



# RISH&ENZASTIGA

Certified Public Accountants

December 14, 2009

To the Newberry County Council  
Newberry County

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Newberry County for the year ended June 30, 2009, and have issued our report thereon dated September 25, 2009. Professional standards require that we provide you with the following information related to our audit.

### Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Newberry County are described in Note A to the financial statements. Note R – Other Post-Employment Benefits in accordance with GASB 45 was implemented during fiscal year 2008 - 2009. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

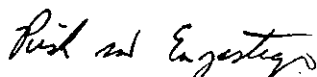
We have requested certain representations from management that are included in the management representation letter dated September 25, 2009.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of County Council and management of Newberry County and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Rish and Enzastiga

Certified Public Accountants

AUDITED FINANCIAL STATEMENTS

**NEWBERRY COUNTY, SOUTH CAROLINA**  
Newberry, South Carolina

June 30, 2009

## CONTENTS

### Audited Financial Statements

Independent Auditors' Report.....Page 4 – 5

Management's Discussion and Analysis ..... 7 - 21

### Audited Financial Statements – Primary Government

Statement of Net Assets ..... 23

Statement of Activities ..... 24

Balance Sheet – Governmental Funds ..... 25

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balance – Governmental Funds to the Statement of Activities ..... 26

Statement of Revenue, Expenditures, and Changes in Fund Balances  
Governmental Funds ..... 27

Statement of Revenue, Expenditures and Changes in Fund Balance – General Fund  
Budget and Actual..... 28

Statement of Net Assets – Proprietary Funds ..... 29

Statement of Revenue, Expenses and Changes in Net Assets – Proprietary Fund –  
J. F. Hawkins Nursing Home ..... 30

Statement of Cash Flows – Proprietary Fund – J. F. Hawkins Nursing Home..... 31 - 32

Statement of Fiduciary Net Assets – Fiduciary Funds ..... 33

Notes to Financial Statements ..... 34 - 54

### Supplemental Information

#### General Fund

Schedule of Revenues and Expenditures – Budget and Actual ..... 56 - 82

#### Non-Major Special Revenue Funds

Combining Balance Sheet ..... 83

Combining Statement of Revenue, Expenditures and Changes in Fund Balance ..... 84

#### Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balance ..... 85

CONTENTS - CONTINUED

Capital Projects Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance.....	86
Trust and Agency Fund	
Combining Balance Sheet.....	87
Single Audit Section	
Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on its Internal Control over Compliance in Accordance with OMB Circular A-133 .....	89 - 90
Schedule of Expenditures of Federal Awards .....	91
Notes to the Schedule of Expenditures of Federal Awards .....	92
Schedule of Findings and Questioned Costs .....	93 - 95
Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	96 - 97
State Treasurer's Reports	
Victims Services Fund & Statement of Fines, Assessments and Surcharges .....	98
Review of Accounting Controls over the Collection, Reporting and Distribution Of Fines and Assessments Collected .....	99



# 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, 2009. 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.

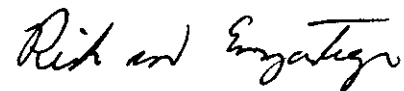
A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements 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, 2009 for the year then ended in conformity with generally accepted accounting principles.

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, 2009 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 September 25, 2009 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 financial statements of Newberry County. The accompanying schedule of expenditures of federal awards (as required by the US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) along with the accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the primary government's financial statements. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Lexington, South Carolina  
September 25, 2009

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2009**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2009. 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, 2009, were \$42,020,401, which represented an increase of \$3,483,951 from the prior year end. The net assets of the governmental activities totaled \$44,196,297. The net deficit of the business-type activities was \$2,175,896.
- **Revenues and Expenditures:** Revenues and Other Financing Sources totaled \$33,615,927 and Expenditures and Other Uses totaled \$33,346,246 for all Governmental Funds at the fund level. Accordingly, revenues and other financing sources exceeded total expenditures by \$269,681. The general fund increased the fund balance by \$1,576,885, due to higher taxes and fee-in-lieu income. The debt service fund balance increased \$1,105,234 on higher property tax collections. The capital projects fund balance decreased \$2,410,922 for intergovernmental capital improvements paid from the Sales Tax Bond and the lease purchase agreements.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$3,277,238 consisting of airport improvements, equipment and vehicles. Depreciation expense in governmental activities was \$3,029,290. This resulted in a net increase of capital assets of \$247,948.
- **Business Type Activities:** J. F. Hawkins Nursing Home is an Enterprise Fund that operates as a business enterprise. The total net deficit for the Nursing Home totaled \$2,175,896 at year-end. Charges for services totaled \$8,899,174, general revenues totaled \$14,644, and total expenses were \$8,817,228. The revenues and expenses resulted in a decrease in net assets of \$67,302.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$22,809,979 in fiscal year 2009 Revenues, which primarily consisted of property taxes and intergovernmental sources, Other Financing Sources of \$40,084 and Other Financing Uses of \$2,358,569, and \$18,914,609 in Expenditures, leaving a surplus for the year of \$1,576,885.
- **Debt Service:** The County retired \$4,060,384 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance increased from \$7,700,277 to \$8,805,511. Bonds payable are \$20,569,616 at June 30, 2009 in governmental activities. Business type activities outstanding debt at June 30, 2009 was \$10,320,000. Principal payments of \$305,000 were made during the year.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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).

**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.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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, Airport, 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

**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.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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 \$42,020,401 as of June 30, 2009.

The largest portion of the County's net assets (44.3 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, 2009.

Current assets	\$ 30,209,481
Non-current assets	50,481,451
Total assets	<u>80,690,932</u>
Current liabilities	(8,282,709)
Non-current liabilities	(30,387,822)
Total liabilities	<u>(38,670,531)</u>
Net assets	<u>\$ 42,020,401</u>
Net assets -	
Invested in capital assets, net of related debt	\$ 18,476,559
Restricted	13,982,581
Unrestricted	<u>9,561,261</u>
Total net assets	<u>\$ 42,020,401</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

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

- Intergovernmental capital outlays of \$4,443,504.
- The operating gain of the General Fund totaling \$1,576,885 resulting mainly from higher income and reduced spending.
- Increases in the Debt Service Fund totaling \$1,105,234, due to collections of sales tax and higher property taxes.

**Changes in net assets:** The County's combined governmental and business-type revenues for the fiscal year ended June 30, 2009, were \$41,194,660. The total cost of all programs and services was \$37,610,709. The following table presents a summary of the activity that resulted in changes to total net assets for the fiscal year ended June 30, 2009.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 9,731,457
Operating grants and contributions	270,942
Capital grants	1,971,559
General revenues:	
Property taxes	19,313,837
Intergovernmental sources	2,508,727
Fines and assessments	1,350,617
Sales tax	3,596,008
Miscellaneous	<u>1,451,513</u>
Total revenues	<u>40,194,660</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**EXPENSES:**

Governmental - current	( 23,384,331)
Intergovernmental - capital	
Construction & improvements	( 4,443,504)
Debt service	( 883,770)
J. F. Hawkins Nursing Home	( 8,899,174)
 Total expenses	 ( 37,610,709)
 Legal Settlement	 900,000
 Increase in net assets	 <u>\$ 3,483,951</u>

**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	\$ 23,384,331	\$(22,199,090)
Intergovernmental - capital		
Construction & improvements	4,443,504	(2,471,945)
Debt Service - interest	883,770	(883,770)
J. F. Hawkins Nursing Home	<u>8,899,174</u>	<u>(81,946)</u>
 Total expenses	 <u>\$ 37,610,709</u>	 <u>\$(25,636,751)</u>

- The cost of all activities this year was \$37,610,709.
- Net cost of governmental activities (\$25,554,805) was financed by general revenues (\$27,909,685), which are made up of primarily property taxes (\$19,313,837), intergovernmental sources (\$2,508,727), fines and assessments (\$1,350,617), sales tax (\$3,596,008), and other revenue (\$1,451,513).
- Net cost of business-type activities (\$81,946) was financed by contributions received in prior years and interest income.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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.

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 \$27,087,567, an increase of \$269,681 since June 30, 2008. A fund balance of \$9,456,588 or 34.9 percent of total governmental fund balance constitutes unreserved and undesignated, which is available for spending at the County's discretion.

The remaining fund balance is reserved or designated to indicate that it is not available for spending because it has already been committed as follows:

- \$ 4,548,398 for future capital projects
- \$ 8,805,511 for debt service
- \$ 250,494 for special revenue
- \$ 1,452,639 for notes receivable – due from J. F. Hawkins Nursing Home
- \$ 2,573,937 for general fund – future projects

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 \$1,576,885 was the result of increased property taxes and savings for future projects in FY 2009 – 2010. The Debt Service Fund balance showed an increase of \$1,105,234 from the prior year due to the collection of higher property taxes. The Capital Projects Funds showed a fund balance of \$6,001,037, a combination of remaining Sales Tax, Lease purchase and GO Bonds proceeds.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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 loss of \$67,302. Total net deficit was \$2,175,896 with unrestricted net assets totaling \$443,579 as of June 30, 2009. The Nursing Home continues to try and improve the quality of resident services while managing the cash flow of the operations.

**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 \$21,253,919 in General Fund Revenue with actual revenue totaling \$22,809,979 for a difference of \$1,556,060. The budget for expenditures was \$21,278,919 with the actual expenditures being \$18,914,609 for a difference of \$2,364,310. The results from revenue, expenditures and transfers caused the fund balance to increase by \$1,576,885. 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, 2009, the County had invested \$48,871,388 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 \$3,029,290 for governmental activities and \$547,970 for business-type activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2009.

	Amount
Land	\$ 7,221,065
Buildings and improvements	43,197,304
Furniture and equipment	15,306,115
Roads	11,340,105
Construction in progress	5,654,044
Other improvements	<u>2,316,652</u>
 Total	 <u>\$ 85,035,285</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, 2009**

**DEBT ADMINISTRATION**

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2009.

	Amount
General obligation bonds	\$ 20,569,616
Lease purchase	3,153,611
Notes payable - business-type act	10,320,000
Accrued compensated absences	<u>566,916</u>
Total	<u>\$ 34,610,143</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.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2009**

**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 2009 - 2010 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, 2009**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I - VI are presented for additional analysis of the County's finances for the FY 08-09.

Table I - Statement of Net Assets - Governmental Activities - Total current assets increased \$607,815 over the prior year due to increases in cash (general fund and debt service) and property taxes. Capital assets increased \$247,948 net as shown in Note O for capital asset additions for the airport improvements and vehicle less depreciation expense. Total liabilities decreased \$2.7 million for net issuance/payments of bond principal. Net assets increased because of the payment of debt to increase equity in the assets held.

Table II - Statement of Net Assets - Business-Type Activity - Total assets declined \$263,242. Cash increased \$99,901 and accumulated depreciation increased \$547,970. Total liabilities decreased \$195,940 from the principal payment of \$305,000.

Table IV - Statement of Activities - Governmental Activities - Total revenues decreased \$129,740. Operating grants decreased \$1.1 million due to reductions in C-Funds projects and Sheriff's grants in the prior year. Property taxes increased \$1,020,577. Total expenses increased \$2.356 million due to lease purchase, GO Bond and Sales Tax Bond expenses intergovernmental expenses.

Table V - Statement of Activities - Business-Type Activities - Total revenues increased \$277,783. Charges for services increased \$327,325. Expenses decreased \$106,447 due to personnel and operating reductions for the fiscal year.

