

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

June 30, 2010

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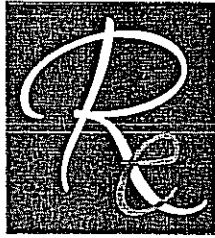
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RISH & ENZASTIGA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying primary government financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Newberry County, South Carolina, as of and for the year ended June 30, 2010. 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.

The business-type activity, JF Hawkins Nursing Home, should record and adjust its receivables and corresponding revenues on a timely basis based on collectability. Additionally the accounts receivable sub-ledger did not match the general ledger of the entity due to irregularities. An adjustment to reflect the estimated accounts receivable and corresponding revenues was posted at year end.

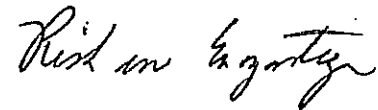
In our opinion, except for the effects on the financial statements of the above-mentioned items, the financial statements referred to above present fairly, the primary government financial statements and cash flows, where applicable, present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the primary government of Newberry County, South Carolina, as of June 30, 2010 for the year then ended in conformity with generally accepted accounting principles.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. However, the primary government financial statements, because they do not include the financial data of component units of Newberry County, South Carolina, do not purport to, and do not, present fairly the financial position of Newberry County, South Carolina, as of June 30, 2010 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 November 5, 2010 on our consideration of Newberry County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the primary government financial statements of Newberry County. The accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the primary government 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.



Lexington, South Carolina
November 5, 2010

MANAGEMENT' S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2010**

INTRODUCTION

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2010. 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, 2010, were \$45,372,362, which represented an increase of \$3,351,961 from the prior year end. The net assets of the governmental activities totaled \$47,311,422. The net deficit of the business-type activities was \$1,939,060.
- **Revenues and Expenditures:** Revenues and Other Financing Sources totaled \$29,164,217 and Expenditures totaled \$27,578,131 for all Governmental Funds at the fund level. Accordingly, revenues and other financing sources exceeded total expenditures by \$1,586,086. The general fund increased the fund balance by \$1,935,706, due to higher taxes and fee-in-lieu income. The debt service fund balance increased \$918,317 on higher property tax collections. The capital projects fund balance decreased \$616,707 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 \$1,366,475 consisting of a land purchase from the Library, equipment and vehicles. Depreciation expense in governmental activities was \$2,798,008. This resulted in a net decrease of capital assets of \$1,431,533.
- **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 \$1,939,060 at year-end. Charges for services totaled \$8,901,032, general revenues and insurance proceeds totaled \$453,630, and total expenses were \$9,117,826. The revenues and expenses resulted in an increase in net assets of \$236,836.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$22,438,604 in fiscal year 2010 Revenues, which primarily consisted of property taxes and intergovernmental sources, Other Financing Sources of \$12,308 and Other Financing Uses of \$1,294,385, and \$19,220,821 in Expenditures, leaving a surplus for the year of \$1,935,706.

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

- **Debt Service:** The County retired \$3,321,362 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance increased from \$8,805,511 to \$9,723,828. Bonds payable are \$18,380,254 at June 30, 2010 in governmental activities. Business type activities outstanding debt at June 30, 2010 was \$10,005,000. Principal payments of \$315,000 were made during the year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

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

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

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

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

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

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of county residents and are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The primary funds are held for fire service protection, school funds and regional rescue squads

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$45,372,362 as of June 30, 2010. The largest portion of the County's net assets (43.1 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, 2010.

Current assets	\$ 32,254,936
Non-current assets	<u>48,543,487</u>
Total assets	<u>80,798,423</u>
Current liabilities	7,419,567
Non-current liabilities	<u>28,006,494</u>
Total liabilities	<u>35,426,061</u>
Net assets	<u>\$ 45,372,362</u>
Net assets -	
Invested in capital assets, net of related debt	\$ 19,530,537
Restricted	12,122,592
Unrestricted	<u>13,719,233</u>
Total net assets	<u>\$ 45,372,362</u>

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

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

- Intergovernmental capital outlays of \$466,592.
- The operating gain of the General Fund totaling \$1,935,706 resulting mainly from higher income and reduced spending.
- Increases in the Debt Service Fund totaling \$918,317, 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, 2010, were \$38,172,406. The total cost of all programs and services was \$35,261,783. The following table presents a summary of the activity that resulted in changes to total net assets for the fiscal year ended June 30, 2010.

