through January 15. Penalties are added to taxes depending on the date paid as follows:

- January 16 through February 1 - 5% of tax
- February 2 through March 16 - 10% of tax
- March 17 through March 31 - 15% of tax plus collection cost

Current year real property taxes become delinquent on March 17. The levy date for motor vehicle taxes is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month. Only the portion of uncollected taxes at June 30, 2012, that are collected within sixty days after June 30, is considered to be available to liquidate current liabilities under the modified accrual basis of accounting. Therefore, a deferred revenue account has been provided equal to the delinquent accounts in excess of the sixty-day period.

Amounts recorded under the accrual basis of accounting are recognized as revenue when assessed and levied.

NOTE F - RESTRICTED CASH

At June 30, 2012, the Nursing Home had restricted cash of \$500,000 in an escrow account. The funds were placed in escrow as a condition of the sale of JF Hawkins. In February 2014, the funds will be available. These funds are set aside for any contingencies for the sale of JF Hawkins Nursing Home.

Year Ended June 30, 2012

## NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2012:

	Balance, <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2012</u>
Bonds payable	\$ 30,737,813	\$ 333,465	\$ (8,517,860)	\$ 22,553,418
Lease purchase agreement	2,128,502	790,000	(889,051)	2,029,451
Accrued vacation	<u>543,009</u>	<u>--</u>	<u>(32,705)</u>	<u>510,304</u>
<b>Total Long Term Debt</b>	<b><u>\$ 33,409,324</u></b>	<b><u>\$ 1,123,465</u></b>	<b><u>\$ (9,439,616)</u></b>	<b><u>\$ 25,093,173</u></b>

Bonds payable at June 30, 2012, are composed of the following:

Special Source Revenue Bond (Fee-in-Lieu) – 2006 - due in annual installments of \$195,000 - \$455,000 through April 2026; interest rate 2.8%. Current amount due \$275,000	\$ 4,995,000
\$700,000 General Obligation Bonds, Series 2007 A, due in annual installments of \$17,533 to \$92,072 through September 2017; interest rate 4.16%. Current amount due \$70,000	465,000
\$1,000,000 General Obligation Bonds, Series 2007 B, due in annual installments of \$11,015 to \$121,711 through September 2017; interest rate 3.74%. Current amount due \$97,636	643,418
\$1,132,000 General Obligation Bonds, Series 2010, due in annual Installments of \$94,720 to \$166,000 through May 2018; interest rate 3.22%. Current amount due \$137,000	905,000
\$2,552,000 General Obligation Refunding Bonds, Series 2010B, due in Annual installments of \$212,000 to \$290,000 through March 2020; Interest rate 2.44%. Current amount due \$225,000	2,120,000
\$15,625,000 – 2011 Bonds (Sales Tax), due in annual Installments of \$2,200,000 to \$3,125,000 through March 2020; Interest rate 2.44%. Current amount due \$3,100,000	<u>13,425,000</u>
<b>Total bonds payable</b>	<b><u>\$ 22,553,418</u></b>

NOTE G - LONG-TERM DEBT - Continued

Outstanding bonds payable are due as follows at June 30, 2012:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 3,904,636	\$ 867,051	\$ 4,771,687
2014	3,339,289	746,545	4,085,834
2015	3,177,078	586,615	3,763,693
2016	3,307,009	448,767	3,755,776
2017	3,447,087	297,854	3,744,941
2018 - 2022	3,663,319	624,684	4,288,003
2023 - 2027	<u>1,715,000</u>	<u>174,363</u>	<u>1,889,363</u>
Totals	<u>\$ 22,553,418</u>	<u>\$ 3,745,879</u>	<u>\$ 26,299,297</u>

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in the amount sufficient to pay the principal and interest due each year. The South Carolina Constitution limits local unit borrowing power to 8 percent 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. Based on the June 30, 2012 assessed property valuation, the County is below its legal debt limit of \$9,698,370. Bond indebtedness applied to the debt limit was \$4,133,418, leaving \$5,564,952 debt capacity remaining.

Special Source Revenue Bonds

The Special Source Revenue Bonds were used to purchase land for industrial parks to attract new business and investment in the County. The Revenue Bonds are going to be paid for using the County's fee-in-lieu payments received.

Sales Tax Bond Payable

An optional one-percent sales tax was instituted in the County to pay for future capital projects. The Sales Tax was pledged to secure a bond issue to fund current capital project needs. Principal payments on this bond are due annually and interest is due semi-annually.

Bond Defeasance

The County accumulated enough funds to pay off the 2005 Sales Tax Bond. The funds are being held by the Trustee and the Bonds are defeased.

NOTE G - LONG-TERM DEBT – Continued

Lease Purchase Agreements

Lease Purchase 2007 was used to buy equipment for \$200,000. The annual interest rate is 3.97%. Annual payments of \$33,285 of principal and interest are due in October 2012. Current principal amount due is \$32,014.

Lease Purchase 2008 was used to buy equipment for \$1,088,622. The annual interest rate is 3.77%. Annual payments of \$240,795 of principal and interest are due in July from 2012 – 2012. Current principal amount due is \$232,047.

Lease Purchase 2009 was used to buy equipment for \$1,622,500. The annual interest rate is 2.91%. Annual payments of \$353,370 of principal and interest are due in September from 2012 – 2013. Current principal amount due is \$333,668.

Lease Purchase 2010 was used to buy equipment for \$770,000. The annual interest rate is 2.39%. Annual payments of \$161,432 of principal and interest are due in December from 2012 – 2014. Current principal amount due is \$150,407.

Lease Purchase 2011 was used to buy equipment for \$790,000. The annual interest rate is 1.9%. Annual payments of \$164,133 of principal and interest are due in December from 2012 – 2015. Current principal amount due is \$152,229.

Lease purchase payments are budgeted and paid through the General Fund of the County.

Outstanding lease purchase agreements are due as follows at June 30, 2012:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 900,366	\$ 52,650	\$ 953,016
2014	652,273	26,440	678,713
2015	315,739	9,826	325,565
2016	<u>161,073</u>	<u>3,059</u>	<u>164,132</u>
Totals	<u>\$ 2,029,451</u>	<u>\$ 91,975</u>	<u>\$ 2,121,426</u>

Accrued Vacation

At June 30, 2012, the liability for accrued vacation benefits recorded in the governmental activities was \$510,304. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

Year Ended June 30, 2012

## NOTE G - LONG-TERM DEBT - Continued

Other Political Subdivisions (Overlapping Debt)

Various governing bodies within Newberry County have issued bonds for educational and other programs. The full faith and taxing power of each individual district is pledged to secure the outstanding debt of the District and the Treasurer of Newberry 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.

## NOTE H - PENSION PLAN

Plan Description

The County of Newberry, South Carolina contributes to the South Carolina Retirement Systems and the Police Officers Retirement System, both of which are cost-sharing multiple-employer defined benefit pension plans administered by the South Carolina Retirement Systems; a Division of the State Budget and Control Board. Both the South Carolina Retirement System and Police Officers Retirement System offer retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits and survivor benefits. The Plans' provisions are established under Title 9 of the SC Code of Laws. 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, P. O. Box 11960, Columbia, S. C. 29211-1960.

Funding Policy

Both employees and employers are required to contribute to the Plans under authority of Title 9 of the SC Code of Laws. Employee required contributions to the Plans are as follows: SCRS - 6% of salary; PORS Class II - 6.5% of salary; PORS Class I - \$21 per month. Employers are required to contribute at the following actuarially determined rates: SCRS - State Agencies & Public Schools - 9.385%, Local government - 9.385%; PORS - Class II - 11.363%, PORS Class I - 7.8%. In addition to the above rates participating employers of the South Carolina Retirement System contribute .15% of payroll to provide a group life insurance benefit for their participants. Participating employers under the Police Officers Retirement System also contribute .2% of payroll to provide a group life insurance benefit and .2% of payroll to provide an accidental death benefit for their participants. All employers contribute at the actuarially required contribution rates.

Year Ended June 30, 2012

## NOTE H - PENSION PLAN - Continued

Following is data for the current and prior two years on total payroll, covered payroll, and employer pension contributions:

**SCRS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total payroll	\$3,918,719	\$ 3,916,764	\$4,038,271
Covered payroll	3,918,719	3,916,764	4,038,271
County's contribution	367,772	361,909	373,136
Employee's contribution	254,717	254,590	262,488
Group life	5,878	5,875	6,057
County's Contribution %	9.46%	9.39%	9.39%
Employee's contribution %	6.50%	6.50%	6.50%

**PORS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Total payroll	\$3,176,343	\$3,070,088	\$3,072,981
Covered payroll	3,176,343	3,070,088	3,072,981
County's contribution	360,928	341,701	327,272
Employee's contribution	206,462	199,556	199,744
Group Life and AD	6,353	6,140	6,146
Accidental death	6,353	6,140	6,146
County's Contribution %	11.763%	11.53%	11.05%
Employee's contribution %	6.50%	6.50%	6.50%

The County's contribution rate includes .15% for group life coverage for SCRS. PORS includes .20% group life coverage and .20% Accidental Death.