**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, 2009**

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

	Governmental Activities		
	2009	2008	Variance
<b>Assets</b>			
Total Current Assets	\$ 30,291,607	\$ 29,683,792	\$ 607,815
Capital Assets, net of accumulated depreciation	<u>41,104,297</u>	<u>40,922,915</u>	<u>181,382</u>
Total Assets	<u>\$ 71,395,904</u>	<u>\$ 70,606,707</u>	<u>\$ 789,197</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 6,883,351	\$ 7,821,598	\$ (938,247)
Non-Current Liabilities	<u>20,382,822</u>	<u>22,140,065</u>	<u>(1,757,243)</u>
Total Liabilities	<u>\$ 27,266,173</u>	<u>\$ 29,961,663</u>	<u>\$ (2,695,490)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 21,096,034	\$ 20,922,118	\$ 173,916
Restricted	13,982,581	11,634,021	2,348,560
Unrestricted/(deficit)	<u>9,117,682</u>	<u>8,088,905</u>	<u>1,028,777</u>
Total Net Assets	<u>\$ 44,196,297</u>	<u>\$ 40,645,044</u>	<u>\$ 3,551,253</u>

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

	Business-Type Activities		
	2009	2008	Variance
<b>Assets</b>			
Total Current Assets	\$ (82,126)	\$ (241,396)	\$ 159,270
Other Non-current Assets	1,610,063	1,663,042	(52,979)
Capital Assets, net of accumulated depreciation	<u>7,700,525</u>	<u>8,070,058</u>	<u>(369,533)</u>
Total Assets	<u>\$ 9,228,462</u>	<u>\$ 9,491,704</u>	<u>\$ (263,242)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 1,399,358	\$ 1,280,298	\$ 119,060
Non-Current Liabilities	<u>10,005,000</u>	<u>10,320,000</u>	<u>(315,000)</u>
Total Liabilities	<u>\$ 11,404,358</u>	<u>\$ 11,600,298</u>	<u>\$ (195,940)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ (2,619,475)	\$ (2,554,942)	\$ (64,533)
Unrestricted/(deficit)	<u>443,579</u>	<u>446,348</u>	<u>(2,769)</u>
Total Net Assets	<u>\$ (2,175,896)</u>	<u>\$ (2,108,594)</u>	<u>\$ (67,302)</u>

NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued  
YEAR ENDED JUNE 30, 2009

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

	Total Government-Wide Activities		
	2009	2008	Variance
<b>Assets</b>			
Total Current Assets	\$ 30,209,481	\$ 29,442,396	\$ 767,085
Other Non-current Assets	1,610,063	1,663,042	(52,979)
Capital Assets, net of accumulated depreciation	<u>48,804,822</u>	<u>48,992,973</u>	<u>(188,151)</u>
Total Assets	<u>\$ 80,624,366</u>	<u>\$ 80,098,411</u>	<u>525,955</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 8,282,709	\$ 9,101,896	\$ (819,187)
Non-Current Liabilities	<u>30,387,822</u>	<u>32,460,065</u>	<u>(2,072,243)</u>
Total Liabilities	<u>\$ 38,670,531</u>	<u>\$ 41,561,961</u>	<u>\$ (2,891,430)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 18,476,559	\$ 18,367,176	\$ 109,383
Restricted	13,982,581	11,634,021	2,348,560
Unrestricted/(deficit)	<u>9,561,261</u>	<u>8,535,253</u>	<u>1,026,008</u>
Total Net Assets	<u>\$ 42,020,401</u>	<u>\$ 38,536,450</u>	<u>\$ 3,483,951</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2009**

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

	Governmental Activities		
	2009	2008	Variance
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 914,229	\$ 968,071	\$ (53,842)
Operating Grants	270,942	1,398,789	(1,127,847)
Capital Grants	1,971,559	1,519,747	451,812
<b>General Revenue:</b>			
Property Taxes	19,313,837	18,293,260	1,020,577
Intergovernmental Sources	2,508,727	2,553,416	(44,689)
Fines and Assessments	1,350,617	1,700,435	(349,818)
Sales Tax - Debt Service	3,596,008	3,511,457	84,551
Other	1,436,869	1,547,353	(110,484)
<b>Total Revenues</b>	<b>\$ 31,362,788</b>	<b>\$ 31,492,528</b>	<b>\$ (129,740)</b>
<b>Expenses</b>			
<b>Current</b>			
Legislative	\$ 254,539	\$ 248,821	\$ 5,718
Administration	1,378,951	907,703	471,248
Tax assessment & collection	1,521,686	1,575,545	(53,859)
Election & registration	223,915	225,429	(1,514)
Administration of Justice	1,729,523	1,495,132	234,391
Law enforcement	3,541,455	3,633,792	(92,337)
Detention	1,619,199	1,618,457	742
Public safety	3,677,559	3,982,863	(305,304)
Public works & maintenance	5,933,891	6,855,411	(921,520)
Planning & development	400,167	354,544	45,623
Agriculture & home economics	72,652	75,842	(3,190)
Public health	43,680	43,362	318
Social services	288,641	333,463	(44,822)
Intergovernmental	1,907,320	743,189	1,164,131
Miscellaneous	553,511	672,529	(119,018)
Emergency telephone reporting	237,572	271,896	(34,324)
Capital Construction & Improvements - Intergovernmental	4,443,504	2,267,981	2,175,523
Interest and Fees	883,770	1,048,749	(164,979)
<b>Total Expenses</b>	<b>\$ 28,711,535</b>	<b>\$ 26,354,708</b>	<b>\$ 2,356,827</b>

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

	Business-Type Activities		
	2009	2008	Variance
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 8,817,228	\$ 8,489,903	\$ 327,325
Other	14,644	64,186	(49,542)
<b>Total Revenues</b>	<b>\$ 8,831,872</b>	<b>\$ 8,554,089</b>	<b>\$ 277,783</b>
<b>Expenses</b>			
J. F. Hawkins Nursing Home	\$ 8,899,174	\$ 9,005,621	\$ (106,447)

NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued  
YEAR ENDED JUNE 30, 2009

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

	Total Government-Wide Activities		
	2009	2008	Variance
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 9,731,457	\$ 9,457,974	\$ 273,483
Operating Grants	270,942	1,398,789	(1,127,847)
Capital Grants	1,971,559	1,519,747	451,812
<b>General Revenue:</b>			
Property Taxes	19,313,837	18,293,260	1,020,577
Intergovernmental Sources	2,508,727	2,553,416	(44,689)
Fines and Assessments	1,350,617	1,700,435	(349,818)
Sales Tax - Debt Service	3,596,008	3,511,457	84,551
Other	1,451,513	1,611,539	(160,026)
<b>Total Revenues</b>	<b>\$ 40,194,660</b>	<b>\$ 40,046,617</b>	<b>\$ 148,043</b>
<b>Expenses</b>			
<b>Current</b>			
Legislative	\$ 254,539	\$ 248,821	5,718
Administration	1,378,951	907,703	471,248
Tax assessment & collection	1,521,686	1,575,545	(53,859)
Election & registration	223,915	225,429	(1,514)
Administration of Justice	1,729,523	1,495,132	234,391
Law enforcement	3,541,455	3,633,792	(92,337)
Detention	1,619,199	1,618,457	742
Public safety	3,677,559	3,982,863	(305,304)
Public works & maintenance	5,933,891	6,855,411	(921,520)
Planning & development	400,167	354,544	45,623
Agriculture & home economics	72,652	75,842	(3,190)
Public health	43,680	43,362	318
Social services	288,641	333,463	(44,822)
Intergovernmental	1,907,320	743,189	1,164,131
Miscellaneous	553,511	672,529	(119,018)
Emergency telephone reporting	237,572	271,896	(34,324)
Capital Construction & Improvements - Intergovernmental	4,443,504	2,267,981	2,175,523
Interest and Fees	883,770	1,048,749	(164,979)
J. F. Hawkins Nursing Home	8,899,174	9,005,621	(106,447)
<b>Total Expenses</b>	<b>37,610,709</b>	<b>35,360,329</b>	<b>2,250,380</b>
<b>Legal Settlement</b>	<b>900,000</b>	<b>-</b>	<b>900,000</b>
<b>Change in Net Assets</b>	<b>3,483,951</b>	<b>4,686,288</b>	<b>(1,202,337)</b>
<b>Net Assets, Beginning of Year</b>	<b>38,536,450</b>	<b>33,850,162</b>	<b>4,686,288</b>
<b>Net Assets, End of Year</b>	<b>\$ 42,020,401</b>	<b>\$ 38,536,450</b>	<b>\$ 3,483,951</b>

**BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT**



STATEMENT OF NET ASSETS  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash - Notes B & C	\$ 3,370,832	\$ 507,209	\$ 3,878,041
Investments - Note C	21,496,541	-	21,496,541
Receivables			
Property taxes - delinquent - Note E	1,142,191	-	1,142,191
Fines and fees	144,243	-	144,243
Patient receivables, less allowance for doubtful accounts \$108,672	-	1,043,746	1,043,746
Other	973,163	-	973,163
Due from other governments			
State shared revenue	559,045	-	559,045
Sales tax	922,429	-	922,429
Grant revenue	18,917	-	18,917
Inventory - jet fuel	21,535	-	21,535
Prepaid items	9,630	-	9,630
Due to/from internal balances - Note D	<u>1,633,081</u>	<u>(1,633,081)</u>	<u>-</u>
<b>Total Current Assets</b>	<u>30,291,607</u>	<u>(82,126)</u>	<u>30,209,481</u>
Restricted cash - Note F	-	1,077,273	1,077,273
Bond issuance cost, less \$28,443 accumulated amortization	-	532,790	532,790
Capital Assets - Note O			
Land	7,003,529	217,536	7,221,065
Buildings	32,367,809	10,829,495	43,197,304
Improvements other than buildings	-	2,316,652	2,316,652
Roads	11,340,105	-	11,340,105
Equipment	13,138,960	2,167,155	15,306,115
Construction in Progress	5,654,044	-	5,654,044
Accumulated depreciation	<u>(28,333,584)</u>	<u>(7,830,313)</u>	<u>(36,163,897)</u>
<b>TOTAL ASSETS</b>	<u>\$ 71,462,470</u>	<u>\$ 9,228,462</u>	<u>\$ 80,690,932</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 883,074	\$ 751,219	\$ 1,634,293
Escrowed funds	-	21,378	21,378
Deferred revenue			
Advance billings	-	311,761	311,761
Grant revenue	108,075	-	108,075
Due to other taxing units and others	1,215,231	-	1,215,231
Accrued interest	281,919	-	281,919
Lease payable, current portion	1,073,690	-	1,073,690
Bonds payable, current portion	<u>3,321,362</u>	<u>315,000</u>	<u>3,636,362</u>
<b>Total Current Liabilities</b>	<u>6,883,351</u>	<u>1,399,358</u>	<u>8,282,709</u>
Bonds payable, less current portion	17,248,254	10,005,000	27,253,254
Compensated absences	566,916	-	566,916
Net OPEB Obligation - See Note R	487,731	-	487,731
Lease purchase, less current portion	<u>2,079,921</u>	<u>-</u>	<u>2,079,921</u>
<b>TOTAL LIABILITIES</b>	<u>27,266,173</u>	<u>11,404,358</u>	<u>38,670,531</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt, \$20,074,829 and \$10,320,000	21,096,034	(2,619,475)	18,476,559
Restricted for:			
notes receivable	1,452,639	-	1,452,639
special projects	250,494	-	250,494
debt service	8,805,511	-	8,805,511
capital projects, net of related debt, \$3,648,398	3,027,076	-	3,027,076
operations	446,861	-	446,861
Unrestricted	<u>9,117,682</u>	<u>443,579</u>	<u>9,561,261</u>
<b>TOTAL NET ASSETS</b>	<u>44,196,297</u>	<u>(2,175,896)</u>	<u>42,020,401</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 71,462,470</u>	<u>\$ 9,228,462</u>	<u>\$ 80,690,932</u>

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Program Revenues		Net Revenue & Changes in Net Assets	
	Charges for Services	Operating Grants	Capital Grants	Total
<b>Governmental Activities</b>				
<b>Current</b>				
Expenses	\$ 254,539	\$ -	\$ -	\$ (254,539)
Legislative Administration	1,378,951	-	-	(1,378,951)
Tax assessment & collection	1,521,686	-	-	(1,521,686)
Election & registration	225,915	52,067	-	(171,848)
Administration of Justice	1,729,523	133,696	-	(1,595,827)
Law enforcement	3,541,455	79,307	-	(3,462,148)
Deletion	1,619,199	-	-	(1,619,199)
Public safety	3,677,559	159,754	-	(3,517,805)
Public works & maintenance	5,933,891	519,773	-	(5,414,118)
Planning & development	400,167	-	-	(400,167)
Agriculture & home economics	72,652	-	-	(72,652)
Public health	43,680	-	-	(43,680)
Social services	288,641	5,872	-	(282,769)
Intergovernmental	1,907,320	-	-	(1,907,320)
Miscellaneous	553,511	-	-	(553,511)
Emergency telephone reporting	237,572	234,702	-	(2,870)
Capital construction & improvements - intergovernmental	4,443,504	-	1,971,559	(2,471,945)
Debt service	883,770	-	-	(883,770)
Interest & other bond costs	-	-	-	-
<b>Total Governmental Activities</b>	<b>28,711,535</b>	<b>914,229</b>	<b>270,942</b>	<b>(25,554,805)</b>
<b>Business-Type Activities</b>				
J. F. Hawkins Nursing Home	8,899,174	8,817,228	-	(81,946)
<b>TOTAL</b>	<b>\$ 37,610,709</b>	<b>\$ 9,731,457</b>	<b>\$ 270,942</b>	<b>\$ (25,636,751)</b>
<b>General Revenues</b>				
Property Taxes Levied For:				
General Purposes	17,688,678	-	-	17,688,678
Debt Service	1,625,159	-	-	1,625,159
Intergovernmental sources	2,508,727	-	-	2,508,727
Fines and assessments	1,350,617	-	-	1,350,617
Sales tax - debt service	3,596,008	-	-	3,596,008
Surplus property sale	40,084	-	-	40,084
Other	1,396,785	14,644	-	1,411,429
<b>Total General Revenues</b>	<b>28,206,058</b>	<b>14,644</b>	<b>-</b>	<b>28,220,702</b>
<b>Legal settlement</b>	<b>900,000</b>	<b>-</b>	<b>-</b>	<b>900,000</b>
<b>Change in Net Assets</b>	<b>3,551,253</b>	<b>(67,302)</b>	<b>-</b>	<b>3,483,951</b>
<b>Net Assets, Beginning of Year</b>	<b>40,645,044</b>	<b>(2,108,594)</b>	<b>-</b>	<b>38,536,450</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 44,196,297</b>	<b>\$ (2,175,896)</b>	<b>\$ -</b>	<b>\$ 42,020,401</b>

BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	General	Airport	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>ASSETS</b>						
Cash - Notes B & C	\$ 1,471,057	\$ -	\$ 20,335	\$ 1,158,739	\$ 720,701	\$ 3,370,832
Investments - Note C	11,153,905	-	7,852,977	2,489,659	-	21,496,541
Receivables						
Property taxes - delinquent - Note E	1,064,951	-	77,240	-	-	1,142,191
Fines and fees	144,243	-	-	-	-	144,243
Other	73,163	-	-	900,000	-	973,163
Due from other governments						
State shared revenue	559,045	-	-	-	-	559,045
Sales tax	-	-	922,429	-	-	922,429
Grant revenue	-	-	-	-	18,917	18,917
Inventory - jet fuel	-	21,535	-	-	-	21,535
Prepaid items	9,630	-	-	-	-	9,630
Due from other funds - Note D	583,026	-	-	1,452,639	8,092	2,043,757
<b>TOTAL ASSETS</b>	<b>\$ 15,059,020</b>	<b>\$ 21,535</b>	<b>\$ 8,872,981</b>	<b>\$ 6,001,037</b>	<b>\$ 747,710</b>	<b>\$ 30,702,283</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accrued expenses	\$ 883,074	\$ -	\$ -	\$ -	\$ -	\$ 883,074
Deferred revenue						
Property taxes	930,190	-	67,470	-	-	997,660
Grant revenue	-	-	-	-	108,075	108,075
Due to taxing units and others	1,215,231	-	-	-	-	1,215,231
Due to other funds - Note D	-	4,555	-	-	406,121	410,676
<b>TOTAL LIABILITIES</b>	<b>3,028,495</b>	<b>4,555</b>	<b>67,470</b>	<b>-</b>	<b>514,196</b>	<b>3,614,716</b>
<b>FUND BALANCES</b>						
Reserved:						
Reserved for notes receivable	-	-	-	1,452,639	-	1,452,639
Reserved for capital projects	2,127,076	-	-	4,548,398	-	6,675,474
Reserved for operations	446,861	-	-	-	-	446,861
Reserved for debt service	-	-	8,805,511	-	-	8,805,511
Reserved for special revenue	-	16,980	-	-	233,514	250,494
Unreserved:						
Undesignated	9,456,588	-	-	-	-	9,456,588
<b>TOTAL FUND BALANCES</b>	<b>12,030,525</b>	<b>16,980</b>	<b>8,805,511</b>	<b>6,001,037</b>	<b>233,514</b>	<b>27,087,567</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,059,020</b>	<b>\$ 21,535</b>	<b>\$ 8,872,981</b>	<b>\$ 6,001,037</b>	<b>\$ 747,710</b>	<b>\$ 30,702,283</b>

Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balances - Governmental Funds	\$ 27,087,567
Capital assets, net of accumulated depreciation	41,170,863
Bonds payable	(20,569,616)
Leases payable	(3,153,611)
Compensated absences	(566,916)
Net OPEB Obligation	(487,731)
Accrued interest	(281,919)
Recognition of deferred taxes	997,660
<b>Total Net Assets - Governmental Activities</b>	<b>\$ 44,196,297</b>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2009

Net change in fund balances - total governmental funds \$ 269,681

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.

Capital outlays	3,277,238	
Depreciation expense	<u>(3,029,290)</u>	247,948

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

	<u>4,060,384</u>	4,060,384
--	------------------	-----------

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.

Issuance of lease purchase proceeds	(1,622,500)	
Repayment of principal	<u>799,006</u>	(823,494)

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.

Interest on bonds and lease purchase increased by: 73,770

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.

(58,666)

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.

(487,731)

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.

269,361

Change in net assets - governmental activities \$ 3,551,253

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2009

	General	Airport	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>REVENUE</b>						
Property taxes	\$ 17,438,362	\$ -	\$ 1,215,623	\$ 390,491	\$ -	\$ 19,044,476
Intergovernmental	2,487,767	1,971,559	-	-	291,902	4,751,228
Fines and fees	1,920,885	-	-	-	343,961	2,264,846
Sales tax	-	-	3,596,008	-	-	3,596,008
Other	962,965	109,206	87,766	170,603	66,245	1,396,785
<b>TOTAL REVENUE</b>	<b>22,809,979</b>	<b>2,080,765</b>	<b>4,899,397</b>	<b>561,094</b>	<b>702,108</b>	<b>31,053,343</b>
<b>EXPENDITURES</b>						
Current						
Legislative	254,539	-	-	-	-	254,539
Administration	937,863	-	-	-	-	937,863
Tax assessment & collection	1,509,538	-	-	-	-	1,509,538
Election & registration	165,091	-	-	-	-	165,091
Administration of Justice	1,653,332	-	-	-	69,638	1,722,970
Law enforcement	3,128,448	-	-	-	261,039	3,389,487
Detention	1,609,836	-	-	-	-	1,609,836
Public safety	3,816,533	-	-	-	-	3,816,533
Public works & maintenance	4,522,573	-	-	-	-	4,522,573
Planning & development	400,167	-	-	-	-	400,167
Agriculture & home economics	72,652	-	-	-	-	72,652
Public health	43,680	-	-	-	-	43,680
Social services	288,641	-	-	-	-	288,641
Intergovernmental	-	-	-	-	1,907,320	1,907,320
Miscellaneous	458,468	95,043	-	-	-	553,511
Emergency telephone reporting	-	-	-	-	237,572	237,572
Capital outlays						
Capital construction & improvements	53,248	2,452,845	-	4,390,256	-	6,896,349
Debt service						
Principal retirement - Note G	-	-	4,060,384	-	-	4,060,384
Interest	-	-	952,091	-	-	952,091
Fees & other bond service costs	-	-	5,449	-	-	5,449
<b>TOTAL EXPENDITURES</b>	<b>18,914,609</b>	<b>2,547,888</b>	<b>5,017,924</b>	<b>4,390,256</b>	<b>2,475,569</b>	<b>33,346,246</b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>3,895,370</u>	<u>(467,123)</u>	<u>(118,527)</u>	<u>(3,829,162)</u>	<u>(1,773,461)</u>	<u>(2,292,903)</u>
<b>OTHER FINANCING SOURCES</b>						
Lease purchase proceeds	-	-	-	1,622,500	-	1,622,500
Surplus property sale	40,084	-	-	-	-	40,084
Legal settlement	-	-	-	900,000	-	900,000
Transfer In/(Out)	(2,358,569)	481,286	1,223,761	(1,104,260)	1,757,782	-
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	1,576,885	14,163	1,105,234	(2,410,922)	(15,679)	269,681
Fund Balance, Beginning of Year,	10,453,640	2,817	7,700,277	8,411,959	249,193	26,817,886
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 12,030,525</b>	<b>\$ 16,980</b>	<b>\$ 8,805,511</b>	<b>\$ 6,001,037</b>	<b>\$ 233,514</b>	<b>\$ 27,087,567</b>

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2009

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Property taxes	\$ 15,670,236	\$ 16,126,723	\$ 17,438,362	\$ 1,311,639
Intergovernmental	2,755,270	2,612,447	2,487,767	(124,680)
Fines and fees	2,269,535	1,839,878	1,920,885	81,007
Other	<u>1,323,230</u>	<u>674,871</u>	<u>962,965</u>	<u>288,094</u>
<b>TOTAL REVENUE</b>	<u>22,018,271</u>	<u>21,253,919</u>	<u>22,809,979</u>	<u>1,556,060</u>
<b>EXPENDITURES</b>				
Current				
Legislative	286,113	281,652	254,539	27,113
Administration	1,268,818	1,061,371	937,863	123,508
Tax assessment & collection	1,551,845	1,566,822	1,509,538	57,284
Election & registration	153,389	155,546	165,091	(9,545)
Administration of Justice	1,695,432	1,701,378	1,653,332	48,046
Law enforcement	3,283,139	3,254,922	3,128,448	126,474
Detention	1,681,052	1,731,338	1,609,836	121,502
Public safety	4,091,152	4,136,757	3,816,533	320,224
Public works & maintenance	5,649,288	5,207,926	4,522,573	685,353
Planning & development	461,357	455,512	400,167	55,345
Agriculture & home economics	159,531	72,973	72,652	321
Public health	43,330	43,330	43,680	(350)
Social services	381,764	377,151	288,641	88,510
Miscellaneous	784,135	745,622	458,468	287,154
Capital outlays				
Capital construction & improvements	<u>552,926</u>	<u>486,619</u>	<u>53,248</u>	<u>433,371</u>
<b>TOTAL EXPENDITURES</b>	<u>22,043,271</u>	<u>21,278,919</u>	<u>18,914,609</u>	<u>2,364,310</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>(25,000)</u>	<u>(25,000)</u>	<u>3,895,370</u>	<u>3,920,370</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Surplus property sale	25,000	25,000	40,084	15,084
Transfer In/(Out)	<u>-</u>	<u>-</u>	<u>(2,358,569)</u>	<u>(2,358,569)</u>
Excess/(Deficiency) of Revenue Over/				
(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,576,885</u>	<u>1,576,885</u>
Fund Balance, Beginning of Year				
			<u>10,453,640</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 12,030,525</u>	

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	Business-Type Activities
	<u>J. F. Hawkins Nursing Home</u>
<b>ASSETS</b>	
Current Assets	
Cash - Notes B & C	\$ 507,209
Receivables	
Patient receivables, less	
allowance for doubtful accounts \$108,672	<u>1,043,746</u>
Total Current Assets	<u>1,550,955</u>
Restricted cash - Note F	1,077,273
Bond issuance cost, less \$28,443 amortization	532,790
Capital Assets - Note O	
Land	217,536
Buildings	10,829,495
Improvements other than buildings	2,316,652
Equipment	2,167,155
Accumulated depreciation	<u>(7,830,313)</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,861,543</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Current Liabilities	
Accrued expenses	\$ 751,219
Escrowed funds	21,378
Deferred revenue	
Advance billings	311,761
Due to governmental funds - operating	180,442
Bonds payable, current portion	<u>315,000</u>
Total Current Liabilities	<u>1,579,800</u>
Due to governmental funds - long term	1,452,639
Bonds payable	<u>10,005,000</u>
<b>TOTAL LIABILITIES</b>	<u>13,037,439</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt - \$10,320,000	(2,619,475)
Unrestricted	<u>443,579</u>
<b>TOTAL NET ASSETS</b>	<u>(2,175,896)</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,861,543</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - PROPRIETARY FUND

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2009

REVENUE

Net nursing home patient service revenue (net of allowances, contractual adjustments and unbilled services of \$1,008,208)	\$ 6,885,844
Net Springfield rent, nursing facility and entrance fees	1,878,511
Other revenue	<u>52,873</u>
 TOTAL OPERATING REVENUE	 <u>8,817,228</u>

OPERATING EXPENSES

Nursing	3,345,456
Restorative	96,213
Dietary	1,115,146
Laundry	99,488
Housekeeping	249,415
Maintenance	317,959
Administrative	1,109,017
Medical records	53,274
Utilities	313,373
Insurance, licenses and property taxes	723,714
Medical supplies	219
Interest	477,794
Depreciation and amortization	554,137
Physical therapy	278,092
Pharmacy	148,760
Other ancillary services	<u>17,117</u>
 TOTAL OPERATING EXPENSES	 <u>8,899,174</u>

OPERATING INCOME (81,946)

NON-OPERATING ITEMS

Interest	3,080
Contributions	<u>11,564</u>
 TOTAL NON-OPERATING ITEMS	 <u>14,644</u>

CHANGE IN NET ASSETS (67,302)

Net Assets/(Deficit), Beginning of Year (2,108,594)

NET ASSETS/(DEFICIT), END OF YEAR \$ (2,175,896)



STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and patients	\$ 8,723,853
Payments to employees	(4,284,849)
Payments to vendors	<u>(3,910,087)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>528,917</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Bond cushion fund - restricted assets	42,244
Interest earned	3,080
Property, plant, equipment purchased	<u>(180,904)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(135,580)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Bond payable - principal paid	<u>(305,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(305,000)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions	<u>11,564</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>11,564</u>
NET CHANGE IN CASH AND EQUIVALENTS	99,901
Cash and equivalents, Beginning of Year	<u>407,308</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 507,209</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

FA

For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ (81,946)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	554,137
Loss on equipment disposal	2,467
Changes in operating assets and liabilities - increase/(decrease) in cash flows	
Accounts receivable	(116,703)
Accrued expenses	92,767
Due to Newberry County - general fund	57,334
Advance billings	<u>20,861</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>528,917</u>

*Supplemental Information*

Cash payments of interest	<u>\$ 480,310</u>
---------------------------	-------------------

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	Newberry County School District	Fire Departments/ Rescue Squads	Newberry County Library Construction	Total Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents - Note B and C	\$ 2,488,963	\$ 341,912	\$ -	\$ 2,830,875
Investments	12,305,647	-	145,279	12,450,926
Gifts	-	-	1,116,000	1,116,000
<b>TOTAL ASSETS</b>	<b>\$ 14,794,610</b>	<b>\$ 341,912</b>	<b>\$ 1,261,279</b>	<b>\$ 16,397,801</b>
<b>LIABILITIES</b>				
Due to other entities	\$ 14,794,610	\$ 341,912	\$ 145,279	\$ 15,281,801
Bond anticipation note	-	-	1,116,000	1,116,000
<b>TOTAL LIABILITIES</b>	<b>\$ 14,794,610</b>	<b>\$ 341,912</b>	<b>\$ 1,261,279</b>	<b>\$ 16,397,801</b>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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

##### Basis of Presentation

###### General

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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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 is 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, consisting of fifty residential care unit beds, thirty-four independent living apartments, eighteen duplexes and houses, a physical therapy building, kitchen, and dining rooms, and administrative offices located in Newberry, South Carolina. The Nursing Home serves Newberry County and the surrounding areas.