REVENUES:	Amount
Program revenues:	
Charges for services	\$ 10,179,382
Operating grants and contributions	216,465
Capital grants	1,215,827
General revenues:	
Property taxes	18,870,654
Intergovernmental sources	2,203,838
Fines and assessments	1,110,529
Sales tax	3,434,887
Miscellaneous	<u>940,824</u>
Total revenues	<u>38,172,406</u>
EXPENSES:	
Governmental - current	(24,907,808)
Intergovernmental - capital	
Construction & improvements	(466,592)
Debt service	(769,557)
J. F. Hawkins Nursing Home	<u>(9,117,826)</u>
Total expenses	<u>(35,261,783)</u>
Insurance proceeds	<u>441,338</u>
Increase in net assets	<u>\$ 3,351,961</u>

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

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	\$ 24,907,808	\$(22,197,166)
Intergovernmental - capital		
Construction & improvements	466,592	(466,592)
Debt Service - interest	769,557	(769,557)
J. F. Hawkins Nursing Home	<u>9117826</u>	<u>(216,794)</u>
 Total expenses	 <u>\$ 35,261,783</u>	 <u>\$(23,650,109)</u>

- The cost of all activities this year was \$35,261,783.
- Net cost of governmental activities (\$23,650,109) was financed by general revenues (\$26,560,732), which are made up of primarily property taxes (\$18,870,654), intergovernmental sources (\$2,203,838), fines and assessments (\$1,110,529), sales tax (\$3,434,887), and other revenue (\$928,532).
- Net cost of business-type activities (\$216,794) was financed by insurance proceeds and other income.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

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

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

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 \$28,673,653, an increase of \$1,586,086 since June 30, 2009. A fund balance of \$11,392,294 or 39.7 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:

- \$ 3,931,691 for future capital projects
- \$ 9,723,828 for debt service
- (\$ 400,736) 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 \$1,935,706 was the result of increased property taxes and savings for future projects in FY 2010 – 2011. The Debt Service Fund balance showed an increase of \$918,317 from the prior year due to the collection of higher property taxes. The Capital Projects Funds showed a fund balance of \$5,384,330, a combination of remaining Sales Tax, Lease purchase and GO Bonds proceeds.

Proprietary Fund: Proprietary Funds are used to account for operations that are financial and operated in a manner similar to private business enterprises. The J. F. Hawkins Nursing Home is the only Proprietary Fund. This Fund had a net increase of \$236,836. Total net deficit was \$1,939,060 with unrestricted net assets totaling \$841,248 as of June 30, 2010. The Nursing Home continues to try and improve the quality of resident services while managing the cash flow of the operations.

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2010**

BUDGETARY HIGHLIGHTS

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

The County budgeted \$20,845,957 in General Fund Revenue with actual revenue totaling \$22,438,604 for a difference of \$1,592,647. The budget for expenditures was \$20,815,299 with the actual expenditures being \$19,220,821 for a difference of \$1,594,478. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$1,935,706. 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, 2010, the County had invested \$46,964,022 in capital assets, net of accumulated depreciation, including buildings and facilities, fire service and rescue squad vehicles, other vehicles, and other equipment. Total depreciation expense for the year was \$2,798,008 for governmental activities and \$540,803 for business-type activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2010.

	Amount
Land	\$ 8,361,505
Buildings and improvements	43,197,304
Furniture and equipment	15,309,115
Roads	11,340,105
Construction in progress	5,654,044
Other improvements	<u>2,316,652</u>
Total	<u>\$ 86,178,725</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, 2010**

DEBT ADMINISTRATION

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2010.

	Amount
General obligation bonds	\$ 18,380,254
Lease purchase	2,079,922
Notes payable – business-type act	10,005,000
Accrued compensated absences	520,584
Total	<u>\$ 30,985,760</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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

Numerous factors will be considered by County Council during the process of developing the fiscal year 2010 - 2011 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, 2010**

CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS

Tables I - VI are presented for additional analysis of the County's finances for the FY 09-10.

Table I - Statement of Net Assets - Governmental Activities - Total current assets increased \$1,475,534 over the prior year due to increases in cash (general fund and debt service). Capital assets decreased \$1,431,533 net as shown in Note O for capital asset additions for the land purchase and equipment less depreciation expense. Total liabilities decreased \$3.1 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 increased by \$63,490. Cash decreased \$157,319 and accumulated depreciation increased \$540,803. Total liabilities decreased \$173,346 from the principal payment of \$315,000.

Table IV - Statement of Activities - Governmental Activities - Total revenues decreased \$2,103,706. Capital grants decreased \$755,732. The airport improvement grant was completed in 2010. The EDA grant was started in 2010. Property taxes decreased \$433,183. Total expenses decreased \$2.6 million due to decreases in lease purchase, GO Bond and Sales Tax Bond expenses used for intergovernmental expenses.