## NOTE I - COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal Governments. Any disallowed claims, including amounts previously collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts to be immaterial.

Subsequent Events

Management has evaluated the effects of subsequent events through the date of the auditor's report.

## NOTE J - LITIGATION

The County is involved in various claims and litigation arising from the normal course of business. Management and their legal counsel believe that the ultimate disposition of these cases will not have a materially adverse effect on the financial position of the County.

**NOTE K - RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The County has joined with other electing members of the South Carolina Association of Counties to form a risk pool for the purpose of risk management and insurance of workers compensation claims. The County pays an annual premium to the South Carolina Association of Counties for its workers compensation insurance coverage. The risk pool agreement provides that it will be self-sustaining through member premiums.

The County continues to carry commercial insurance through the State of South Carolina Insurance Reserve for all other risks of loss, including general liability and employee health and accident insurance. Settled claims resulting from these risks have not exceeded coverage in any of the last three fiscal years.

**NOTE L - FUND BALANCE RESERVATIONS**

The following amounts are shown as assigned:

Nonspendable - inventory	\$	23,841
Committed for special revenue		302,189
Assigned for notes receivable		500,000
Assigned for debt service		6,187,007
Assigned for capital projects		18,551,908

Nonspendable inventory is the amount reserved for jet fuel inventory. Committed for special revenue is the amount available for special revenue purposes (grants, victims and sheriff's fines and emergency 911 operations). Assigned for notes receivable represents the amounts due from JF Hawkins Nursing Home sale, which are not expected to be repaid within the next fiscal year as discussed in Note F. Assigned for debt service is the amount available in the debt service fund to pay future maturities of bonds and notes payable. Assigned for capital projects is the amount available to spend on future capital projects in the County for the Industrial Park (\$702,502), Public Works (\$1,590,726), Whitmire Rescue and EMS (\$602,000), Sheriffs Building (\$2,692,500), Old Library (\$366,957), Newberry Square (\$852,680), Courthouse Waterproofing (\$561,647), Other Projects (\$490,083), GO Bond proceeds, Lease Purchase proceeds and Sales Tax Bond proceeds remaining.

**NOTE M - BUDGET VARIANCES**

The County had unfavorable variances in the general fund in property taxes (\$260,586) delinquent taxes (\$4,559) and fines and fees due (\$71,312) to lower collections. Elections and Registration (\$4,001) had unfavorable variances due to higher costs for precinct personnel.

NOTE N – ENVIRONMENTAL REMEDIATION OBLIGATIONS AND CONTINGENCIES

The County stopped accepting solid waste at its landfill site in 1993. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the landfill site after closure. However, the County may incur additional liabilities if the landfill is proven unsafe. The County has not accrued any liability and does not expect to accrue a liability at this time or in the near future. The amount the County may ultimately be liable for cannot be computed or presented at this time.

NOTE O – CAPITAL ASSETS

A summary of changes in property and equipment of the Capital Assets – Governmental Activities are as follows:

	Balance, July 1, 2011	Additions	Deletions	Balance, June 30, 2012
Buildings and Land *	\$ 40,511,778	\$ --	\$ --	\$ 40,511,778
Vehicles and equipment	13,102,006	1,567,989	(675,327)	13,994,668
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(33,446,340)</u>	<u>(2,838,788)</u>	<u>675,327</u>	<u>(35,609,801)</u>
Total	<u>\$ 37,161,593</u>	<u>\$ (1,270,799)</u>	<u>\$ --</u>	<u>\$ 35,890,794</u>

\* Land of \$8,143,969 is a non-depreciable assets

The County recorded depreciation expense of \$2,838,788 shown in current expenses on the statement of activities – governmental activities. Depreciation was allocated as follows:

Administration	\$ 22,227
Tax assessment	16,569
Election	58,824
Admin of Justice	21,310
Law Enforcement	277,807
Detention	44,590
Public Safety	415,632
Public Works	1,967,892
Planning and Development	<u>13,937</u>
Total	<u>\$ 2,838,788</u>

The County receives a portion of road maintenance funds from the State of South Carolina through the C-Funds reimbursements, which is recorded in the non-major Special Revenue fund.



**NOTE P – SALE OF JF HAWKINS NURSING HOME**

The County sold the assets of the JF Hawkins Nursing Home on February 28, 2011. The County retained the accounts receivable of the Nursing Home through February 28, 2011. The County will continue to collect on any amounts due from the prior operation of the Nursing Home and is responsible for any outstanding or contingent liabilities associated with the operations before February 28, 2011.

No liability has been recorded at this time. Management feels any amount would not be material.

**NOTE Q – OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description**

The County offers medical, prescription drug, dental, long-term disability, and life insurance benefits to its employees. All benefits are available to County retirees except disability and life insurance. The same rate structure (considering total premiums) is charged for active employees as for retirees, with slight variations for Medicare-eligible retirees. The medical/prescription drug plans consist of four options for active employees and non-Medicare eligible retirees (Savings Plan, Standard, Blue Choice HMO, and CIGNA HMO). Medicare-eligible retirees may elect a Medicare Supplement option, but not the Savings Plan option.

An employee (other than a Council Member or Elected Official) who has completed at least 20 years of service with the County is eligible to receive lifetime County-paid retiree medical and dental benefits, subject to a cap that varies by plan and tier and is based on the amount the County contributes to similarly situated active employees. The County contribution is then multiplied by a percentage based on years of service at retirement, as follows:

<u>Years of Service</u>	<u>County Percentage</u>
20 - 24	65% plus 1% for each year over 20 years
25 - 30	70% plus 5% for each year over 25 years
30 - 33	95% plus 1% for each year over 30 years
35+	100%

Council Members and Elected Officials receive similar benefits but are subject to the following benefit schedule:

<u>Years of Service</u>	<u>County Percentage</u>
12 - 15	50%
16 - 19	60%
20 - 23	65%
24 - 29	69%
30+	100%

NOTE Q – OTHER POST-EMPLOYMENT BENEFITS (OPEB) – Continued

**B. Funding Policy**

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The County Council reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

**C. Annual OPEB Cost and Net OPEB Obligation/(Asset)**

The following table shows the components of the County's Annual OPEB Cost for the fiscal year ended June 30, 2012, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/12</u>
Annual Required Contributions	\$ 496,023
Interest on Net OPEB Obligation/(Asset)	0
Adjustment to Annual Required Contributions	<u>(0)</u>
Annual OPEB cost (expense)	\$ 496,023
Contributions made, including implicit subsidy	<u>( 67,308)</u>
Increase in Net OPEB Obligation/(Asset)	\$ 428,715
 Net OPEB Obligation/(Asset)– beginning of year	 <u>\$ 1,415,607</u>
 Net OPEB Obligation/(Asset) – end of year	 <u>\$ 1,844,322</u>

NOTE Q – OTHER POST-EMPLOYMENT BENEFITS (OPEB) - Continued

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the past three fiscal years ended June 30, 2012 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation/(Asset)</u>
06/30/09	\$545,329	\$57,598	10.56%	\$487,731
06/30/10	\$545,329	\$56,712	10.40%	\$976,348
06/30/11	\$496,023	\$56,764	11.44%	\$1,415,607
06/30/12	\$496,023	\$67,308	13.57%	\$1,844,322

D. Funded Status and Funding Progress

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Projected Unit Credit Actuarial Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/ 2008	\$0	\$4,098,135	\$4,098,135	0.00%	\$7,131,182	57.47%
7/1/2010	\$0	\$3,657,849	\$3,657,849	0.00%	\$6,986,852	52.35%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. In future years, the schedule of funding progress will be presented in the notes to the financial statements. The schedule would present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The plan's most recent actuarial valuation was performed as of July 1, 2010. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2012 was 27 years.

NOTE R – TRANSFERS

Individual fund transfers for the year ended June 30, 2012 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 779,962
Special Revenue Fund	General Fund	215,853
Capital Projects	Debt Service	558,657
Debt Service	Capital Projects	422,083
Capital Projects	JF Hawkins	161,120

The transfer from the general fund to the special revenue fund was to transfer levies collected for Special Education (library and Piedmont Tech appropriation) and special projects. The transfer from special revenue to general fund was for monies not spent that revert to the general fund. Transfers from capital projects to debt service are to pay for bond principal and interest for the Special Source Revenue Bond. Transfer from debt service fund to Capital Projects was to pay for capital expenditures associated with the Sales Tax bond. The transfer from capital projects to JF Hawkins was an adjustment to reduce the amount the County received from the sale of the assets of JF Hawkins.