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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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 Fund - Airport-- Major Fund

The Airport fund is a special revenue fund used to show the grant expenditures and operating expenditures of the County's airport

Special Revenue -- Non-Major Funds

Other funds in special revenue 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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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 \$21,535 at June 30, 2009. The County values its inventory at cost.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

#### 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, 2009. At June 30, 2009, the liability for accrued vacation benefits recorded in the governmental activities was \$566,916. 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, 2009. 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.

##### Reservations and Designations of Fund Balances

Reservations represent the portions of fund balance which are not appropriated for expenditures but have been segregated for specific future uses by legal mandate. Designations of fund balances represent tentative plans by the County for financial resource utilization in a future period as documented in the budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenditures. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted 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.

##### 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.



NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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.

Bond issuance costs incurred in the amount of \$561,233 have been capitalized in the business- activities and amortized over a 25 year period. Amortization expense for the year ended June 30, 2009 was \$6,167.

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, 2009, the carrying amount of the County's deposits was \$7,786,189 (\$3,878,041 for the primary government, \$1,077,273 for primary government restricted cash and \$2,830,875 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 \$189,644 cash on hand at June 30, 2009.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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, 2009. 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.

	Category			Carrying Amount	Market Value
	1	2	3		
Bank deposit accounts	\$ 7,786,189	\$ --	\$ --	\$ 7,786,189	\$ 7,786,189
Total	\$ 7,786,189	\$ --	\$ --		
State treasurer's investment pool				21,496,541	21,496,541
State treasurer's investment pool – Agency funds				12,450,926	12,450,926
Total Investments and Deposits				\$ 41,733,656	\$ 41,733,656

The County has investments in the S. C. Local Government Investment Pool at June 30, 2009 of \$33,947,467 (\$21,496,541 for the primary government and \$12,450,926 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.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General	Special Revenue	\$ 410,676
Special Revenue	General	8,092
Enterprise	General	180,442
Enterprise	Capital Projects	1,452,639
	Total	\$ 2,051,849

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, 2009, 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, 2009, the Nursing Home had restricted cash in the amounts of:

Resident funds	\$	21,378
Bond cushion funds		1,055,895

Resident funds represent amounts held for patient personal needs. Bond cushion funds are amounts held to pay the semi-annual interest and annual principal payments of the revenue bonds.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2009:

	Balance, <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2009</u>
Bonds payable	\$ 24,630,000	\$ --	\$ (4,060,384)	\$ 20,569,616
Lease purchase agreement	2,330,117	1,622,500	(799,006)	3,153,611
Accrued vacation	<u>508,250</u>	<u>58,666</u>	<u>--</u>	<u>566,916</u>
Total Long Term Debt	<u>\$ 27,468,367</u>	<u>\$ 1,681,166</u>	<u>\$ (4,859,390)</u>	<u>\$ 24,290,143</u>

Bonds payable at June 30, 2009, are composed of the following:

\$800,000 General Obligation Bonds, Series 1995, due in annual installments of \$25,000 to \$75,000 through September 1, 2010; interest rate varies from 5.2% to 7.2%. Current amount due \$75,000	\$ 150,000
\$4,000,000 General Obligation Bonds of 2001, due in annual installments of \$130,000 to \$345,000 through March 2021; interest rate varies from 4.50% to 6.5%. Current amount due \$185,000	3,080,000
Special Source Revenue Bond (Fee-in-Lieu) – 2006 - due in annual installments of \$195,000 - \$455,000 through April 2026; interest rate 3.99%. Current amount due \$245,000	5,755,000
\$15,150,000 - 2005 A Bonds – (Sales Tax), due in annual installments of \$1,500,000 to \$2,650,000 through April 2013; interest rate varies from 3.00% to 3.50%. Current amount due \$2,200,000	9,550,000
\$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 \$60,000	650,000
\$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 \$87,450	915,704
Special Source Revenue Bond (Fee –in-Lieu) – 2007 - due in annual installment of \$468,912. The County refinanced this obligation in FY 08 – 09. Current amount due \$468,912	<u>468,912</u>
Total bonds payable	<u>\$ 20,569,616</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE G - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2009:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,321,362	\$ 799,615	\$ 4,120,977
2011	2,975,721	660,221	3,635,942
2012	3,024,115	551,514	3,575,629
2013	3,312,636	450,350	3,762,986
2014	691,289	329,875	1,021,164
2015 – 2019	3,739,493	1,182,583	4,922,076
2020 – 2024	2,615,000	462,405	3,077,405
2025 – 2026	890,000	53,665	943,665
Totals	<u>\$ 20,569,616</u>	<u>\$ 4,490,228</u>	<u>\$ 25,059,844</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 December 31, 2008 assessed property valuation, the County is below its legal debt limit of \$8,560,249. Bond indebtedness applied to the debt limit was \$4,645,704 leaving \$3,914,545 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 Anticipation Note

The County issued a Bond Anticipation Note for the Newberry County Library for \$1,116,000 at an annual interest rate of 2.19%. The note matured May 2009 and was refinanced at that time. The note is now due May 2010. The County anticipates raising funds through the sale of property (See Gift – Note I) and other sources to pay for the bond. If the funding is not successful, the County will need to levy millage to pay for the note.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE G - LONG-TERM DEBT – Continued

Lease Purchase Agreements

Lease Purchase 2005 was used to purchase County Capital Assets in the amount of \$2,500,000. Annual principal and interest payments of \$548,070 are due annually in December from 2009 to 2009. The annual interest rate is 3.14%. Current principal amount due is \$531,385.

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 from 2009 – 2012. Current principal amount due is \$28,485.

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 2009 – 2012. Current principal amount due is \$207,664.

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 2009 – 2013. Current principal amount due is \$306,156.

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, 2009:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,073,690	\$ 101,830	\$ 1,175,520
2011	560,173	67,277	627,450
2012	578,641	48,809	627,450
2013	597,729	29,721	627,450
2014	<u>343,378</u>	<u>9,992</u>	<u>353,370</u>
Totals	<u>\$ 3,153,611</u>	<u>\$ 257,629</u>	<u>\$ 3,411,240</u>

Accrued Vacation

Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE G - LONG-TERM DEBT – Continued

J. F. Hawkins – Bonds and Notes Payable

The following is a summary of note payable transactions for the year ended June 30, 2009:

	Balance, <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2009</u>
Revenue Refunding Bonds Series 2005	\$ <u>10,625,000</u>	\$ <u>          --</u>	\$ <u>(305,000)</u>	\$ <u>10,320,000</u>

J. F. Hawkins -- continued

Bonds payable at June 30, 2009, are composed of the following:

Special Source Refunding Revenue Bonds – Series 2005 – Annual principal payments are due in March beginning in March 2005. The principal payments range from \$245,000 to \$750,000. Interest is due in semi-annual payments in March and September beginning in September 2005. Interest payments vary from \$37,500 to \$248,568. The interest rate on these bonds vary from 2.50% to 5.00%.

Total Bonds Payable	<u>\$ 10,320,000</u>
---------------------	----------------------

The principal amount of notes payable outstanding at June 30, 2009 due in each of the next five fiscal years is as follows:

	Principal	Interest
2010	\$ 315,000	\$ 470,245
2011	325,000	459,220
2012	340,000	447,358
2013	350,000	434,437
2014	365,000	420,438
2015 – 2019	2,070,000	1,859,607
2020 – 2024	2,565,000	1,357,965
2025 – 2029	3,240,000	686,980
2030	<u>750,000</u>	<u>37,500</u>
Total	<u>\$ 10,320,000</u>	<u>\$ 6,173,750</u>

The Nursing Home had interest expense of \$477,794 for the Special Source Refunding Revenue Bond.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

#### 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 – 9.24%, Local government – 9.24%; PORS - Class II - 10.65%, 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.

The County's covered payroll for the fiscal years ending June 30, 2009, 2008, and 2007 was \$4,137,623, \$3,926,708, and \$3,741,238, respectively for SCRS – Local Government and \$2,993,559, \$2,925,952, and \$2,727,665, respectively for PORS – Class II. The employer contribution requirements for SCRS at 9.24%, 9.06%, and 8.05% and PORS – Class II at 10.65%, 10.3% and 10.3% for the past three fiscal years were \$382,316, \$355,760, and \$301,170, and \$318,814, \$301,373, and \$280,950, respectively. The County also paid group life contributions for the past three fiscal years of \$6,206, \$5,890, and \$5,612 for SCRS participants and \$5,987, \$5,852, and \$5,455 to the PORS – Class II. Additionally, accidental death contributions for PORS – Class II were \$5,987, \$5,852, and \$5,455 for the years ended June 30, 2009, 2008 and 2007, respectively.



NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE H - PENSION PLAN - continued

The Nursing Home participates in the SCRS as listed above. The Nursing Home's covered payroll for the fiscal year ended June 30, 2009 was \$3,822,372 for SCRS – Local Government. The employer contribution requirements for SCRS at 9.24% were \$359,806. The Nursing Home incurred \$5,841 for group life contributions for the fiscal year ended June 30, 2009. The Nursing Home's covered payroll for the years ended June 30, 2008 and 2007 were \$3,974,956 and \$4,117,754, respectively. Employer contributions for those years were \$360,131 and \$333,131, respectively.

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.

Gifts

The County has a gift recorded of \$1,116,000 in the Agency fund for Newberry County Library. The gift consists of property located in Newberry County with an approximate fair value of \$1,116,000, determined by appraisal. The County is attempting to sell the property for the Library.

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.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE L – FUND BALANCE RESERVATIONS

The following amounts are shown as reserved:

Reserved for notes receivable	\$ 1,452,639
Reserved for special revenue	250,494
Reserved for debt service	8,805,511
Reserved for capital projects	6,675,474
Reserved for operations	446,861

Reserved for notes receivable represents the amounts due from JF Hawkins Nursing Home, an enterprise fund of the County, which are not expected to be repaid within the next fiscal year. Reserved for special revenue is the amount available for special revenue purposes. Reserved for debt service is the amount available in the debt service fund to pay future maturities of bonds and notes payable. Reserved for capital projects is the amount available to spend on future capital projects in the County from gifts (Community Hall - \$89,245), Sheriff's Building (\$2,007,837), Industrial Park (\$702,502), Recycling Center (\$114,685), Public Works Building (\$112,807), GO Bond proceeds, Lease Purchase proceeds and Sales Tax Bond proceeds remaining. Reserved for operations consists of the amount to be used for the FY 2009-2010 Budget (\$446,861).

NOTE M – BUDGET

The County adopts an annual appropriated budget prior to each fiscal year. Adjustments to the budget as adopted are listed below to conform with GAAP.

The County does not prepare separate fund budgets. It prepares one budget for the primary governmental unit. Individual fund budgets (General Fund) from the adopted budget are presented in the financial statement. The amounts shown in the general-purpose financial statements are from the adopted budget and have not been adjusted. Only the segregation of the amounts to present the General Fund has been changed to conform with GAAP.

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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE O – CAPITAL ASSETS

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

	Balance, July 1, 2008	Additions	Deletions	Balance, June 30, 2009
Buildings and Land *	\$ 39,371,338	\$ --	\$ --	\$ 39,371,338
Vehicles and equipment	13,119,739	609,750	(590,529)	13,138,960
Roads	11,125,462	214,643	--	11,340,105
Construction in Progress *	3,201,199	2,452,845	--	5,654,044
Accumulated Depreciation	<u>(25,894,823)</u>	<u>(3,029,290)</u>	<u>590,529</u>	<u>(28,333,584)</u>
<b>Total</b>	<b><u>\$ 40,922,915</u></b>	<b><u>\$ 247,948</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 41,170,863</u></b>

\* Land of \$7,003,529 and construction in progress are non-depreciable assets

A summary of changes in property and equipment of the Business-Type Activities are as follows:

	Balance, July 1, 2008	Additions	Deletions	Balance, June 30, 2009
Land **	\$ 217,536	\$ --	\$ --	\$ 217,536
Land Improvements	1,319,995	--	--	1,319,995
Buildings	10,829,495	--	--	10,829,495
Building Improvements	957,116	39,541	--	996,657
Equipment	2,291,185	141,363	(265,393)	2,167,155
Accumulated depreciation	<u>(7,545,269)</u>	<u>(547,970)</u>	<u>262,926</u>	<u>(7,830,313)</u>
	<b><u>\$ 8,070,058</u></b>	<b><u>\$ (367,066)</u></b>	<b><u>\$ (2,467)</u></b>	<b><u>\$ 7,700,525</u></b>

\*\* Land of \$217,536 is a non-depreciable asset

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE O – CAPITAL ASSETS - Continued

The County recorded depreciation expense of \$3,029,290 shown in current expenses on the statement of activities – governmental activities and

Administration	\$ 20,397
Tax assessment	12,148
Election	58,824
Admin of Justice	6,553
Law Enforcement	201,568
Detention	9,363
Public Safety	887,674
Public Works	<u>1,832,763</u>
Total	<u>\$ 3,029,290</u>

The Nursing Home recorded \$547,970 in depreciation expense for business-type activities.