Table V - Statement of Activities - Business-Type Activities - Total revenues increased \$81,452. Charges for services increased \$83,804. Expenses increased \$218,652 due to personnel and operating supplies 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, 2010

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

	Governmental Activities		
	2010	2009	Variance
Assets			
Total Current Assets	\$ 31,767,141	\$ 30,291,607	\$ 1,475,534
Capital Assets, net of accumulated depreciation	<u>39,739,330</u>	<u>41,170,863</u>	<u>(1,431,533)</u>
Total Assets	<u>\$ 71,506,471</u>	<u>\$ 71,462,470</u>	<u>\$ 44,001</u>
Liabilities			
Total Current Liabilities	\$ 5,868,555	\$ 6,883,351	\$ (1,014,796)
Non-Current Liabilities	<u>18,326,494</u>	<u>20,382,822</u>	<u>(2,056,328)</u>
Total Liabilities	<u>\$ 24,195,049</u>	<u>\$ 27,266,173</u>	<u>\$ (3,071,124)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 22,310,845	\$ 21,096,034	\$ 1,214,811
Restricted	12,122,592	13,982,581	(1,859,989)
Unrestricted/(deficit)	<u>12,877,985</u>	<u>9,117,682</u>	<u>3,760,303</u>
Total Net Assets	<u>\$ 47,311,422</u>	<u>\$ 44,196,297</u>	<u>\$ 3,115,125</u>

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

	Business-Type Activities		
	2010	2009	Variance
Assets			
Total Current Assets	\$ 487,795	\$ (82,126)	\$ 569,921
Other Non-current Assets	1,579,465	1,610,063	(30,598)
Capital Assets, net of accumulated depreciation	<u>7,224,692</u>	<u>7,700,525</u>	<u>(475,833)</u>
Total Assets	<u>\$ 9,291,952</u>	<u>\$ 9,228,462</u>	<u>\$ 63,490</u>
Liabilities			
Total Current Liabilities	\$ 1,551,012	\$ 1,399,358	\$ 151,654
Non-Current Liabilities	<u>9,680,000</u>	<u>10,005,000</u>	<u>(325,000)</u>
Total Liabilities	<u>\$ 11,231,012</u>	<u>\$ 11,404,358</u>	<u>\$ (173,346)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ (2,780,308)	\$ (2,619,475)	\$ (160,833)
Unrestricted/(deficit)	<u>841,248</u>	<u>443,579</u>	<u>397,669</u>
Total Net Assets	<u>\$ (1,939,060)</u>	<u>\$ (2,175,896)</u>	<u>\$ 236,836</u>

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2010

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

	Total Government-Wide Activities		
	2010	2009	Variance
Assets			
Total Current Assets	\$ 32,254,936	\$ 30,209,481	\$ 2,045,455
Other Non-current Assets	1,579,465	1,610,063	(30,598)
Capital Assets, net of accumulated depreciation	<u>46,964,022</u>	<u>48,871,388</u>	<u>(1,907,366)</u>
Total Assets	<u>\$ 80,798,423</u>	<u>\$ 80,690,932</u>	<u>107,491</u>
Liabilities			
Total Current Liabilities	\$ 7,419,567	\$ 8,282,709	\$ (863,142)
Non-Current Liabilities	<u>28,006,494</u>	<u>30,387,822</u>	<u>(2,381,328)</u>
Total Liabilities	<u>\$ 35,426,061</u>	<u>\$ 38,670,531</u>	<u>\$ (3,244,470)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 19,530,537	\$ 18,476,559	\$ 1,053,978
Restricted	12,122,592	13,982,581	(1,859,989)
Unrestricted/(deficit)	<u>13,719,233</u>	<u>9,561,261</u>	<u>4,157,972</u>
Total Net Assets	<u>\$ 45,372,362</u>	<u>\$ 42,020,401</u>	<u>\$ 3,351,961</u>