SUPPLEMENTAL INFORMATION

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Revenue</b>			
<b>Taxes</b>			
Property taxes, current	\$ 14,998,965	\$ 14,738,379	\$ (260,586)
Property taxes - Special Education Levies	721,505	716,207	(5,298)
Fee in lieu of taxes	750,000	1,314,184	564,184
Delinquent taxes	850,000	917,898	67,898
Delinquent tax cost	<u>242,500</u>	<u>210,565</u>	<u>(31,935)</u>
<b>Total Taxes</b>	<u>17,562,970</u>	<u>17,897,233</u>	<u>334,263</u>
<b>Intergovernmental</b>			
Local government	1,214,508	1,154,509	(59,999)
Merchant inventory tax	60,000	86,536	26,536
Salary supplements	6,300	6,300	-
Accomodations tax	3,200	69,776	66,576
National forestry fund	230,000	199,425	(30,575)
Solid waste - state grant	19,500	15,770	(3,730)
Disaster preparedness	<u>99,000</u>	<u>99,147</u>	<u>147</u>
<b>Total Intergovernmental</b>	<u>1,632,508</u>	<u>1,631,463</u>	<u>(1,045)</u>
<b>Fines and fees</b>			
Clerk of Court - fines and fees	200,000	170,770	(29,230)
CCCP fees	69,285	60,415	(8,870)
Clerk of Court - copies	12,000	15,159	3,159
Central Court	370,000	325,935	(44,065)
Registration and election	-	17,851	17,851
Animal control	19,000	39,869	20,869
Probate Judge - fees	71,000	85,942	14,942
Probate Judge - copies	3,500	1,326	(2,174)
Sheriff - fees	9,800	9,118	(682)
Forfeit land commission	5,100	29,091	23,991
Marriage license fee/ceremonies	-	380	380
Building Inspection	113,000	86,524	(26,476)
FFP	35,000	40,798	5,798
Bad check	4,000	5,289	1,289
Tipping fees	<u>511,000</u>	<u>418,101</u>	<u>(92,899)</u>

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Fines and fees - continued</b>			
Recycle revenue	105,000	153,994	48,994
Zoning fee	21,000	16,882	(4,118)
Cable/phone franchise	<u>22,100</u>	<u>22,029</u>	<u>(71)</u>
Total Fines and fees	<u>1,570,785</u>	<u>1,499,473</u>	<u>(71,312)</u>
<b>Other</b>			
Interest	30,000	15,096	(14,904)
Veterans affairs	6,000	4,337	(1,663)
Health department	11,000	16,429	5,429
Mobile home licenses	1,000	1,010	10
Assessor's GIS	4,000	3,496	(504)
Rent & utilities	3,800	2,525	(1,275)
Assessor - copies	3,500	3,402	(98)
Soil and Water Conservation	41,000	36,450	(4,550)
School resource officer	304,960	271,785	(33,175)
Balance brought forward	226,566	-	(226,566)
Sale of timber	-	157,912	157,912
Miscellaneous	<u>170,268</u>	<u>121,642</u>	<u>(48,626)</u>
Total Other	<u>802,094</u>	<u>634,084</u>	<u>(168,010)</u>
 <b>TOTAL REVENUE</b>	 <u>\$ 21,568,357</u>	 <u>\$ 21,662,253</u>	 <u>\$ 93,896</u>

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Expenditures</b>			
<b>LEGISLATIVE</b>			
County Council			
Personnel	132,808	132,808	-
Overtime	3,000	730	2,270
Social security	10,389	8,842	1,547
Retirement	13,009	12,863	146
Travel - council	25,105	13,710	11,395
Insurance	47,591	47,591	-
Workers compensation	5,346	3,666	1,680
Advertising	2,500	1,916	584
Audit and accounting	39,400	29,213	10,187
Bookbinding	3,200	2,166	1,034
Contracted maintenance	2,500	1,997	503
Office expenses	1,975	1,937	38
Postage	400	230	170
Telephone	4,080	3,424	656
Subsistence	520	-	520
	<u>291,823</u>	<u>261,093</u>	<u>30,730</u>
<b>TOTAL LEGISLATIVE</b>			
<b>ADMINISTRATION</b>			
County Administrator			
Personnel	341,814	338,403	3,411
Social security	26,149	24,650	1,499
Retirement	32,591	32,048	543
Insurance	43,667	43,666	1
Workers compensation	6,898	5,453	1,445
Advertising	1,500	2,131	(631)
Maintenance	11,999	6,655	5,344
Copier machine	1,000	272	728
Memberships & Dues	1,100	500	600
Office expense	4,675	4,076	599
Postage	3,700	2,825	875
Printing	2,500	2,300	200
Telephone	7,500	2,718	4,782



GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
County Administrator - continued			
Training	3,000	270	2,730
Travel	7,650	8,137	(487)
Subsistence	2,000	144	1,856
Total County Administrator	<u>497,743</u>	<u>474,248</u>	<u>23,495</u>
Miscellaneous Operating			
Contracted maintenance	35,075	27,916	7,159
Insurance	20,698	1,292	19,406
Tort insurance	110,000	103,813	6,187
Unemployment insurance	6,000	8,791	(2,791)
Insurance - buildings	87,071	76,544	10,527
Rent	72,572	72,572	-
Subsistence	11,475	6,475	5,000
Telephone	27,600	28,914	(1,314)
Employee service recognition	2,500	1,150	1,350
Fuel	70,149	-	70,149
Medical	4,000	672	3,328
Equipment	19,469	18,375	1,094
Payroll service	26,000	18,685	7,315
Legals	216,707	151,611	65,096
Total Miscellaneous Operating	<u>709,316</u>	<u>516,810</u>	<u>192,506</u>
TOTAL ADMINISTRATION	<u>1,207,059</u>	<u>991,058</u>	<u>216,001</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel			
Overtime	170,524	174,140	(3,616)
Social security	879	4,296	(3,417)
Retirement	13,112	9,073	4,039
Insurance	16,095	16,635	(540)
Workers compensation	24,836	24,758	78
Advertising	3,730	2,986	744
Contracted maintenance	201	103	98
Professional services	22,573	22,492	81
Membership & dues	42,336	41,432	904
	255	175	80

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Treasurer's Office - continued			
Office expense	3,500	3,500	-
Postage	45,747	36,587	9,160
Printing	11,558	6,845	4,713
Telephone	2,911	706	2,205
Training	925	520	405
Travel	1,520	890	630
Subsistence	1,805	952	853
	<u>362,507</u>	<u>346,090</u>	<u>16,417</u>
Total Treasurer's Office			
Auditor's Office			
Personnel	195,398	195,402	(4)
Social security	14,948	14,555	393
Retirement	18,996	18,632	364
Insurance	33,483	24,181	9,302
Workers compensation	3,483	3,253	230
Advertising	100	-	100
Contracted maintenance	17,937	16,949	988
Professional services	42,336	42,107	229
Memberships & dues	175	175	-
Office expense	2,050	1,678	372
Postage	1,200	774	426
Printing	6,850	6,338	512
Subscriptions & books	600	472	128
Telephone	3,000	1,160	1,840
Training	950	845	105
Travel	1,846	1,071	775
Subsistence	2,395	1,261	1,134
Office furniture	2,500	2,255	245
	<u>348,247</u>	<u>331,108</u>	<u>17,139</u>
Total Auditor's Office			

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel			
Overtime	343,260	320,718	22,542
Social security	5,000	72	4,928
Retirement	26,648	23,501	3,147
Insurance	32,709	29,891	2,818
Workers compensation	63,750	63,749	1
Advertising	10,832	8,673	2,159
Contracted maintenance	2,000	205	1,795
Vehicle insurance	54,973	46,091	8,882
Memberships & dues	3,100	3,056	44
Office expense	2,860	2,380	480
Postage	10,300	9,636	664
Printing	2,500	1,190	1,310
Repairs to vehicle	2,000	665	1,335
Subscriptions	1,000	-	1,000
Telephone	1,600	1,018	582
Training	2,800	1,509	1,291
Travel	4,011	2,752	1,259
Subsistence	640	729	(89)
Gas, oil, grease	2,025	830	1,195
Uniforms	6,500	4,508	1,992
Equipment	1,200	597	603
	<u>25,000</u>	<u>22,133</u>	<u>2,867</u>
Total Assessor's Office			
	<u>604,708</u>	<u>543,903</u>	<u>60,805</u>
Tax Collector			
Personnel			
Overtime	60,192	58,427	1,765
Social security	3,148	3,794	(646)
Retirement	4,605	4,580	25
Insurance	5,948	5,933	15
Workers compensation	12,864	12,864	-
Advertising	1,350	2,502	(1,152)
Contracted maintenance	12,000	10,783	1,217
Professional fees	4,793	4,640	153
Consulting	8,560	5,728	2,832
	<u>16,670</u>	<u>16,456</u>	<u>214</u>