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 – NET DEFICIT – BUSINESS-TYPE ACTIVITIES

The Nursing Home had a net deficit of \$2,175,896 at June 30, 2009. This was due to operating losses in current and prior periods. Currently the Nursing Home has worked actively to increase occupancy in the facility.

NOTE Q – LEGAL SETTLEMENT

The County has recorded a receivable in the capital projects fund for a pending legal settlement of \$900,000 where a contractor was found liable for damages.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE R – 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%

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.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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

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, 2009, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/09</u>
Annual Required Contributions	\$545,329
Interest on Net OPEB Obligation/(Asset)	0
Adjustment to Annual Required Contributions	<u>(0)</u>
Annual OPEB cost (expense)	\$545,329
Contributions made, including implicit subsidy	<u>(57,598)</u>
Increase in Net OPEB Obligation/(Asset)	\$487,731
Net OPEB Obligation/(Asset)- beginning of year	<u>\$ 0</u>
Net OPEB Obligation/(Asset) - end of year	\$487,731

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal year ended June 30, 2009 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>
6/30/09	\$545,329	\$57,598	10.56%	\$487,731

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, the end of the first year of GASB 45 applicability, was as follows:

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

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 as required supplementary information following 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, 2008. 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, 2009 was 30 years.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

NOTE S – TRANSFERS

Individual fund transfers for the year ended June 30, 2009 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 2,304,252
Special Revenue Fund	General Fund	65,184
General Fund	Debt Service	119,501
Capital Projects	Debt Service	1,104,260

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 general fund and capital projects fund to debt service are to pay for bond principal and interest for the Special Source Revenue Bond and MC Commerce Park Bond.



**SUPPLEMENTAL INFORMATION**

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
<b>Taxes</b>			
Property taxes, current	\$ 14,636,999	\$ 15,500,735	\$ 863,736
Fee in lieu of taxes	401,500	627,770	226,270
Delinquent taxes	850,000	1,057,773	207,773
Delinquent tax cost	<u>238,224</u>	<u>252,084</u>	<u>13,860</u>
<b>Total Taxes</b>	<u>16,126,723</u>	<u>17,438,362</u>	<u>1,311,639</u>
<b>Intergovernmental</b>			
Local government	2,082,158	1,984,570	(97,588)
Merchant inventory tax	65,000	86,536	21,536
Salary supplements	6,300	6,300	-
Accomodations tax	3,000	31,419	28,419
National forestry fund	387,989	350,283	(37,706)
Solid waste - state grant	21,000	16,813	(4,187)
Disaster preparedness	<u>47,000</u>	<u>11,846</u>	<u>(35,154)</u>
<b>Total Intergovernmental</b>	<u>2,612,447</u>	<u>2,487,767</u>	<u>(124,680)</u>
<b>Fines and fees</b>			
Clerk of Court - fines and fees	200,000	177,838	(22,162)
CCCP fees	107,358	171,489	64,131
Clerk of Court - copies	6,642	11,710	5,068
Central Court	500,000	492,421	(7,579)
Magistrates	-	15,379	15,379
Registration and election	18,000	52,067	34,067
Animal control	55,267	48,295	(6,972)
Probate Judge - fees	75,000	79,918	4,918
Probate Judge - copies	-	2,889	2,889
Sheriff - fees	10,000	12,357	2,357
Forfeit land commission	-	625	625
Marriage license fee/ceremonies	-	488	488
Building Inspection	170,000	159,754	(10,246)
FFP	7,000	32,348	25,348

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Fines and fees - continued			
Tipping fees	567,479	519,773	(47,706)
Recycle revenue	83,000	102,042	19,042
Zoning fee	21,000	17,503	(3,497)
Cable/phone franchise	19,132	23,989	4,857
	<u>1,839,878</u>	<u>1,920,885</u>	<u>81,007</u>
Total Fines and fees			
Other			
Interest	85,000	94,900	9,900
Veterans affairs	6,000	5,872	(128)
Health department	20,000	14,885	(5,115)
Mobile home licenses	1,440	1,090	(350)
Assessor's maps	-	824	824
Rent & utilities	2,400	10,528	8,128
Assessor - copies	-	3,307	3,307
Council on aging	115,000	64,910	(50,090)
Soil and Water Conservation	35,000	33,543	(1,457)
School resource officer	292,795	333,449	40,654
Miscellaneous	117,236	399,657	282,421
	<u>674,871</u>	<u>962,965</u>	<u>288,094</u>
Total Other			
TOTAL REVENUE	<u>\$ 21,253,919</u>	<u>\$ 22,809,979</u>	<u>\$ 1,556,060</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
Expenditures			
LEGISLATIVE			
County Council			
Personnel	129,467	130,460	(993)
Overtime	3,000	1,475	1,525
Social security	10,077	8,273	1,804
Retirement	12,369	12,322	47
Travel - council	29,500	29,009	491
Insurance	41,011	37,106	3,905
Workers compensation	1,754	2,163	(409)
Advertising	3,500	2,895	605
Audit	35,000	23,763	11,237
Bookbinding	4,501	2,838	1,663
Office expenses	5,793	1,724	4,069
Postage	400	320	80
Telephone	4,080	2,191	1,889
Subsistence	1,200	-	1,200
	<u>281,652</u>	<u>254,539</u>	<u>27,113</u>
TOTAL LEGISLATIVE			
ADMINISTRATION			
County Administrator			
Personnel	301,396	306,030	(4,634)
Social security	21,584	22,221	(637)
Retirement	25,616	28,295	(2,679)
Insurance	32,837	34,329	(1,492)
Workers compensation	3,282	2,941	341
Payroll services	26,000	21,317	4,683
Advertising	2,500	2,067	433
Maintenance	10,000	8,997	1,003
Copier machine	1,000	1,000	-
Memberships & Dues	1,100	385	715
Office expense	5,456	5,456	-
Postage	4,000	2,853	1,147
Printing	2,500	2,500	-
Telephone	7,000	8,185	(1,185)
Training	4,000	2,096	1,904

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
County Administrator - continued			
Travel	9,000	8,922	78
Subsistence	<u>3,000</u>	<u>2,111</u>	<u>889</u>
Total County Administrator	<u>460,271</u>	<u>459,705</u>	<u>566</u>
Miscellaneous Operating			
Salary increase	1,941	-	1,941
Contracted maintenance	22,000	15,098	6,902
Insurance	66,780	5,628	61,152
Tort insurance	125,377	108,251	17,126
Unemployment insurance	6,000	8,219	(2,219)
Drug testing	4,000	941	3,059
Insurance - buildings	67,071	52,862	14,209
Rent	65,280	72,572	(7,292)
Subsistence	13,500	7,637	5,863
Equipment	19,469	18,375	1,094
Legals	<u>209,682</u>	<u>188,575</u>	<u>21,107</u>
Total Miscellaneous Operating	<u>601,100</u>	<u>478,158</u>	<u>122,942</u>
TOTAL ADMINISTRATION	<u>1,061,371</u>	<u>937,863</u>	<u>123,508</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	196,582	196,813	(231)
Overtime	1,379	-	1,379
Social security	14,711	14,671	40
Retirement	16,058	18,481	(2,423)
Insurance	29,338	28,393	945
Workers compensation	1,413	1,284	129
Advertising	300	63	237
Contracted maintenance	22,573	22,367	206
Membership & dues	255	200	55
Office expense	8,985	8,547	438
Postage	44,935	36,561	8,374
Printing	8,716	8,129	587

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Treasurer's Office - continued			
Telephone	3,200	2,326	874
Training	1,840	1,717	123
Travel	2,680	2,674	6
Subsistence	2,134	2,134	-
Smith Data	42,336	37,885	4,451
Capital outlay	<u>515</u>	<u>-</u>	<u>515</u>
Total Treasurer's Office	<u>397,950</u>	<u>382,245</u>	<u>15,705</u>
Auditor's Office			
Personnel	225,446	225,199	247
Social security	17,169	15,095	2,074
Retirement	18,811	20,694	(1,883)
Insurance	33,450	29,661	3,789
Workers compensation	1,499	1,361	138
Advertising	500	-	500
Contracted maintenance	17,937	17,866	71
Memberships & dues	100	100	-
Office expense	5,675	5,101	574
Postage	900	826	74
Printing	5,357	2,721	2,636
Subscriptions & books	800	685	115
Telephone	3,000	3,154	(154)
Training	1,150	1,050	100
Travel	1,355	655	700
Smith Data	42,336	42,336	-
Subsistence	2,650	2,366	284
Office furniture	<u>1,325</u>	<u>-</u>	<u>1,325</u>
Total Auditor's Office	<u>379,460</u>	<u>368,870</u>	<u>10,590</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel	309,535	306,577	2,958
Overtime	30,000	18,969	11,031
Social security	22,757	23,703	(946)
Retirement	27,934	28,156	(222)
Insurance	62,076	61,568	508
Workers compensation	1,854	1,685	169
Advertising	900	188	712
Contracted maintenance	91,613	103,415	(11,802)
Memberships & dues	1,600	50	1,550
Office expense	15,434	12,820	2,614
Postage	4,275	4,307	(32)
Printing	4,525	2,930	1,595
Repairs to vehicle	500	498	2
Subscriptions	1,238	1,176	62
Telephone	3,600	2,611	989
Training	4,780	2,785	1,995
Travel	1,300	965	335
Gas, oil, grease	5,159	4,469	690
Subsistence	2,500	2,239	261
Vehicle insurance	3,041	3,041	-
Uniforms	2,480	2,057	423
Capital outlay	20,000	19,676	324
	<u>617,101</u>	<u>603,885</u>	<u>13,216</u>
Total Assessor's Office			
Tax Collector			
Personnel	60,066	60,451	(385)
Social security	4,448	4,581	(133)
Retirement	5,472	5,658	(186)
Insurance	11,270	11,047	223
Workers compensation	705	641	64
Advertising	14,200	14,192	8
Contracted maintenance	4,805	4,806	(1)
Consulting	11,800	7,993	3,807
Memberships & dues	125	105	20
Office expense	2,400	2,156	244

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Tax Collector - continued			
Postage	28,500	24,715	3,785
Printing	700	637	63
Telephone	1,900	1,631	269
Training	1,170	529	641
Travel	1,185	15	1,170
Vehicle insurance	750	628	122
Gas, oil, grease	1,452	155	1,297
Smith Data	8,280	6,125	2,155
Subscriptions	100	98	2
Review board and appeals	6,800	3,779	3,021
Subsistence	2,020	433	1,587
Capital outlay	4,163	4,163	-
	<u>172,311</u>	<u>154,538</u>	<u>17,773</u>
TOTAL TAX ASSESSMENT & COLLECTION	<u>1,566,822</u>	<u>1,509,538</u>	<u>57,284</u>
REGISTRATION & ELECTION BOARD			
Personnel	58,990	62,897	(3,907)
Precinct personnel	9,000	30,419	(21,419)
Board members	18,433	16,711	1,722
Social security	4,172	4,714	(542)
Retirement	5,337	4,919	418
Insurance	4,976	4,907	69
Workers compensaton	183	166	17
Advertising	1,500	505	995
Contracted maintenance	21,000	18,261	2,739
Memberships and dues	180	180	-
Office expense	4,600	2,860	1,740
Postage	6,000	3,637	2,363
Printing	5,375	5,296	79
Telephone	7,300	4,672	2,628
Supplies	3,000	2,093	907
Training	1,500	620	880