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2010

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

	Governmental Activities		
	2010	2009	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 1,278,350	\$ 914,229	\$ 364,121
Operating Grants	216,465	270,942	(54,477)
Capital Grants	1,215,827	1,971,559	(755,732)
General Revenue:			
Property Taxes	18,870,654	19,313,837	(443,183)
Intergovernmental Sources	2,203,838	2,508,727	(304,889)
Fines and Assessments	1,110,529	1,350,617	(240,088)
Sales Tax - Debt Service	3,434,887	3,596,008	(161,121)
Other	928,532	1,436,869	(508,337)
Total Revenues	\$ 29,259,082	\$ 31,362,788	\$ (2,103,706)
Expenses			
Current			
Legislative	\$ 255,648	\$ 254,539	\$ 1,109
Administration	1,564,592	1,378,951	185,641
Tax assessment & collection	1,482,756	1,521,686	(38,930)
Election & registration	214,028	223,915	(9,887)
Administration of Justice	1,581,302	1,729,523	(148,221)
Law enforcement	3,497,259	3,541,455	(44,196)
Detention	1,663,556	1,619,199	44,357
Public safety	3,856,835	3,677,559	179,276
Public works & maintenance	6,379,673	5,933,891	445,782
Planning & development	352,720	400,167	(47,447)
Agriculture & home economics	91,641	72,652	18,989
Public health	42,432	43,680	(1,248)
Social services	252,828	288,641	(35,813)
Miscellaneous	3,472,713	2,460,831	1,011,882
Emergency telephone reporting	199,825	237,572	(37,747)
Capital Construction & Improvements - Intergovernmental	466,592	4,443,504	(3,976,912)
Interest and Fees	769,557	883,770	(114,213)
Total Expenses	\$ 26,143,957	\$ 28,711,535	\$ (2,567,578)

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

	Business-Type Activities		
	2010	2009	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 8,901,032	\$ 8,817,228	\$ 83,804
Insurance proceeds	441,338	-	441,338
Other	12,292	14,644	(2,352)
Total Revenues	\$ 9,354,662	\$ 8,831,872	\$ 522,790
Expenses			
J. F. Hawkins Nursing Home	\$ 9,117,826	\$ 8,899,174	\$ 218,652

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2010

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

	Total Government-Wide Activities		
	2010	2009	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 10,179,382	\$ 9,731,457	\$ 447,925
Operating Grants	216,465	270,942	(54,477)
Capital Grants	1,215,827	1,971,559	(755,732)
General Revenue:			
Property Taxes	18,870,654	19,313,837	(443,183)
Intergovernmental Sources	2,203,838	2,508,727	(304,889)
Fines and Assessments	1,110,529	1,350,617	(240,088)
Sales Tax - Debt Service	3,434,887	3,596,008	(161,121)
Other	940,824	1,451,513	(510,689)
Insurance proceeds	441,338	-	441,338
Total Revenues	\$ 38,613,744	\$ 40,194,660	\$ (1,580,916)
Expenses			
Current			
Legislative	\$ 255,648	\$ 254,539	1,109
Administration	1,564,592	1,378,951	185,641
Tax assessment & collection	1,482,756	1,521,686	(38,930)
Election & registration	214,028	223,915	(9,887)
Administration of Justice	1,581,302	1,729,523	(148,221)
Law enforcement	3,497,259	3,541,455	(44,196)
Detention	1,663,556	1,619,199	44,357
Public safety	3,856,835	3,677,559	179,276
Public works & maintenance	6,379,673	5,933,891	445,782
Planning & development	352,720	400,167	(47,447)
Agriculture & home economics	91,641	72,652	18,989
Public health	42,432	43,680	(1,248)
Social services	252,828	288,641	(35,813)
Miscellaneous	3,472,713	2,460,831	1,011,882
Emergency telephone reporting	199,825	237,572	(37,747)
Capital Construction & Improvements - Intergovernmental	466,592	4,443,504	(3,976,912)
Interest and Fees	769,557	883,770	(114,213)
J. F. Hawkins Nursing Home	9,117,826	8,899,174	218,652
Total Expenses	35,261,783	37,610,709	(2,348,926)
Change in Net Assets	3,351,961	2,583,951	768,010
Net Assets, Beginning of Year	42,020,401	39,436,450	2,583,951
Net Assets, End of Year	<u>\$ 45,372,362</u>	<u>\$ 42,020,401</u>	<u>\$ 3,351,961</u>