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Tax Collector - continued			
Vehicle insurance	650	612	38
Memberships & dues	125	75	50
Office expense	1,200	1,138	62
Postage	30,000	25,538	4,462
Printing	800	251	549
Supplies	1,200	801	399
Subscriptions	120	106	14
Telephone	1,400	653	747
Training	900	440	460
Travel	500	-	500
Subsistence	1,001	447	554
Gas, oil, grease	452	274	178
Review board and appeals	6,460	3,677	2,783
	<u>174,938</u>	<u>159,719</u>	<u>15,219</u>
Total Tax Collector			
	<u>174,938</u>	<u>159,719</u>	<u>15,219</u>
TOTAL TAX ASSESSMENT & COLLECTION	<u>1,490,400</u>	<u>1,380,820</u>	<u>109,580</u>
REGISTRATION & ELECTION BOARD			
Personnel	58,817	59,511	(694)
Precinct personnel	9,000	22,408	(13,408)
Board members	-	7,547	(7,547)
Social security	4,500	4,457	43
Retirement	5,523	5,842	(319)
Insurance	6,512	6,512	-
Workers compensaton	241	198	43
Advertising	1,500	1,279	221
Contracted maintenance	18,000	17,920	80
Utilities	8,400	3,903	4,497
Memberships and dues	180	120	60
Office expense	1,030	340	690
Lease - office	28,260	28,260	-
Postage	5,000	1,420	3,580
Printing	4,375	1,718	2,657
Supplies	1,104	207	897

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Registration and Election Board - continued</b>			
Telephone	6,148	3,512	2,636
Equipment	11,551	11,246	305
Training	1,500	438	1,062
Travel	2,000	1,333	667
Subsistence	1,500	971	529
	<u>175,141</u>	<u>179,142</u>	<u>(4,001)</u>
<b>TOTAL REGISTRATION &amp; ELECTION BOARD</b>			
<b>ADMINISTRATION OF JUSTICE</b>			
<b>Criminal &amp; Civil Court</b>			
Solicitor's office	88,580	88,580	-
Personnel - bailiff	28,000	36,959	(8,959)
Jury fees	35,000	35,846	(846)
Advertising	900	328	572
Contracted maintenance	1,600	1,600	-
Office	4,100	4,100	-
Postage	3,050	2,812	238
Printing	1,000	955	45
Telephone	3,500	621	2,879
DJJ	1,500	502	998
	<u>167,230</u>	<u>172,303</u>	<u>(5,073)</u>
<b>Total Criminal &amp; Civil Court</b>			
<b>Clerk of Court</b>			
Personnel	187,196	188,384	(1,188)
Social security	14,321	13,921	400
Retirement	17,578	17,962	(384)
Insurance	22,238	19,176	3,062
Workers compensation	3,313	2,673	640
Contracted maintenance	119,068	113,251	5,817
Memberships & dues	125	125	-
Office expense	5,000	4,754	246
Postage	25,043	22,722	2,321
Printing	1,932	1,860	72
Telephone	4,000	1,362	2,638
Training	500	300	200

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Clerk of Court - continued</b>			
Subsistence	1,500	-	1,500
Travel	<u>600</u>	<u>386</u>	<u>214</u>
<b>Total Clerk of Court</b>	<u>402,414</u>	<u>386,876</u>	<u>15,538</u>
<b>Family Court - Clerk of Court</b>			
Personnel	128,779	128,779	-
Social security	9,558	9,532	26
Retirement	12,100	12,279	(179)
Insurance	28,568	28,567	1
Workers compensation	549	435	114
Contracted maintenance	25,000	26,277	(1,277)
Office expense	2,200	2,156	44
Postage	5,957	5,410	547
Printing	12,248	12,688	(440)
Telephone	2,752	930	1,822
Training	<u>1,500</u>	<u>1,163</u>	<u>337</u>
<b>Total Family Court - Clerk of Court</b>	<u>229,211</u>	<u>228,216</u>	<u>995</u>
<b>Probate Judge</b>			
Personnel	166,829	166,829	-
Social security	12,762	12,145	617
Retirement	17,275	17,583	(308)
Insurance	27,868	27,868	-
Workers compensation	3,178	2,560	618
Advertising	290	290	-
Contracted maintenance	6,800	6,800	-
Membership & dues	470	470	-
Office expense	7,500	7,393	107
Postage	2,210	1,870	340
Printing	960	953	7
Telephone	1,340	1,144	196
Education & training	2,565	2,397	168
Travel	<u>4,352</u>	<u>4,008</u>	<u>344</u>
<b>Total Probate Judge</b>	<u>254,399</u>	<u>252,310</u>	<u>2,089</u>

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Probation &amp; Parole Office</b>			
P.O. Box rent	49	48	1
Telephone	<u>2,000</u>	<u>547</u>	<u>1,453</u>
<b>Total Probation &amp; Parole Office</b>	<u>2,049</u>	<u>595</u>	<u>1,454</u>
<b>Public Defender</b>			
Personnel	49,046	49,046	-
Social security	3,752	3,509	243
Retirement	4,605	4,677	(72)
Insurance	10,125	10,078	47
Office	799	182	617
Telephone	2,200	1,620	580
Training	<u>750</u>	<u>338</u>	<u>412</u>
<b>Total Public Defender</b>	<u>71,277</u>	<u>69,450</u>	<u>1,827</u>
<b>Coroner</b>			
Personnel	43,168	43,168	-
Social security	2,384	2,384	-
Retirement	3,594	3,666	(72)
Insurance	7,450	6,250	1,200
Workers compensation	2,006	1,626	380
Contracted maintenance	1,600	616	984
Vehicle insurance	1,830	2,335	(505)
Memberships & dues	500	260	240
Office expense	900	581	319
Postage	125	123	2
Repairs	1,250	592	658
Telephone	1,350	1,064	286
Training	775	775	-
Travel	850	812	38
Subsistence	1,325	652	673
Fuel	4,200	2,810	1,390
Supplies	3,384	1,817	1,567
Post Mortems & BA	<u>49,816</u>	<u>46,540</u>	<u>3,276</u>
<b>Total Coroner</b>	<u>126,507</u>	<u>116,071</u>	<u>10,436</u>

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Magistrate District 2</b>			
Personnel	220,771	226,368	(5,597)
Jury fees	18,000	19,661	(1,661)
Social security	16,889	16,248	641
Retirement	22,988	24,059	(1,071)
Insurance	45,642	45,641	1
Workers compensation	867	1,468	(601)
Advertising	100	-	100
Contracted maintenance	2,500	1,826	674
Consulting & tech fees	2,200	-	2,200
Memberships	260	260	-
Office expense	9,220	9,070	150
Postage	10,420	8,000	2,420
Printing	500	137	363
Telephone	2,500	1,055	1,445
Training	1,297	1,140	157
Travel	1,275	957	318
Subsistence	4,912	2,989	1,923
Equipment	4,000	3,768	232
	<u>364,341</u>	<u>362,647</u>	<u>1,694</u>
<b>Total Magistrate District 2</b>			
<b>Magistrate District 1</b>			
Personnel	13,952	9,122	4,830
Social security	1,067	698	369
Retirement	1,721	1,049	672
Insurance	4,448	3,457	991
Workers compensation	447	418	29
Office expense	525	140	385
Postage	100	48	52
Telephone	1,500	1,209	291
Training	700	534	166
Travel	600	1,083	(483)
	<u>25,060</u>	<u>17,758</u>	<u>7,302</u>
<b>Total Magistrate District 1</b>			



GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Magistrate District 4</b>			
Personnel	11,767	11,767	-
Social security	1,300	803	497
Retirement	1,357	1,364	(7)
Insurance	9,353	9,353	-
Workers compensation	437	352	85
Membership	100	50	50
Office expense	650	216	434
Postage	300	135	165
Telephone	1,740	1,740	-
Training	1,500	1,107	393
Travel	1,275	1,275	-
<b>Total Magistrate District 4</b>	<u>29,779</u>	<u>28,162</u>	<u>1,617</u>
<b>Magistrate District 6</b>			
Personnel	19,171	19,171	-
Contracted personnel	4,500	-	4,500
Social security	1,467	827	640
Retirement	2,210	2,222	(12)
Insurance	9,881	9,881	-
Workers compensation	707	574	133
Office expense	2,142	865	1,277
Postage	150	45	105
Telephone	480	480	-
Training	250	250	-
Travel	909	909	-
<b>Total Magistrate District 6</b>	<u>41,867</u>	<u>35,224</u>	<u>6,643</u>
<b>TOTAL ADMINISTRATION OF JUSTICE</b>	<u>1,714,134</u>	<u>1,669,612</u>	<u>44,522</u>

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>LAW ENFORCEMENT - Sheriff's Department</b>			
Personnel	1,684,814	1,642,631	42,183
Overtime	98,976	93,959	5,017
School resource officer - salary and benefits	310,165	266,769	43,396
Social security	128,334	131,230	(2,896)
Retirement	202,991	204,774	(1,783)
Insurance	264,397	264,397	-
Workers compensation	80,523	67,188	13,335
Contracted maintenance	45,800	41,943	3,857
Professional services	1,200	939	261
Vehicle insurance	46,982	46,155	827
Bonds - employees	3,800	3,730	70
Membership & dues	3,765	3,330	435
Office expense	4,235	4,207	28
Postage	900	869	31
Printing	2,000	1,908	92
Transportation of prisoners	2,500	1,349	1,151
Repairs to vehicles	12,800	12,014	786
Telephone	5,175	5,563	(388)
Training	1,200	950	250
Travel	510	284	226
Subsistence	2,500	2,500	-
Ammo & guns	2,500	2,490	10
Cleaning supplies	500	467	33
Gas, oil, grease	265,659	265,659	-
Medicals	1,000	272	728
Photo supplies	2,000	2,003	(3)
Police supplies	3,962	3,981	(19)
CIRT supplies	3,000	2,916	84
Uniforms	22,500	22,325	175
Special law enforcement	1,000	850	150
Supplies	3,279	2,099	1,180
Project Near	1,000	1,000	-
Crime prevention	822	724	98