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Registration and Election Board - continued			
Travel	1,500	1,116	384
Subsistence	2,500	1,118	1,382
	<u>155,546</u>	<u>165,091</u>	<u>(9,545)</u>
<b>TOTAL REGISTRATION &amp; ELECTION BOARD</b>			
ADMINISTRATION OF JUSTICE			
Criminal & Civil Court			
Personnel	88,580	88,580	-
Personnel - bailiff	28,000	30,640	(2,640)
Jury fees	35,312	35,312	-
Contracted maintenance	2,987	1,674	1,313
Court expense	5,098	3,533	1,565
Printing	1,000	243	757
Telephone	3,000	3,885	(885)
DJJ	1,500	1,065	435
	<u>165,477</u>	<u>164,932</u>	<u>545</u>
Total Criminal & Civil Court			
Clerk of Court			
Personnel	182,243	181,996	247
Social security	13,182	12,805	377
Retirement	15,759	16,647	(888)
Insurance	27,910	27,426	484
Workers compensation	1,405	1,277	128
Advertising	202	202	-
Contracted maintenance	83,600	83,284	316
Memberships & dues	125	125	-
Office expense	4,259	4,118	141
Postage	29,000	25,020	3,980
Printing	5,241	5,110	131
Telephone	4,000	3,114	886
Training	500	348	152
Subsistence	2,000	756	1,244
Travel	1,600	1,295	305
	<u>371,026</u>	<u>363,523</u>	<u>7,503</u>
Total Clerk of Court			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Family Court - Clerk of Court			
Personnel	122,879	120,568	2,311
Social security	9,072	9,436	(364)
Retirement	10,135	11,321	(1,186)
Insurance	27,970	26,279	1,691
Workers compensation	266	242	24
Contracted maintenance	18,000	17,668	332
Office expense	4,000	3,299	701
Postage	12,000	12,000	-
Printing	12,000	11,621	379
Telephone	3,500	2,827	673
Training	1,500	1,464	36
	<u>221,322</u>	<u>216,725</u>	<u>4,597</u>
Total Family Court - Clerk of Court			
Probate Judge			
Personnel	166,723	160,967	5,756
Social security	12,514	11,315	1,199
Retirement	15,561	16,339	(778)
Insurance	27,383	26,414	969
Workers compensation	1,621	1,473	148
Advertising	301	268	33
Contracted maintenance	10,200	3,469	6,731
Membership & dues	300	300	-
Office expense	10,000	10,226	(226)
Postage	2,700	2,243	457
Printing	600	560	40
Telephone	2,300	2,449	(149)
Education & training	1,475	1,475	-
Travel	4,321	4,262	59
Capital outlay	7,000	6,571	429
	<u>262,999</u>	<u>248,331</u>	<u>14,668</u>
Total Probate Judge			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Probation & Parole Office			
P.O. Box rent	49	44	5
Telephone	<u>2,000</u>	<u>2,815</u>	<u>(815)</u>
Total Probation & Parole Office	<u>2,049</u>	<u>2,859</u>	<u>(810)</u>
Public Defender			
Personnel	47,141	48,048	(907)
Social security	3,606	3,458	148
Retirement	4,427	4,512	(85)
Insurance	8,697	8,233	464
Workers compensation	126	115	11
Office expense	1,500	600	900
Training	1,500	1,500	-
Copier	<u>2,350</u>	<u>2,350</u>	<u>-</u>
Total Public Defender	<u>69,347</u>	<u>68,816</u>	<u>531</u>
Coroner			
Personnel	51,222	52,389	(1,167)
Social security	3,918	4,167	(249)
Retirement	5,660	4,911	749
Insurance	4,976	4,916	60
Workers compensation	1,281	1,164	117
Contracted maintenance	1,541	-	1,541
Memberships & dues	350	280	70
Office expense	1,051	1,030	21
Postage	132	126	6
Supplies	3,350	2,114	1,236
Telephone	1,405	970	435
Training	500	300	200
Travel	3,940	978	2,962
Fuel	5,950	326	5,624
Post Mortems & BA	36,850	44,602	(7,752)
Capital outlay	<u>25,165</u>	<u>23,124</u>	<u>2,041</u>
Total Coroner	<u>147,291</u>	<u>141,397</u>	<u>5,894</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>Magistrate District 2</b>			
Personnel	226,448	214,238	12,210
Social security	15,378	14,538	840
Retirement	18,755	21,797	(3,042)
Insurance	36,667	38,774	(2,107)
Workers compensation	2,500	2,272	228
Contracted maintenance	3,100	2,212	888
Consulting & tech fees	3,200	979	2,221
Jury	23,000	25,147	(2,147)
Memberships	240	160	80
Office expense	10,240	10,809	(569)
Postage	10,420	9,000	1,420
Printing	900	848	52
Telephone	2,500	1,928	572
Training	1,017	997	20
Travel	1,500	1,482	18
Subsistence	6,132	6,106	26
Capital outlay	11,885	11,885	-
	<u>373,882</u>	<u>363,172</u>	<u>10,710</u>
<b>Total Magistrate District 2</b>			
<b>Magistrate District 1</b>			
Personnel	11,514	11,955	(441)
Social security	881	1,487	(606)
Retirement	1,272	1,329	(57)
Insurance	4,976	4,907	69
Workers compensation	180	164	16
Maintenance	185	-	185
Office expense	700	516	184
Postage	150	86	64
Training	800	355	445
Travel	800	123	677
Telephone	1,500	1,308	192
	<u>22,958</u>	<u>22,230</u>	<u>728</u>
<b>Total Magistrate District 1</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Magistrate District 4			
Personnel	9,034	11,440	(2,406)
Social security	691	781	(90)
Retirement	998	1,268	(270)
Insurance	7,744	7,188	556
Workers compensation	229	208	21
Membership	150	-	150
Office expense	800	766	34
Postage	300	140	160
Training	1,500	1,450	50
Travel	1,500	1,130	370
Telephone	1,740	1,740	-
Total Magistrate District 4	<u>24,686</u>	<u>26,111</u>	<u>(1,425)</u>
Magistrate District 6			
Personnel	18,683	18,927	(244)
Social security	2,064	1,244	820
Retirement	2,064	2,091	(27)
Insurance	9,209	8,801	408
Workers compensation	371	337	34
Office expense	5,900	2,105	3,795
Postage	150	63	87
Rent	300	300	-
Training	250	205	45
Travel	1,000	813	187
Telephone	350	350	-
Total Magistrate District 6	<u>40,341</u>	<u>35,236</u>	<u>5,105</u>
TOTAL ADMINISTRATION OF JUSTICE	<u>1,701,378</u>	<u>1,653,332</u>	<u>48,046</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
<b>LAW ENFORCEMENT - Sheriff's Department</b>			
Personnel	1,663,678	1,631,270	32,408
Overtime	75,000	65,213	9,787
School resource officer - salary and benefits	292,794	289,612	3,182
Grant match	3,750	-	3,750
Social security	133,573	127,461	6,112
Retirement	178,341	190,891	(12,550)
Insurance	235,371	226,277	9,094
Workers compensation	56,076	50,963	5,113
Contracted maintenance	52,000	51,964	36
Professional services	1,500	1,179	321
Vehicle insurance	51,782	45,029	6,753
Bonds - employees	3,800	3,550	250
Membership & dues	1,765	1,150	615
Office expense	7,459	7,142	317
Postage	1,000	995	5
Printing	2,980	2,865	115
Transportation of prisoners	2,500	2,500	-
Telephone	5,175	4,533	642
Training	1,720	1,690	30
Travel	600	527	73
Subsistence	4,230	2,687	1,543
Ammo & guns	3,645	2,045	1,600
Gas, oil, grease	229,009	178,235	50,774
Medicals	1,250	224	1,026
Photo supplies	2,300	2,094	206
Books	4,724	4,089	635
Supplies	7,355	6,598	757
Uniforms	25,000	24,997	3
Special law enforcement	1,250	1,069	181
Capital outlay	188,350	185,194	3,156
Other equipment	10,000	9,885	115
Crime prevention	5,945	5,861	84
Project Near	1,000	659	341
	<u>3,254,922</u>	<u>3,128,448</u>	<u>126,474</u>
Total Sheriff's Department	<u>3,254,922</u>	<u>3,128,448</u>	<u>126,474</u>
<b>TOTAL LAW ENFORCEMENT</b>	<u>3,254,922</u>	<u>3,128,448</u>	<u>126,474</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
<b>DETENTION</b>			
<b>Corrections</b>			
Personnel	788,051	742,891	45,160
Overtime	69,167	47,153	22,014
Social security	63,401	58,348	5,053
Retirement	89,080	88,056	1,024
Insurance	173,376	183,702	(10,326)
Workers compensation	22,827	22,827	-
Contracted maintenance	44,999	44,429	570
Utilities	79,000	76,597	2,403
Vehicle insurance	2,500	2,147	353
Memberships & dues	252	48	204
Office expense	4,810	3,303	1,507
Postage	172	70	102
Printing	1,000	990	10
Telephone	3,300	1,999	1,301
Training	2,000	1,490	510
Travel	2,065	1,205	860
Subsistence	3,065	2,555	510
Chemicals	2,560	2,275	285
Cleaning materials	5,090	4,480	610
Food	153,200	147,807	5,393
Gas, oil, grease	2,528	-	2,528
Medical	170,743	134,639	36,104
Books	1,000	511	489
Supplies	2,497	1,512	985
Clothing	10,500	9,310	1,190
Uniforms	10,055	8,620	1,435
DYS Juvenile	2,150	1,675	475
Kitchen supplies	11,600	10,902	698
Other equipment	10,350	10,295	55
	<u>1,731,338</u>	<u>1,609,836</u>	<u>121,502</u>
<b>Total Corrections</b>	<u>1,731,338</u>	<u>1,609,836</u>	<u>121,502</u>
<b>TOTAL DETENTION</b>	<u>1,731,338</u>	<u>1,609,836</u>	<u>121,502</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY</b>			
Public Safety			
Personnel	90,848	89,242	1,606
Social security	6,722	6,658	64
Retirement	8,251	8,380	(129)
Insurance	9,952	9,813	139
Workers compensation	553	503	50
Contracted maintenance	8,065	7,082	983
Vehicle insurance	1,950	1,272	678
Membership and dues	100	-	100
Office expense	2,000	1,103	897
Postage	177	177	-
Printing	100	-	100
Telephone	2,556	3,580	(1,024)
Training	1,000	175	825
Gas, oil, grease	1,300	-	1,300
Photo supplies	100	-	100
Travel	<u>450</u>	<u>228</u>	<u>222</u>
Total Public Safety	<u>134,124</u>	<u>128,213</u>	<u>5,911</u>
<b>Animal Control</b>			
Personnel	144,496	117,646	26,850
Overtime	16,000	14,044	1,956
Social security	11,378	10,326	1,052
Retirement	13,592	12,405	1,187
Insurance	34,452	23,415	11,037
Workers compensation	3,105	2,822	283
Advertising	350	172	178
Utilities	8,000	9,532	(1,532)
Insurance vehicles	2,000	2,416	(416)
Memberships and dues	400	125	275
Office expense	6,368	6,135	233
Postage	275	151	124
Repairs to equipment	5,250	718	4,532
Rent	3,651	3,651	-
Telephone	3,800	3,863	(63)



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Animal Control - continued			
Tools	1,000	857	143
Training	900	380	520
Travel	350	-	350
Subsistence	700	130	570
Cleaning supplies	2,182	2,181	1
Dog food	4,000	3,145	855
Gas, oil and grease	14,602	14,227	375
Medical and surgical	18,000	21,512	(3,512)
Medication	19,339	21,946	(2,607)
Uniforms	800	-	800
Capital outlay	8,908	8,907	1
Total Animal Control	<u>323,898</u>	<u>280,706</u>	<u>43,192</u>
Communications			
Personnel	406,401	356,190	50,211
Overtime	60,000	30,379	29,621
Social security	32,949	29,239	3,710
Retirement	35,490	39,370	(3,880)
Insurance	84,834	78,072	6,762
Workers compensation	1,046	951	95
Contracted maintenance	54,544	54,283	261
Memberships & dues	150	150	-
Office expense	6,500	5,837	663
Postage	43	-	43
Printing	140	-	140
Subsistence	100	-	100
Telephone	3,700	3,500	200
Training	300	240	60
Travel	150	-	150
Other equipment	37,500	-	37,500
Total Communications	<u>723,847</u>	<u>598,211</u>	<u>125,636</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Board of Rescue Squads</b>			
Utilities	21,600	21,600	-
Workers compensation	22,000	24,540	(2,540)
Contracted maintenance	6,000	5,655	345
Vehicle insurance	18,000	22,637	(4,637)
Repairs to equipment	10,000	10,106	(106)
Training	23,771	22,220	1,551
Gas, oil, grease	18,125	15,867	2,258
Medical supplies	35,000	16,840	18,160
Rescue supplies	38,500	39,687	(1,187)
Capital outlay	<u>311,101</u>	<u>343,318</u>	<u>(32,217)</u>
<b>Total Board of Rescue Squads</b>	<u>504,097</u>	<u>522,470</u>	<u>(18,373)</u>
<b>Hazardous Materials</b>			
Office expenses	120	64	56
Repairs to equipment	1,775	79	1,696
Telephone	380	288	92
Training	5,450	2,393	3,057
Supplies	7,038	2,712	4,326
Capital outlay	<u>20,087</u>	<u>20,087</u>	<u>-</u>
<b>Total Hazardous Materials</b>	<u>34,850</u>	<u>25,623</u>	<u>9,227</u>
<b>Flood Management</b>			
Personnel	34,934	39,251	(4,317)
Social security	2,578	2,929	(351)
Retirement	3,164	3,686	(522)
Insurance	5,854	5,084	770
Workers compensation	31	28	3
Contracted maintenance	70,117	75,224	(5,107)
Office expense	3,719	2,838	881
Printing	2,500	1,227	1,273
Training	5,780	2,450	3,330
Travel	2,800	118	2,682
Subsistence	<u>2,510</u>	<u>866</u>	<u>1,644</u>
<b>Total Flood Management</b>	<u>133,987</u>	<u>133,701</u>	<u>286</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Board of Rural Fire Control</b>			
Personnel	46,100	49,449	(3,349)
Social security	3,452	3,783	(331)
Retirement	4,156	4,643	(487)
Insurance	-	9,194	(9,194)
Workers compensation	32,364	31,973	391
Shared revenue	209,993	209,993	-
Contracted maintenance	33,300	7,500	25,800
Utilities	50,400	50,400	-
Vehicle insurance	51,161	50,699	462
Office expense	700	30	670
Repairs to equipment	17,001	9,404	7,597
Repairs to radio	7,753	7,723	30
Repairs to building	25,000	12,114	12,886
Training	4,000	1,214	2,786
Gas, oil, grease	33,664	23,185	10,479
Fire supplies	27,400	11,787	15,613
Lease purchase payment	615,170	525,823	89,347
	<u>1,161,614</u>	<u>1,008,914</u>	<u>152,700</u>
<b>Total Board of Rural Fire Control</b>			
<b>Building Inspections</b>			
Personnel	112,673	113,053	(380)
Social security	8,330	8,268	62
Retirement	10,225	10,990	(765)
Insurance	20,881	16,476	4,405
Workers compensation	2,098	1,907	191
Memberships	500	200	300
Office	6,750	6,781	(31)
Printing	1,000	772	228
Subscriptions	1,000	504	496
Telephone	2,000	2,384	(384)
Training	2,500	1,423	1,077
Travel	500	242	258
Subsistence	500	105	395