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sheriff's department - continued			
School safety	3,000	2,840	160
Capital outlay	157,891	156,024	1,867
Other equipment	20,542	20,126	416
Total Sheriff's Department	<u>3,392,222</u>	<u>3,280,465</u>	<u>111,757</u>
<b>TOTAL LAW ENFORCEMENT</b>	<u>3,392,222</u>	<u>3,280,465</u>	<u>111,757</u>
<b>DETENTION</b>			
Corrections			
Personnel			
Overtime	887,253	848,774	38,479
Social security	69,167	53,652	15,515
Retirement	73,239	67,731	5,508
Insurance	110,485	106,152	4,333
Workers compensation	204,276	204,275	1
Contracted maintenance	53,111	40,324	12,787
Utilities	65,000	64,194	806
Vehicle insurance	75,000	68,953	6,047
Memberships & dues	2,500	2,354	146
Office expense	252	50	202
Postage	3,500	3,112	388
Printing	190	190	-
Telephone	830	820	10
Training	3,300	1,455	1,845
Travel	1,000	275	725
Subsistence	3,450	2,006	1,444
Chemicals	3,000	723	2,277
Cleaning materials	2,560	933	1,627
Food	4,303	4,303	-
Gas, oil, grease	139,900	100,429	39,471
Medical	2,528	-	2,528
Supplies	155,000	128,910	26,090
Uniforms	6,597	5,732	865
Clothing	6,949	6,875	74
DYS Juvenile	8,050	6,772	1,278
	5,000	2,650	2,350

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Corrections - continued			
Kitchen supplies	1,500	1,346	154
Other equipment	8,999	8,700	299
	<u>1,896,939</u>	<u>1,731,690</u>	<u>165,249</u>
Total Corrections			
TOTAL DETENTION	<u>1,896,939</u>	<u>1,731,690</u>	<u>165,249</u>
<b>PUBLIC SAFETY</b>			
Public Safety			
Personnel	134,351	91,267	43,084
Social security	7,228	5,350	1,878
Retirement	8,873	8,517	356
Insurance	12,455	12,454	1
Workers compensation	452	305	147
Contracted maintenance	7,064	4,445	2,619
Vehicle insurance	1,950	1,239	711
Office expense	1,892	1,255	637
Repairs	1,000	619	381
Telephone	5,556	5,856	(300)
Training	1,000	926	74
Fuel	1,000	296	704
	<u>182,821</u>	<u>132,529</u>	<u>50,292</u>
Total Public Safety			
Animal Control			
Personnel	134,770	123,447	11,323
Overtime	14,000	4,058	9,942
Social security	11,377	9,025	2,352
Retirement	13,965	12,147	1,818
Insurance	25,938	25,938	-
Workers compensation	5,350	4,353	997
Advertising	900	-	900
Repairs to equipment	1,750	340	1,410
Utilities	15,500	14,002	1,498
Insurance vehicles	2,500	2,401	99
Memberships and dues	400	125	275
Office expense	6,200	4,448	1,752

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Animal Control - continued			
Postage			
Rent	275	10	265
Repairs to vehicle	3,651	3,651	-
Telephone	4,250	644	3,606
Training	3,800	2,676	1,124
Travel	1,500	525	975
Subsistence	300		300
Cleaning supplies	1,400	507	893
Dog food	3,900	2,807	1,093
Gas, oil and grease	4,000	7	3,993
Medical and surgical	15,646	15,646	-
Medication	22,000	22,347	(347)
Tools	28,001	18,615	9,386
Uniforms	1,600	852	748
Capital outlay	2,700	1,949	751
	<u>31,773</u>	<u>30,779</u>	<u>994</u>
Total Animal Control	<u>357,446</u>	<u>301,299</u>	<u>56,147</u>
Communications			
Personnel			
Overtime	412,325	376,249	36,076
Social security	64,999	38,493	26,506
Retirement	36,558	30,866	5,692
Insurance	44,873	38,392	6,481
Workers compensation	81,301	81,301	-
Contracted maintenance	1,981	1,612	369
Office expense	52,143	52,612	(469)
Telephone	5,309	3,804	1,505
Training	3,700	2,973	727
Travel	1,200	800	400
Subsistence	638	299	339
Other equipment	935	207	728
	<u>37,500</u>	<u>37,500</u>	<u>-</u>
Total Communications	<u>743,462</u>	<u>665,108</u>	<u>78,354</u>

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Board of Rescue Squads</b>			
Workers compensation	41,039	36,234	4,805
Contracted maintenance	13,000	9,618	3,382
Utilities	28,800	28,800	-
Vehicle insurance	22,000	18,279	3,721
Repairs to equipment	15,000	8,632	6,368
Telephone	6,000	3,649	2,351
Training	15,000	11,457	3,543
Gas, oil, grease	19,187	19,187	-
Medical supplies	25,000	9,740	15,260
Rescue supplies	55,000	46,565	8,435
Capital outlay	<u>175,826</u>	<u>167,612</u>	<u>8,214</u>
<b>Total Board of Rescue Squads</b>	<u>415,852</u>	<u>359,773</u>	<u>56,079</u>
<b>Hazardous Materials</b>			
Telephone	531	328	203
Training	7,062	2,825	4,237
Supplies	5,429	3,756	1,673
Capital outlay	<u>20,087</u>	<u>20,087</u>	<u>-</u>
<b>Total Hazardous Materials</b>	<u>33,109</u>	<u>26,996</u>	<u>6,113</u>
<b>GIS Department</b>			
Personnel	36,955	36,585	370
Social security	2,827	2,121	706
Retirement	3,470	3,441	29
Insurance	6,716	6,715	1
Workers compensation	152	121	31
Contracted maintenance	60,300	60,300	-
Office expense	4,075	1,779	2,296
Telephone	51	37	14
Training	2,250	1,511	739
Travel	500	206	294
Subsistence	<u>1,320</u>	<u>247</u>	<u>1,073</u>
<b>Total GIS Department</b>	<u>118,616</u>	<u>113,063</u>	<u>5,553</u>

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012.

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Board of Rural Fire Control</b>			
Personnel	54,827	54,857	(30)
Social security	4,194	4,194	-
Retirement	5,148	5,228	(80)
Insurance	9,881	9,881	-
Workers compensation	38,982	35,433	3,549
Contracted services	20,000	9,808	10,192
Shared revenue	234,135	138,382	95,753
Contracted maintenance	3,000	2,434	566
Utilities	61,600	61,600	-
Vehicle insurance	51,161	49,192	1,969
Office	600	298	302
Repairs to equipment	59,144	49,582	9,562
Repairs to radio	6,921	6,921	-
Training	1,500	1,423	77
Cleaning supplies	1,500	592	908
Gas, oil, grease	32,112	32,112	-
Medical	39,000	29,612	9,388
Fire supplies	14,000	11,046	2,954
Lease purchase payment	208,758	215,311	(6,553)
	<u>846,463</u>	<u>717,906</u>	<u>128,557</u>
<b>Total Board of Rural Fire Control</b>			
<b>Building Inspections</b>			
Personnel	118,613	126,169	(7,556)
Social security	9,089	6,502	2,587
Retirement	11,156	8,430	2,726
Insurance	19,737	17,720	2,017
Workers compensation	4,662	3,556	1,106
Advertising	996	996	-
Vehicle insurance	1,192	1,223	(31)
Memberships	500	125	375
Office	4,200	4,093	107
Postage	400	193	207
Printing	400	288	112
Subscriptions	400	315	85

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Building Inspections - continued</b>			
Telephone	1,900	1,677	223
Training	5,000	1,050	3,950
Travel	550	87	463
Subsistence	1,080	14	1,066
Gas, oil, grease	4,000	3,751	249
	<u>183,875</u>	<u>176,189</u>	<u>7,686</u>
<b>Total Building Inspections</b>			
<b>Ambulance</b>			
Contracted maintenance	3,320	2,885	435
Utilities	6,000	6,000	-
Vehicle insurance	19,267	13,219	6,048
Repairs to vehicle	28,000	6,495	21,505
Training	117	-	117
Gas, oil, grease	81,630	76,845	4,785
Uniforms	15,000	13,512	1,488
Appropriations	900,422	900,422	-
Capital outlay	228,406	228,403	3
	<u>1,282,162</u>	<u>1,247,781</u>	<u>34,381</u>
<b>Total Ambulance</b>			
<b>Public Safety - Substations</b>			
Lake Murray - Utilities	14,000	12,343	1,657
Lake Murray - Telephone	700	803	(103)
Silverstreet - Telephone	5,000	2,524	2,476
	<u>19,700</u>	<u>15,670</u>	<u>4,030</u>
<b>Total Public Safety - Substations</b>			
<b>TOTAL PUBLIC SAFETY</b>			
	<u>4,183,506</u>	<u>3,756,314</u>	<u>427,192</u>
<b>PUBLIC WORKS &amp; MAINTENANCE</b>			
<b>Public Works</b>			
Personnel	556,459	519,541	36,918
Overtime	9,360	1,052	8,308
Social security	42,619	38,561	4,058
Retirement	52,313	49,632	2,681



## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Public Works - continued			
Insurance	131,888	113,066	18,822
Workers compensation	62,331	50,837	11,494
Advertising	500	-	500
Contracted maintenance	42,000	39,213	2,787
Utilities	5,600	4,132	1,468
Vehicle insurance	30,999	23,961	7,038
Memberships & dues	500	-	500
Office expense	4,500	3,654	846
Postage	600	200	400
Repairs to equipment	33,732	13,990	19,742
Supplies	3,500	1,025	2,475
Telephone	4,200	3,403	797
Training	4,025	1,270	2,755
Travel	400	198	202
Subsistence	1,300	726	574
Cleaning materials	1,084	884	200
Bridge materials	4,116	-	4,116
Fertilizer, plants, seeds	3,000	1,274	1,726
Gas, oil, grease	32,500	31,993	507
Diesel fuel	103,000	45,959	57,041
Safety supplies	3,850	2,857	993
Gravel	155,544	48,273	107,271
Asphalt	10,000	9,991	9
Pipe	12,000	9,349	2,651
Tools	3,000	2,254	746
Road signs	5,000	5,004	(4)
219 Beautification Project	4,000	1,015	2,985
Uniforms	7,500	7,307	193
Capital outlay	165,552	165,520	32
Road paving and improvements	102,500	96,436	6,064
Total Public Works	<u>1,599,472</u>	<u>1,292,577</u>	<u>306,895</u>

GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Central Maintenance</b>			
Contracted maintenance	492,651	489,034	3,617
Utilities	13,000	11,904	1,096
Fuel	4,000	2,595	1,405
Tools	500	76	424
	<u>510,151</u>	<u>503,609</u>	<u>6,542</u>
<b>Total Central Maintenance</b>			
<b>Building Maintenance</b>			
Personnel	72,026	72,026	-
Social security	5,510	5,217	293
Retirement	6,763	6,868	(105)
Insurance	11,510	11,509	1
Workers compensation	5,724	4,851	873
Contracted maintenance	6,500	6,510	(10)
Utilities	162,016	170,681	(8,665)
Vehicle insurance	1,529	1,203	326
Supplies	55,344	54,875	469
Telephone	1,586	2,041	(455)
Gas, oil, grease	4,444	4,444	-
Tools	500	500	-
Uniforms	1,200	1,290	(90)
Capital outlay	37,770	32,051	5,719
	<u>372,422</u>	<u>374,066</u>	<u>(1,644)</u>
<b>Total Building Maintenance</b>			
<b>Community Hall</b>			
Contracted maintenance	2,900	3,014	(114)
Utilities	11,630	6,959	4,671
Repairs building	6,440	(5,649)	12,089
	<u>20,970</u>	<u>4,324</u>	<u>16,646</u>
<b>Total Community Hall</b>			
<b>Collections</b>			
Personnel	57,601	56,903	698
Social security	4,405	4,288	117
Retirement	5,409	5,426	(17)
Insurance	13,005	13,005	-
Workers compensation	10,675	8,654	2,021

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Collections - continued			
Advertising	501	62	439
Contracted personnel	262,107	262,107	-
Contracted maintenance	378,069	327,362	50,707
Repairs to equipment	5,000	1,037	3,963
Utilities	22,150	20,915	1,235
Vehicle insurance	4,000	2,223	1,777
Membership and dues	150	145	5
Office	1,275	606	669
Postage	300	60	240
Supplies	2,000	1,438	562
Telephone	5,250	5,625	(375)
Training	2,918	-	2,918
Gas, oil, grease	12,560	6,934	5,626
Supplies	20,999	2,032	18,967
Tools and other equipment	1,000	994	6
Capital outlay	6,750	7,379	(629)
	<u>816,124</u>	<u>727,195</u>	<u>88,929</u>
Total Collections			
Transfer Station			
Personnel	24,452	24,452	-
Overtime	1,560	35	1,525
Social security	1,999	1,812	187
Retirement	2,454	2,335	119
Insurance	4,904	4,882	22
Contracted services	1,326,123	1,158,507	167,616
Repairs to equipment	10,000	7,969	2,031
Utilities	12,000	9,493	2,507
Sewer disposal	3,500	3,000	500
Office	350	167	183
Rent	4,200	4,200	-
Supplies	4,000	1,302	2,698
Equipment	8,500	435	8,065
	<u>1,404,042</u>	<u>1,218,589</u>	<u>185,453</u>
Total Transfer Station			

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Custodian Services</b>			
Personnel	29,064	30,871	(1,807)
Social security	2,223	2,290	(67)
Retirement	2,729	2,944	(215)
Insurance	4,764	4,764	-
Workers compensation	5,871	4,759	1,112
Repairs	2,560	-	2,560
Vehicle insurance	675	733	(58)
Telephone	350	316	34
Cleaning supplies	39,944	29,435	10,509
Gas, oil and grease	3,731	3,731	-
Other equipment	21,238	21,052	186
	<u>113,149</u>	<u>100,895</u>	<u>12,254</u>
<b>Total Custodian Services</b>			
	<u>113,149</u>	<u>100,895</u>	<u>12,254</u>
<b>TOTAL PUBLIC WORKS &amp; MAINTENANCE</b>	<u>4,836,330</u>	<u>4,221,255</u>	<u>615,075</u>
<b>PLANNING &amp; DEVELOPMENT</b>			
<b>Central Midlands Regional PC</b>	<u>20,974</u>	<u>20,423</u>	<u>551</u>
<b>Economic Development</b>			
Personnel	77,727	77,726	1
Social Security	5,946	5,912	34
Retirement	7,299	7,411	(112)
Insurance	4,794	4,794	-
Workers compensation	2,921	2,326	595
Appropriations	60,000	29,396	30,604
Memberships	820	545	275
Office	4,000	3,217	783
Postage	500	238	262
Printing	1,500	1,215	285
Subscriptions	150	64	86
Telephone	3,500	1,638	1,862
Training	1,300	140	1,160

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	Final Budget	Actual	Variance Favorable (Unfavorable)
Economic Development - continued			
Travel	6,500	2,883	3,617
Subsistence	4,775	1,636	3,139
Total Economic Development	<u>181,732</u>	<u>139,141</u>	<u>42,591</u>
Comprehensive Planning			
Personnel	103,461	102,698	763
Social security	7,915	7,672	243
Retirement	9,715	9,787	(72)
Insurance	21,812	21,811	1
Workers compensation	3,203	2,011	1,192
Advertising	1,260	570	690
Consulting	54,200	15,218	38,982
Vehicle insurance	1,500	1,206	294
Memberships and dues	1,370	610	760
Office expense	5,700	4,229	1,471
Postage	3,000	1,178	1,822
Printing	2,100	1,066	1,034
Books	1,359	452	907
Telephone	2,665	1,031	1,634
Training	2,375	1,030	1,345
Travel	500	94	406
Subsistence	1,882	-	1,882
Gas, oil, and grease	3,300	1,700	1,600
Total Comprehensive Planning	<u>227,317</u>	<u>172,363</u>	<u>54,954</u>
Central Carolina Economic Development Alliance	<u>72,000</u>	<u>72,000</u>	-
<b>TOTAL PLANNING &amp; DEVELOPMENT</b>	<u>502,023</u>	<u>403,927</u>	<u>98,096</u>

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>AGRICULTURE &amp; HOME ECONOMICS</b>			
Clemson Extension	<u>66,100</u>	<u>59,966</u>	<u>6,134</u>
Newberry Soil & Water Conservation	<u>61,746</u>	<u>63,579</u>	<u>(1,833)</u>
<b>TOTAL AGRICULTURE &amp; HOME ECONOMICS</b>	<u>127,846</u>	<u>123,545</u>	<u>4,301</u>
<b>PUBLIC HEALTH</b>			
Health Department			
Telephone and supplies	<u>4,550</u>	<u>1,345</u>	<u>3,205</u>
Total Health Department	<u>4,550</u>	<u>1,345</u>	<u>3,205</u>
Beckman Mental Health	<u>12,750</u>	<u>12,750</u>	<u>-</u>
Westview Behavioral	<u>23,329</u>	<u>10,784</u>	<u>12,545</u>
<b>TOTAL PUBLIC HEALTH</b>	<u>40,629</u>	<u>24,879</u>	<u>15,750</u>
<b>SOCIAL SERVICES</b>			
Department of Social Services			
Utilities	56,000	60,096	(4,096)
P.O. Box rent	70	70	-
Telephone	5,200	4,518	682
Emergency	5,000	5,000	-
Paupers funeral	<u>3,000</u>	<u>2,500</u>	<u>500</u>
Total Department of Social Services	<u>69,270</u>	<u>72,184</u>	<u>(2,914)</u>
Veteran's Affairs			
Personnel	90,375	85,195	5,180
Social security	6,922	6,396	526
Retirement	8,497	8,116	381
Insurance	17,804	17,804	-
Workers compensation	1,756	1,416	340
Contracted maintenance	700	700	-
Membership fees	75	65	10