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Building Inspections - continued			
Vehicle insurance	1,350	1,175	175
Gas, oil, grease	5,010	3,861	1,149
Total Building Inspections	<u>175,317</u>	<u>168,141</u>	<u>7,176</u>
Ambulance Substation			
Vehicle insurance	15,501	11,954	3,547
Training	5,400	2,624	2,776
Uniforms	15,000	12,426	2,574
Contracted personnel	900,422	913,933	(13,511)
Total Ambulance Substation	<u>936,323</u>	<u>940,937</u>	<u>(4,614)</u>
Lake Murray Public Safety			
Utilities	8,000	8,978	(978)
Telephone	700	639	61
Total Lake Murray Public Safety	<u>8,700</u>	<u>9,617</u>	<u>(917)</u>
TOTAL PUBLIC SAFETY	<u>4,136,757</u>	<u>3,816,533</u>	<u>320,224</u>
<b>PUBLIC WORKS &amp; MAINTENANCE</b>			
Public Works			
Personnel	553,175	542,588	10,587
Overtime	9,360	2,080	7,280
Social security	42,410	40,188	2,222
Retirement	49,565	51,054	(1,489)
Insurance	118,364	111,316	7,048
Workers compensation	41,794	37,991	3,803
Advertising	300	1,974	(1,674)
Contracted maintenance	99,600	14,904	84,696
Utilities	7,200	4,949	2,251
Vehicle insurance	26,000	25,279	721
Memberships & dues	950	69	881
Office expense	2,800	2,796	4
Postage	350	90	260

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Public Works - continued</b>			
Printing	300	266	34
Supplies	3,181	3,181	-
Repairs to equipment	15,438	15,148	290
Telephone	5,300	5,188	112
Training	1,800	1,177	623
Bridge materials	15,000	10,085	4,915
Cleaning materials	200	97	103
Fertilizer, plants, seeds	2,500	1,476	1,024
Gas, oil, grease	34,297	88,153	(53,856)
Diesel fuel	127,044	61,326	65,718
Safety supplies	3,500	919	2,581
Gravel	140,000	132,982	7,018
Asphalt	10,770	7,435	3,335
Pipe	15,000	11,683	3,317
Tools	3,000	2,780	220
Road signs	10,000	2,726	7,274
Uniforms	8,800	6,245	2,555
Subsistence	1,350	618	732
Land improvements	197,529	31,056	166,473
219 Beautification Project	28,000	21,105	6,895
Capital outlay	210,795	191,312	19,483
Total Public Works	<u>1,785,672</u>	<u>1,430,236</u>	<u>355,436</u>
<b>Central Maintenance</b>			
Contracted maintenance	507,949	464,076	43,873
Utilities	10,532	12,141	(1,609)
Fuel	2,641	3,031	(390)
Tools	1,467	467	1,000
Total Central Maintenance	<u>522,589</u>	<u>479,715</u>	<u>42,874</u>
<b>Building Maintenance</b>			
Personnel	66,574	65,488	1,086
Social security	4,930	4,550	380
Retirement	6,051	6,144	(93)
Insurance	14,361	13,937	424

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Building Maintenance - continued</b>			
Workers compensation	2,148	1,952	196
Contracted maintenance	9,948	10,412	(464)
Utilities	156,416	161,497	(5,081)
Vehicle insurance	1,529	1,216	313
Supplies	53,114	52,763	351
Telephone	1,586	1,586	-
Training	1,500	-	1,500
Gas, oil, grease	3,157	3,122	35
Uniforms	1,200	1,082	118
Tools	700	696	4
Capital outlay	<u>262,898</u>	<u>23,598</u>	<u>239,300</u>
<b>Total Building Maintenance</b>	<u><b>586,112</b></u>	<u><b>348,043</b></u>	<u><b>238,069</b></u>
<b>Community Hall</b>			
Utilities	11,634	11,373	261
Contracted maintenance	6,552	3,407	3,145
Repairs building	21,440	6,868	14,572
Telephone	<u>950</u>	<u>902</u>	<u>48</u>
<b>Total Community Hall</b>	<u><b>40,576</b></u>	<u><b>22,550</b></u>	<u><b>18,026</b></u>
<b>Collections</b>			
Personnel	63,135	57,955	5,180
Overtime	750	1,542	(792)
Social security	4,649	4,342	307
Retirement	5,666	5,568	98
Insurance	9,952	12,479	(2,527)
Workers compensation	7,563	6,874	689
Advertising	3,000	94	2,906
Contracted personnel	241,306	242,296	(990)
Contracted maintenance	441,349	459,021	(17,672)
Fuel	5,603	2,948	2,655
Utilities	22,500	20,711	1,789
Vehicle insurance	4,000	2,223	1,777
Office	2,050	1,744	306
Repairs	5,500	1,667	3,833

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Collections - continued			
Supplies	3,500	2,898	602
Telephone	8,300	6,626	1,674
Training	640	315	325
Travel	150	-	150
Capital outlay	26,822	10,087	16,735
Tools and other equipment	1,000	791	209
<b>Total Collections</b>	<b>857,435</b>	<b>840,181</b>	<b>17,254</b>
Transfer Station			
Contracted personnel	1,296,170	1,299,565	(3,395)
Repairs to equipment	10,000	4,388	5,612
Contracted services	13,000	15,569	(2,569)
Utilities	14,000	8,088	5,912
Sewer disposal	4,000	2,640	1,360
Supplies	5,000	1,344	3,656
<b>Total Transfer Station</b>	<b>1,342,170</b>	<b>1,331,594</b>	<b>10,576</b>
Custodian Services			
Personnel	29,581	30,883	(1,302)
Social security	2,210	2,363	(153)
Retirement	2,713	2,900	(187)
Insurance	8,067	7,082	985
Workers compensation	963	875	88
Vehicle insurance	675	624	51
Cleaning supplies	21,567	21,463	104
Gas, oil, grease	2,275	2,228	47
Other equipment	4,090	985	3,105
Telephone	660	372	288
Chemicals	571	479	92
<b>Total Custodian Services</b>	<b>73,372</b>	<b>70,254</b>	<b>3,118</b>
<b>TOTAL PUBLIC WORKS &amp; MAINTENANCE</b>	<b>5,207,926</b>	<b>4,522,573</b>	<b>685,353</b>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>PLANNING &amp; DEVELOPMENT</b>			
Central Midlands Regional PC	<u>19,146</u>	<u>19,146</u>	<u>-</u>
<b>Economic Development</b>			
Personnel	75,614	74,295	1,319
Social Security	5,656	5,677	(21)
Retirement	6,911	6,976	(65)
Insurance	4,976	4,907	69
Workers compensation	1,440	1,309	131
Appropriations	25,000	4,985	20,015
Memberships	1,010	820	190
Office	4,500	2,514	1,986
Postage	1,000	72	928
Printing	2,000	-	2,000
Subscriptions	200	59	141
Subsistence	5,435	2,823	2,612
Telephone	3,100	3,073	27
Training	800	520	280
Travel	<u>7,040</u>	<u>4,396</u>	<u>2,644</u>
Total Economic Development	<u>144,682</u>	<u>112,426</u>	<u>32,256</u>
<b>Comprehensive Planning</b>			
Personnel	100,170	95,111	5,059
Social security	7,411	7,162	249
Retirement	9,097	8,519	578
Insurance	17,138	16,527	611
Workers compensation	1,017	924	93
Advertising	1,260	405	855
Consulting	52,000	50,850	1,150
Memberships and dues	910	370	540
Office expense	10,400	7,227	3,173
Postage	2,500	35	2,465
Printing	1,500	1,413	87
Books	1,300	1,104	196



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Comprehensive Planning - continued			
Telephone	4,094	3,312	782
Training	3,200	1,000	2,200
Travel	2,118	-	2,118
Subsistence	1,917	293	1,624
Gas, oil, and grease	2,152	1,137	1,015
Vehicle insurance	1,500	1,206	294
	<u>219,684</u>	<u>196,595</u>	<u>23,089</u>
Total Comprehensive Planning			
Central Carolina Economic Development Alliance	<u>72,000</u>	<u>72,000</u>	<u>-</u>
TOTAL PLANNING & DEVELOPMENT	<u>455,512</u>	<u>400,167</u>	<u>55,345</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	<u>11,227</u>	<u>11,137</u>	<u>90</u>
Newberry Soil & Water Conservation	<u>61,746</u>	<u>61,515</u>	<u>231</u>
TOTAL AGRICULTURE & HOME ECONOMICS	<u>72,973</u>	<u>72,652</u>	<u>321</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	<u>5,000</u>	<u>4,976</u>	<u>24</u>
Total Health Department	<u>5,000</u>	<u>4,976</u>	<u>24</u>
Beckman Mental Health	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Westview Behavioral	<u>23,330</u>	<u>23,704</u>	<u>(374)</u>
TOTAL PUBLIC HEALTH	<u>43,330</u>	<u>43,680</u>	<u>(350)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>SOCIAL SERVICES</b>			
Department of Social Services			
P.O. Box rent	568	70	498
Telephone	8,160	4,658	3,502
Emergency	4,000	4,000	-
Paupers funeral	4,500	4,500	-
Utilities	<u>45,000</u>	<u>40,683</u>	<u>4,317</u>
Total Department of Social Services	<u>62,228</u>	<u>53,911</u>	<u>8,317</u>
Veteran's Affairs			
Personnel	96,256	83,916	12,340
Social security	7,334	6,244	1,090
Retirement	9,002	7,869	1,133
Insurance	23,705	13,900	9,805
Workers compensation	990	900	90
Contracted maintenance	700	700	-
Membership fees	75	65	10
Office expense	2,750	2,318	432
Postage	1,100	870	230
Printing	200	184	16
Telephone	2,200	2,024	176
Training	150	-	150
Travel	1,145	1,062	83
Subsistence	<u>1,181</u>	<u>456</u>	<u>725</u>
Total Veteran's Affairs	<u>146,788</u>	<u>120,508</u>	<u>26,280</u>
Council on Aging			
Quarterly appropriation	40,000	40,000	-
Gas, Oil and Grease	<u>115,000</u>	<u>61,087</u>	<u>53,913</u>
Total Council on Aging	<u>155,000</u>	<u>101,087</u>	<u>53,913</u>
Rape Crisis Network	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Sistercare, Inc.	<u>2,700</u>	<u>2,700</u>	<u>-</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
Newberry County Literacy	<u>5,435</u>	<u>5,435</u>	<u>-</u>
TOTAL SOCIAL SERVICES	<u>377,151</u>	<u>288,641</u>	<u>88,510</u>
MISCELLANEOUS			
Airport			
Contingency	<u>80,000</u>	<u>1,000</u>	<u>79,000</u>
Total Airport	<u>80,000</u>	<u>1,000</u>	<u>79,000</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>79,151</u>	<u>79,151</u>	<u>-</u>
Ambulance			
Contracted maintenance	3,090	2,379	711
Utilities	2,000	-	2,000
Repairs to vehicle	10,000	2,576	7,424
Diesel fuel	44,396	53,797	(9,401)
Capital outlay	<u>270,705</u>	<u>108,319</u>	<u>162,386</u>
Total Ambulance	<u>330,191</u>	<u>167,071</u>	<u>163,120</u>
Fairgrounds			
Telephone	264	329	(65)
Utilities	9,550	11,352	(1,802)
Repairs to building	<u>25,739</u>	<u>6,828</u>	<u>18,911</u>
Total Fairgrounds	<u>35,553</u>	<u>18,509</u>	<u>17,044</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Helena Community Center</b>			
Contracted maintenance	500	115	385
Utilities	6,200	2,836	3,364
Repairs to building	500	500	-
<b>Total Helena Community Center</b>	<u>7,200</u>	<u>3,451</u>	<u>3,749</u>
<b>Recreation</b>			
Personnel	29,413	25,493	3,920
Social security	2,146	1,825	321
Retirement	2,634	3,322	(688)
Insurance	7,486	2,570	4,916
Recreation appropriation	91,405	76,188	15,217
<b>Total Recreation</b>	<u>133,084</u>	<u>109,398</u>	<u>23,686</u>
<b>TOTAL MISCELLANEOUS</b>	<u>745,622</u>	<u>458,468</u>	<u>287,154</u>
<b>CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>			
Contingency	486,619	53,248	433,371
<b>TOTAL CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>	<u>486,619</u>	<u>53,248</u>	<u>433,371</u>
<b>TOTAL EXPENDITURES</b>	<u>21,278,919</u>	<u>18,914,609</u>	<u>2,364,310</u>
<b>Excess/(Deficiency) of Revenue over Expenditures</b>	(25,000)	3,895,370	3,920,370
<b>OTHER FINANCING SOURCES/ (USES)</b>			
Surplus property sale	25,000	40,084	15,084
Transfer to debt service (Special Source Rev Bnd)	-	(119,501)	(119,501)
Transfer from special revenue	-	65,184	65,184
Transfers to special revenue (includes Special Education Levies)	-	(2,304,252)	(2,304,252)
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>25,000</u>	<u>(2,318,485)</u>	<u>(2,343,485)</u>
<b>Excess of Revenue over Expenditures after other financing sources</b>	<u>\$ -</u>	<u>\$ 1,576,885</u>	<u>\$ 1,576,885</u>