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	Final Budget	Actual	Variance Favorable (Unfavorable)
Veteran's Affairs - continued			
Office expense			
Postage	2,000	1,948	52
Printing	1,100	1,100	-
Telephone	100	-	100
Training	2,650	1,365	1,285
Travel	150	70	80
Subsistence	869	344	525
	<u>925</u>	<u>572</u>	<u>353</u>
Total Veteran's Affairs	<u>133,923</u>	<u>125,091</u>	<u>8,832</u>
Council on Aging			
Quarterly appropriation	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total Council on Aging	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Rape Crisis Network	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Sistercare, Inc.	<u>2,295</u>	<u>2,295</u>	<u>-</u>
<b>TOTAL SOCIAL SERVICES</b>	<u>254,738</u>	<u>248,820</u>	<u>5,918</u>
<b>MISCELLANEOUS</b>			
Airport			
Contingency	<u>110,000</u>	<u>39,194</u>	<u>70,806</u>
Total Airport	<u>110,000</u>	<u>39,194</u>	<u>70,806</u>
Government Association	<u>555</u>	<u>-</u>	<u>555</u>
Newberry County School District	<u>70,000</u>	<u>70,000</u>	<u>-</u>
S.C. Association of Counties	<u>9,146</u>	<u>9,146</u>	<u>-</u>
National Association of Counties	<u>742</u>	<u>742</u>	<u>-</u>
Medically indigent			
Appropriation	<u>101,910</u>	<u>101,910</u>	<u>-</u>

## GENERAL FUND

## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Fairgrounds</b>			
Contracted maintenance	840	535	305
Utilities	9,550	8,231	1,319
Insurance	5,739	-	5,739
Repairs to building	<u>5,000</u>	<u>2,973</u>	<u>2,027</u>
<b>Total Fairgrounds</b>	<u>21,129</u>	<u>11,739</u>	<u>9,390</u>
<b>Helena Community Center</b>			
Contracted maintenance	500	-	500
Utilities	4,800	3,656	1,144
Repairs to building	<u>828</u>	<u>393</u>	<u>435</u>
<b>Total Helena Community Center</b>	<u>6,128</u>	<u>4,049</u>	<u>2,079</u>
<b>Newberry Opera House</b>	25,000	25,000	-
<b>Recreation</b>			
Personnel	30,442	30,442	-
Social security	2,329	2,133	196
Retirement	2,859	-	2,859
Insurance	10,246	6,770	3,476
Maybinton ballfield	13,500	6,899	6,601
Recreation appropriation	<u>87,684</u>	<u>79,578</u>	<u>8,106</u>
<b>Total Recreation</b>	<u>147,060</u>	<u>125,822</u>	<u>21,238</u>
<b>TOTAL MISCELLANEOUS</b>	<u>491,670</u>	<u>387,602</u>	<u>104,068</u>



## NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>			
Contingency	252,392	233,238	19,154
<b>TOTAL CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>	<u>252,392</u>	<u>233,238</u>	<u>19,154</u>
<b>TOTAL EXPENDITURES</b>	<u>20,856,852</u>	<u>18,893,460</u>	<u>1,963,392</u>
Excess/(Deficiency) of Revenue over Expenditures	711,505	2,768,793	2,057,288
<b>OTHER FINANCING SOURCES/ (USES)</b>			
Surplus property sale	10,000	30,874	20,874
Transfer from special revenue	-	215,853	215,853
Transfer to capital projects	-	(623,398)	(623,398)
Transfers to special revenue (includes Special Education Levies)	<u>(721,505)</u>	<u>(779,962)</u>	<u>(58,457)</u>
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>(711,505)</u>	<u>(1,156,633)</u>	<u>(445,128)</u>
Excess of Revenue over Expenditures after other financing sources	<u>\$ -</u>	<u>\$ 1,612,160</u>	<u>\$ 1,612,160</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2012

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	T
<b>ASSETS</b>								
Cash	\$ 163,420	\$ 119,400	\$ 52,548	\$ 71,570	\$ 198,546	\$ -	\$ -	\$ -
Due from general fund	5,875	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	23,841	-
Due from grantor	1,300	-	-	-	-	8,597	-	-
<b>TOTAL ASSETS</b>	<b>\$ 170,595</b>	<b>\$ 119,400</b>	<b>\$ 52,548</b>	<b>\$ 71,570</b>	<b>\$ 198,546</b>	<b>\$ 8,597</b>	<b>\$ 23,841</b>	<b>\$ -</b>
<b>LIABILITIES</b>								
Deferred revenue	\$ 11,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to general fund	-	14,684	59,243	100,551	-	117,562	15,485	-
<b>TOTAL LIABILITIES</b>	<b>11,542</b>	<b>14,684</b>	<b>59,243</b>	<b>100,551</b>	<b>-</b>	<b>117,562</b>	<b>15,485</b>	<b>-</b>
<b>FUND BALANCE</b>								
Reserved for special revenue	159,053	104,716	(6,695)	(28,981)	198,546	(108,965)	8,356	-
<b>TOTAL FUND BALANCE</b>	<b>159,053</b>	<b>104,716</b>	<b>(6,695)</b>	<b>(28,981)</b>	<b>198,546</b>	<b>(108,965)</b>	<b>8,356</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 170,595</b>	<b>\$ 119,400</b>	<b>\$ 52,548</b>	<b>\$ 71,570</b>	<b>\$ 198,546</b>	<b>\$ 8,597</b>	<b>\$ 23,841</b>	<b>\$ -</b>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2012

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>Revenue</b>								
Intergovernmental								
Federal grants								
State grants	\$ -	\$ 19,337	\$ -	\$ -	\$ 167,822	\$ -	\$ -	\$ 187,159
Other						188,717	94,481	283,198
Assessments	38,627	-	85,918	198,910	-	-	-	323,455
Interest	18	-	20	-	-	-	-	38
Miscellaneous	8,871	134,112	-	-	-	-	83,851	226,834
<b>Total Revenue</b>	<u>47,516</u>	<u>153,449</u>	<u>85,938</u>	<u>198,910</u>	<u>167,822</u>	<u>188,717</u>	<u>178,332</u>	<u>1,020,684</u>
<b>Expenditures</b>								
Personnel								
Operating	52,991	174,507	102,171	74,306	-	-	-	176,477
Intergovernmental	-	-	-	227,759	54,031	235,445	95,903	840,636
	-	-	-	-	-	733,234	-	733,234
<b>Total Expenditures</b>	<u>52,991</u>	<u>174,507</u>	<u>102,171</u>	<u>302,065</u>	<u>54,031</u>	<u>968,679</u>	<u>95,903</u>	<u>1,750,347</u>
Other financing sources								
Transfer in/(out)					(129,715)	779,962	(86,138)	564,109
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>(5,475)</u>	<u>(21,058)</u>	<u>(16,233)</u>	<u>(103,155)</u>	<u>(15,924)</u>	<u>-</u>	<u>(3,709)</u>	<u>(165,554)</u>
Fund balance, beginning of year	<u>164,528</u>	<u>125,774</u>	<u>9,538</u>	<u>74,174</u>	<u>214,470</u>	<u>(108,965)</u>	<u>12,065</u>	<u>491,584</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 159,053</u>	<u>\$ 104,716</u>	<u>\$ (6,695)</u>	<u>\$ (28,981)</u>	<u>\$ 198,546</u>	<u>\$ (108,965)</u>	<u>\$ 8,356</u>	<u>\$ 326,030</u>

DEBT SERVICE FUND

Year Ended June 30, 2012

REVENUE

Property Taxes	
1995 GO Bond	\$ 2,775
2005 GO Bond	4,152
2007A GO Bond	141,221
2007B GO Bond	102,325
2010A GO Bond	175,976
2010B GO Bond	274,083
2010C GO Bond	132,654
2011 GO Bond	164,718
Sales Taxes	3,340,403
Interest	<u>46,357</u>
 TOTAL REVENUE	 <u>4,384,664</u>

EXPENDITURES

Principal	
2007A GO Bond	94,115
2007B GO Bond	65,000
2010A GO Bond	132,280
2010B GO Bond	212,000
2010C GO Bond	171,000
2011 GO Bond	333,465
Special Source Revenue Bond	260,000
2005 Sales Tax Bond	5,050,000
Sales Tax Bond	2,200,000
Interest	
2007A GO Bond	25,831
2007B GO Bond	20,696
2010A GO Bond	33,400
2010B GO Bond	56,901
2010C GO Bond	1,069
2011 GO Bond	3,476
Special Source Revenue Bond	209,674
2005 Sales Tax Bond	263,082
Sales Tax Bond	<u>582,113</u>
 TOTAL EXPENDITURES	 <u>9,714,102</u>

OTHER FINANCING SOURCES/(USES)

Transfer from Capital Projects	558,657
Transfer to Capital Projects	<u>(422,083)</u>

EXCESS/(DEFICIENCY) OF REVENUE  
OVER EXPENDITURES (5,192,864)

Fund balance, beginning of year 11,379,871

FUND BALANCE, END OF YEAR \$ 6,187,007

**CAPITAL PROJECTS FUND**

Year Ended June 30, 2012

**REVENUE**

Interest	\$ 7,111
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<b>TOTAL REVENUE</b>	<u>7,111</u>
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**EXPENDITURES**

Capital Outlays	
FILO	36,539
Lease purchase	150,439
Capital budgets	1,502,512
Sales tax	
PTC Building Purchase	2,959,322
City of Newberry	2,972,290
Water/Sewer Upgrade	77,550
Town of Prosperity	912,858
Opera House	320,919
Miscellaneous	<u>50,922</u>

<b>TOTAL EXPENDITURES</b>	<u>8,983,351</u>
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**OTHER FINANCING SOURCES/(USES)**

Lease purchase proceeds	790,637
GO Bond Proceeds	333,465
Transfer to debt service	(558,657)
Lease purchase payments	(333,465)
Transfer from debt service	422,083
Transfer to JF Hawkins	(161,120)
Transfer from general fund	<u>623,398</u>

**EXCESS OF REVENUE**

<b>OVER EXPENDITURES</b>	(7,859,899)
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Fund balance, beginning of year	<u>19,755,214</u>
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<b>FUND BALANCE, END OF YEAR</b>	<u><u>\$ 11,895,315</u></u>
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NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2012

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Market St Escrow	Fire/Rescue Squads	Total
<b>ASSETS</b>						
Cash	\$ 958,290	\$ 3,463,520	\$ 75,845	\$ 50,000	\$ 278,005	\$ 4,825,660
Investments	<u>9,055,840</u>	<u>8,843,304</u>	<u>2,370,332</u>	<u>-</u>	<u>-</u>	<u>20,269,476</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,014,130</u>	<u>\$ 12,306,824</u>	<u>\$ 2,446,177</u>	<u>\$ 50,000</u>	<u>\$ 278,005</u>	<u>\$ 25,095,136</u>
<b>LIABILITIES</b>						
Due to taxing units and others	<u>\$ 10,014,130</u>	<u>\$ 12,306,824</u>	<u>\$ 2,446,177</u>	<u>\$ 50,000</u>	<u>\$ 278,005</u>	<u>\$ 25,095,136</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 10,014,130</u>	<u>\$ 12,306,824</u>	<u>\$ 2,446,177</u>	<u>\$ 50,000</u>	<u>\$ 278,005</u>	<u>\$ 25,095,136</u>

**Financial Statement Findings**

**SIGNIFICANT DEFICIENCIES**

1. **General Ledger – Years Ended June 30, 1995 - Present**

*Condition:* The general ledger used by the County needs to utilize proper fund accounting. Entries are made between funds, which result in individual funds being out of balance. Revenue and expenditure accounts in the debt service and special revenue fund are commingled so true totals of revenue and expenditures are not shown. The accounting software also does not properly account for voided checks. The software did not properly roll balances forward from the prior year.

*Criteria:* Fund accounting should ensure that each fund maintain a set of self-balancing accounts. Entries between funds should be recorded by offsetting “due to/from” accounts in order to maintain fund integrity. Revenues and expenditures should have separate accounts to track the annual totals for each category of revenue and expenditure. Accounts payable should be reconciled to ensure voided checks are recorded correctly. The software should be maintained to correctly roll balances forward correctly.

*Effect:* Because entries are made across funds resulting in individual funds being out of balance and revenues and expenditures are shown in the same accounts, errors can occur and not be detected in a timely manner. Because voided checks are not properly accounted for, accounts payable could be misstated. If balances do not roll forward correctly, accounts could be misstated.

*Recommendation:* Self-balancing fund accounting should be maintained along with separate revenue and expenditure accounts by training accounting staff in the proper methodology of accounting. Monthly reconciliations of accounts payable should help with voided checks and monitoring the balance forwards in a timely manner should help.

*Response:* The County’s software has controls to reduce the number of entries that are posted out of balance. Monthly reviews of the daily postings and accounts are helping to reduce the problem areas.

2. Segregation of Duties – Years Ended June 30, 1995 - Present

*Condition:* A proper segregation of duties does not exist relative to cash receipts and disbursements in the Treasurer's, County Administrator's, Building Inspections, Zoning and Central Court – Magistrate's Offices.

*Criteria:* The same personnel perform the duties of cashier, posting accounts receivable records, handling of mail cash receipts, and receiving and disputing items and NSG charges.

*Effect:* Because a segregation of duties does not exist, errors and irregularities could occur and not be detected in a timely manner.

*Recommendation:* A segregation of duties should be established and maintained, where each employee is delegated one primary task.

*Response:* When possible, these offices separate the accounting duties. However, it is not always cost feasible to staff every position solely on accounting controls.

**Prior Findings**

Accounts Receivable and Revenue – JF Hawkins Nursing Home – June 30, 2010 - 2011

*Condition:* The Nursing Home records revenue, contractual adjustments and receivables monthly. The reconciliation of the ledger to the sub-ledger needs to be monitored and reviewed by utilizing the segregation of duties. The sub-ledger did not match the general ledger. The sub-ledger had irregularities. Additionally, it appears no one was actively collecting past due accounts from the time the Nursing Home was sold through the end of the fiscal year.

*Criteria:* Monthly reconciliation and review of accounts receivable, contract adjustments and revenue should be performed and monitored by segregating the duties to ensure completeness and accuracy. Management should actively collect and bill for outstanding charges.

*Effect:* Because of the irregularities and lack of monitoring of the transactions, the Nursing Home's accounts receivable, contract adjustments and revenue could be misstated.

*Recommendation:* Monthly reconciliation of the accounts receivable sub-ledger to the general ledger should be made by separate personnel. Individual accounts on the sub-ledger should be reviewed for collectability and procedures should be followed to collect or write off receivables. Monthly bills should be processed and recorded.

*Response:* The Nursing Home will monitor the accounts receivable and revenue. The County is actively trying to collect on any amounts due to the Nursing Home operations. The Nursing Home was sold in February 2011.





# RISH & ENZASTIGA

Certified Public Accountants

## AUDITORS' 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 Chairman and Members of the County  
Council for Newberry County, South Carolina  
Newberry, South Carolina

We have audited the financial statements of Newberry County, South Carolina (the County) as of and for the year ended June 30, 2012, and have issued our report thereon dated October 30, 2012. We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We identified two control deficiencies listed in the Schedule of Findings and Questioned Costs, items 1 - 2.

detected by the County's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described above and would not necessarily disclose all matters in the internal control structure that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We identified two material weaknesses listed in the Schedule of Findings and Questioned Costs, items 1 - 2.

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 these entities.

*Rish and Engatya*

October 30, 2012  
Lexington, South Carolina

## NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2012

Assessments	\$ 47,493
Surcharges	38,425
Interest	<u>20</u>
Expenditures	<u>102,171</u>
Decrease in fund balance	(16,233)
Fund Balance, July 1, 2011	<u>9,538</u>
Fund Balance, June 30, 2012	<u><u>\$ (6,695)</u></u>

## Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Public Defender Application Fees	\$ 5,222	\$ 5,222	\$ -
Marriage License Fee	3,960	3,960	-
Circuit/Family Court Fines	9,713	9,713	-
Circuit/Family Court Filing Fees	177,193	177,193	-
General Sessions - Assessments - DUI	483	483	-
Magistrates Court - Assessments - DUI	1,724	1,724	-
Magistrates - Surcharge - DUI	9,594	9,594	-
Magistrates - Drug Surcharge	6,700	6,700	-
General Sessions - Drug Surcharge	4,789	4,789	-
General Sessions - Other Assessments	9,480	7,985	1,495
Magistrates Court - Other Assessments	376,611	337,542	39,069
General Sessions - Surcharges	16,630	3,801	12,829
Magistrates Court - Surcharges	<u>229,732</u>	<u>207,708</u>	<u>22,024</u>
	<u><u>\$ 851,831</u></u>	<u><u>\$ 776,414</u></u>	<u><u>\$ 75,417</u></u>

**Segregation of Duties**

*Condition:* A proper segregation of duties does not exist relative to cash receipts and disbursements in the Central Court – Magistrate’s Offices.

*Criteria:* The same personnel perform the duties of cashier, posting accounts receivable records, handling of mail cash receipts, and receiving and disputing items and NSG charges.

*Effect:* Because a segregation of duties does not exist, errors and irregularities could occur and not be detected in a timely manner.

*Recommendation:* A segregation of duties should be established and maintained, where each employee is delegated one primary task.

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