COMBINING BALANCE SHEET

NON-MAJOR SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Total
<b>ASSETS</b>							
Cash	\$ 194,883	\$ 198,155	\$ 106,247	\$ 120,052	\$ 101,364	\$ -	\$ 720,701
Due from general fund	-	-	-	-	-	8,092	8,092
Due from grantor	-	13,623	-	-	-	5,294	18,917
<b>TOTAL ASSETS</b>	<u>\$ 194,883</u>	<u>\$ 211,778</u>	<u>\$ 106,247</u>	<u>\$ 120,052</u>	<u>\$ 101,364</u>	<u>\$ 13,386</u>	<u>\$ 747,710</u>
<b>LIABILITIES</b>							
Deferred revenue	\$ -	\$ 108,075	\$ -	\$ -	\$ -	\$ -	\$ 108,075
Due to general fund	-	13,623	65,479	104,449	-	222,570	406,121
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>121,698</u>	<u>65,479</u>	<u>104,449</u>	<u>-</u>	<u>222,570</u>	<u>514,196</u>
<b>FUND BALANCE</b>							
Reserved for special revenue	194,883	90,080	40,768	15,603	101,364	(209,184)	233,514
<b>TOTAL FUND BALANCE</b>	<u>194,883</u>	<u>90,080</u>	<u>40,768</u>	<u>15,603</u>	<u>101,364</u>	<u>(209,184)</u>	<u>233,514</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 194,883</u>	<u>\$ 211,778</u>	<u>\$ 106,247</u>	<u>\$ 120,052</u>	<u>\$ 101,364</u>	<u>\$ 13,386</u>	<u>\$ 747,710</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

NON-MAJOR - SPECIAL REVENUE FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Total
Revenue							
Intergovernmental							
Federal grants	\$ -	\$ 79,307	\$ -	\$ -	\$ 133,696	\$ -	\$ 213,003
State grants	-	-	-	-	-	78,899	78,899
Other	-	-	-	-	-	-	-
Assessments	-	-	109,259	234,702	-	-	343,961
Interest	52	-	61	-	-	-	113
Miscellaneous	66,132	-	-	-	-	-	66,132
<b>Total Revenue</b>	<b>66,184</b>	<b>79,307</b>	<b>109,320</b>	<b>234,702</b>	<b>133,696</b>	<b>78,899</b>	<b>702,108</b>
Expenditures							
Personnel	-	4,556	92,729	86,612	-	10,355	194,252
Operating	77,765	61,959	24,030	150,960	69,638	265,381	649,733
Capital outlays	-	-	-	-	-	800,949	800,949
Intergovernmental	-	-	-	-	-	830,635	830,635
<b>Total Expenditures</b>	<b>77,765</b>	<b>66,515</b>	<b>116,759</b>	<b>237,572</b>	<b>69,638</b>	<b>1,907,320</b>	<b>2,475,569</b>
Other financing sources							
Transfer in/(out)	-	-	-	-	(65,184)	1,822,966	1,757,782
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>(11,581)</b>	<b>12,792</b>	<b>(7,439)</b>	<b>(2,870)</b>	<b>(1,126)</b>	<b>(5,455)</b>	<b>(15,679)</b>
Fund balance, beginning of year	206,464	77,288	48,207	18,473	102,490	(203,729)	249,193
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 194,883</b>	<b>\$ 90,080</b>	<b>\$ 40,768</b>	<b>\$ 15,603</b>	<b>\$ 101,364</b>	<b>\$ (209,184)</b>	<b>\$ 233,514</b>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2009

REVENUE

Property Taxes	
1995 GO Bond	\$ 64,181
2001 GO Bond	116,871
2005 GO Bond	683,761
2007A GO Bond	244,469
2007B GO Bond	106,341
Sales Taxes	3,596,008
Interest	<u>87,766</u>
 TOTAL REVENUE	 <u>4,899,397</u>

EXPENDITURES

Principal	
1995 GO Bond	75,000
2001 GO Bond	175,000
2005 GO Bond	610,000
2007A GO Bond	84,296
2007B GO Bond	50,000
Special Source Revenue Bond	235,000
MC Commerce Park	731,088
Sales Tax Bond	2,100,000
Interest	
1995 GO Bond	11,025
2001 GO Bond	211,575
2005 GO Bond	29,280
2007A GO Bond	35,833
2007B GO Bond	28,080
Special Source Revenue Bond	239,001
MC Commerce Park	18,672
Sales Tax Bond	378,625
Fees	
1995 GO Bond	1,081
2001 GO Bond	1,060
2005 GO Bond	269
Sales Tax Bond	<u>3,039</u>
 TOTAL EXPENDITURES	 <u>5,017,924</u>

OTHER FINANCING SOURCES/(USES)

Transfer from General Fund	119,501
Transfer from Capital Projects	749,760
Transfer from Capital Projects	<u>354,500</u>

EXCESS/(DEFICIENCY) OF REVENUE  
OVER EXPENDITURES 1,105,234

Fund balance, beginning of year 7,700,277

FUND BALANCE, END OF YEAR \$ 8,805,511

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2009

REVENUE

Interest	\$ 170,603
Fee in Lieu	<u>390,491</u>
 TOTAL REVENUE	 <u>561,094</u>

EXPENDITURES

Capital Outlays	
2007 GO Bond	72,403
Lease Purchase	745,335
Sales tax	
Library	1,366,765
Hospital	750,000
Water and Sewer Auth	226,136
City Wastewater	331,966
Sheriff's substation	286,679
Little Mtn	452,781
Newberry rescue	33,614
Whitmire Park	73,225
Pomaria	28,964
Miscellaneous	<u>22,388</u>
 TOTAL EXPENDITURES	 <u>4,390,256</u>

OTHER FINANCING SOURCES/(USES)

Lease purchase proceeds	1,622,500
Legal settlement	900,000
Transfer to Debt Service Fund	(354,500)
Transfer to Debt Service Fund	<u>(749,760)</u>

EXCESS OF REVENUE

OVER EXPENDITURES (2,410,922)

Fund balance, beginning of year 8,411,959

FUND BALANCE, END OF YEAR \$ 6,001,037



COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2009

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Library Construction	Fire/Rescue Squads	Total
<b>ASSETS</b>						
Cash	\$ 852,879	\$ 1,554,557	\$ 81,527	\$ -	\$ 341,912	\$ 2,830,875
Investments	-	8,469,601	3,836,046	145,279	-	12,450,926
Gifts	-	-	-	1,116,000	-	1,116,000
<b>TOTAL ASSETS</b>	<u>\$ 852,879</u>	<u>\$ 10,024,158</u>	<u>\$ 3,917,573</u>	<u>\$ 1,261,279</u>	<u>\$ 341,912</u>	<u>\$ 16,397,801</u>
<b>LIABILITIES</b>						
Due to taxing units and others	<u>\$ 852,879</u>	<u>\$ 10,024,158</u>	<u>\$ 3,917,573</u>	<u>\$ 1,261,279</u>	<u>\$ 341,912</u>	<u>\$ 16,397,801</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 852,879</u>	<u>\$ 10,024,158</u>	<u>\$ 3,917,573</u>	<u>\$ 1,261,279</u>	<u>\$ 341,912</u>	<u>\$ 16,397,801</u>

**SINGLE AUDIT SECTION**



# RISH & ENZASTIGA

Certified Public Accountants, L.L.C.

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

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

### Compliance

We have audited the compliance of the Newberry County, South Carolina with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the federal reporting and single audit section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

### Internal Control over Compliance

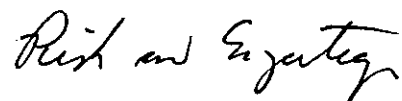
The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information of the County Council, management, and federal awarding agencies and pass-through entities and should not be used by anyone other than these entities.



Lexington, South Carolina  
September 25, 2009

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.228	4-RP-09-004	<u>\$ 52,500</u>
Total U.S. Department of Housing and Urban Development			<u>52,500</u>
U.S. Department of Health and Human Services			
Thru SC Department of Social Services Health and Human Services	93.558	G01SCTANF	133,696
Thru SC Department of Social Services County Administrative Expense FFP	Multiple		<u>32,348</u>
Total U.S. Department of Health and Human Services			<u>166,044</u>
Department of Justice			
Law Enforcement Block Grant	16.592		<u>79,307</u>
Total Dept of Justice			<u>79,307</u>
Federal Emergency Management Agency			
Homeland Security	83.554		<u>194,499</u>
Total Federal Emergency Management Agency			<u>194,499</u>
Federal Aviation Administration, Department of Transportation			
Airport Improvement Program	20.106		<u>1,971,559</u>
Total U.S. Department of Transportation			<u>1,971,559</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 2,463,909</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year ended June 30, 2009

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Newberry County, South Carolina federal award programs and presents transactions on the modified accrual basis of accounting.

**NOTE 2 - MAJOR PROGRAMS**

The County had one major program for the current fiscal year. Airport Improvement Program grant with expenditures of \$1,971,559 was the County's only major program.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued - unqualified

Internal control over financial reporting:

A. Material weaknesses identified?  X  Yes   No

B. Reportable conditions identified that are not considered  
to be material weaknesses?   Yes  X  No

Noncompliance material to financial statements noted?   Yes  X  No

Federal Awards

Internal control over major programs:

A. Material weaknesses identified?   Yes  X  No

B. Reportable conditions identified that are not considered  
to be material weaknesses?   Yes  X  No

Type of auditor's report issued on compliance for major programs - unqualified

Any audit findings disclosed that are required to be reported  
in accordance with section 510(a) of Circular A-133?   Yes  X  No

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

20.106

Airport Improvement Program

Dollar threshold used to distinguish between type A and B programs?  \$300,000

Low-Risk Auditee   Yes  X  No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

**Section II – 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 capital projects 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 also helping to correct the problem areas. The County has also hired an internal auditor to help monitor the conditions listed.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2009

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.

3. Fire Departments and Rescue Squads 2008 - present

*Condition:* The Fire Departments and Rescue Squads of the County collect and disburse funds for the purpose of fire and rescue safety. The County currently does not have any policies to account for and monitor these funds.

*Criteria:* To ensure completeness in accounting, all transactions should be recorded and monitored.

*Effect:* Because there is currently no County policy for accounting and monitoring for Fire Departments and Rescue Squads, errors or irregularities may occur.

*Recommendation:* The County should adopt a policy to account for and monitor these funds.

*Response:* The County is working on having uniform presentation and accounting records for all Fire Departments and Rescue Squads.

**Section III – Federal Award Findings and Questioned Costs**

No federal awards findings and questioned costs.

**Section IV – Prior Findings**

None



# 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, 2009, and have issued our report thereon dated September 25, 2009. 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*.

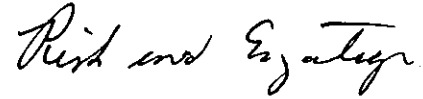
### Internal Control Over Financial Reporting

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 three control deficiencies listed in the Schedule of Findings and Questioned Costs, items 1, 2 & 3.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or 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 three material weaknesses listed in the Schedule of Findings and Questioned Costs, items 1, 2 & 3.

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.



September 25, 2009  
Lexington, South Carolina

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2009

Assessments	\$	66,279
Surcharges		42,980
Interest		<u>61</u>
Expenditures		<u>116,759</u>
Increase in fund balance		(7,439)
Fund Balance, July 1, 2008		<u>48,207</u>
Fund Balance, June 30, 2009	\$	<u><u>40,768</u></u>

Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>
Public Defender Application Fees	\$ 2,120	\$ 2,120
Marriage License Fee	3,800	3,800
Circuit/Family Court Fines	10,534	10,534
Circuit/Family Court Filing Fees	150,681	150,681
General Sessions - Assessments - DUI	548	548
Magistrates Court - Assessments - DUI	6,994	6,994
Magistrates - Surcharge - DUI	15,255	15,255
Magistrates - Drug Surcharge	2,900	2,900
General Sessions - Drug Surcharge	5,292	5,292
General Sessions - Other Assessments	57,792	53,400
Magistrates Court - Other Assessments	489,222	434,527
General Sessions - Surcharges	23,663	5,109
Magistrates Court - Surcharges	<u>292,901</u>	<u>275,446</u>
	<u>\$ 1,061,702</u>	<u>\$ 966,606</u>

Review of Accounting Controls Over the Collection,  
Reporting and Distribution of Fines and Assessments Collected

Newberry County, South Carolina

Year Ended June 30, 2009

**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.

**Bank Reconciliations**

*Condition:* The bank account used by the Central Court Magistrate should be reconciled to the outstanding case report monthly.

*Criteria:* The bank account used by Central Court should be reconciled to avoid any errors or irregularities.

*Effect:* Because the bank account is not reconciled monthly, errors and irregularities may exist and not be detected in a timely manner.

*Recommendation:* The bank account should be reconciled to the outstanding case report monthly before remitting the fines and fees to the SC State Treasurer.