BASIC FINANCIAL STATEMENTS
PRIMARY GOVERNMENT

STATEMENT OF NET ASSETS
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash - Notes B & C	\$ 7,525,561	\$ 349,890	\$ 7,875,451
Investments - Note C	18,710,756	-	18,710,756
Receivables			
Property taxes - delinquent - Note E	1,226,606	-	1,226,606
Fines and fees	144,244	-	144,244
Patient receivables, less allowance for doubtful accounts \$433,722	-	1,298,871	1,298,871
Other	77,309	441,338	518,647
Due from other governments			
State shared revenue	469,083	-	469,083
Sales tax	861,789	-	861,789
Grant revenue	20,266	-	20,266
Inventory - jet fuel	13,223	-	13,223
Due from library	1,116,000	-	1,116,000
Due to/from internal balances - Note D	<u>1,602,304</u>	<u>(1,602,304)</u>	<u>-</u>
Total Current Assets	<u>31,767,141</u>	<u>487,795</u>	<u>32,254,936</u>
Restricted cash - Note F	-	1,052,842	1,052,842
Bond issuance cost, less \$34,610 accumulated amortization	-	526,623	526,623
Capital Assets - Note O			
Land	8,143,969	217,536	8,361,505
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	13,076,990	2,232,125	15,309,115
Construction in Progress	5,654,044	-	5,654,044
Accumulated depreciation	<u>(30,843,587)</u>	<u>(8,371,116)</u>	<u>(39,214,703)</u>
TOTAL ASSETS	<u>\$ 71,506,471</u>	<u>\$ 9,291,952</u>	<u>\$ 80,798,423</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accrued expenses	\$ 654,400	\$ 899,500	\$ 1,553,900
Escrowed funds	-	20,702	20,702
Deferred revenue			
Advance billings	-	305,810	305,810
Grant revenue	24,732	-	24,732
Due to other taxing units and others	1,330,271	-	1,330,271
Accrued interest	228,538	-	228,538
Lease payable, current portion	560,173	-	560,173
Bonds payable, current portion	<u>3,070,441</u>	<u>325,000</u>	<u>3,395,441</u>
Total Current Liabilities	<u>5,868,555</u>	<u>1,551,012</u>	<u>7,419,567</u>
Bonds payable, less current portion	15,309,813	9,680,000	24,989,813
Compensated absences	520,584	-	520,584
Net OPEB Obligation - See Note R	976,348	-	976,348
Lease purchase, less current portion	<u>1,519,749</u>	<u>-</u>	<u>1,519,749</u>
TOTAL LIABILITIES	<u>24,195,049</u>	<u>11,231,012</u>	<u>35,426,061</u>
NET ASSETS			
Invested in capital assets, net of related debt, \$17,428,485 and \$10,005,000	22,310,845	(2,780,308)	19,530,537
Restricted for:			
notes receivable	1,452,639	-	1,452,639
special projects	(400,736)	-	(400,736)
debt service	9,723,828	-	9,723,828
capital projects, net of related debt, \$3,031,691	900,000	-	900,000
operations	446,861	-	446,861
Unrestricted	<u>12,877,985</u>	<u>841,248</u>	<u>13,719,233</u>
TOTAL NET ASSETS	<u>47,311,422</u>	<u>(1,939,060)</u>	<u>45,372,362</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 71,506,471</u>	<u>\$ 9,291,952</u>	<u>\$ 80,798,423</u>

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	Program Revenues			Net Revenue & Changes in Net Assets		
	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities						
Current						
Legislative Administration	\$ 255,648	\$ -	\$ -	\$ (255,648)	\$ -	\$ (255,648)
Tax assessment & collection	1,564,592	-	-	(1,564,592)	-	(1,564,592)
Election & registration	1,482,756	-	-	(1,482,756)	-	(1,482,756)
Administration of Justice	214,028	4,363	-	(209,665)	-	(209,665)
Law enforcement	1,581,302	130,096	-	(1,451,206)	-	(1,451,206)
Detention	3,497,259	82,006	-	(3,415,253)	-	(3,415,253)
Public safety	1,663,556	-	-	(1,663,556)	-	(1,663,556)
Public works & maintenance	3,856,835	153,413	-	(3,703,422)	-	(3,703,422)
Planning & development	6,379,673	624,106	-	(5,755,567)	-	(5,755,567)
Agriculture & home economics	352,720	-	-	(352,720)	-	(352,720)
Public health	91,641	-	-	(91,641)	-	(91,641)
Social services	42,432	-	-	(42,432)	-	(42,432)
Miscellaneous	252,828	-	-	(252,828)	-	(252,828)
Emergency telephone reporting	3,472,713	-	1,215,827	(2,256,886)	-	(2,256,886)
Capital construction & improvements - intergovernmental	199,825	500,831	-	301,006	-	301,006
Debt service	466,592	-	-	(466,592)	-	(466,592)
Interest & other bond costs	769,557	-	-	(769,557)	-	(769,557)
Total Governmental Activities	26,143,957	1,278,330	216,465	(23,433,315)	-	(23,433,315)
Business-Type Activities						
J. F. Hawkins Nursing Home	9,117,826	8,901,032	-	-	(216,794)	(216,794)
TOTAL	\$ 35,261,783	\$ 10,179,362	\$ 216,465	(23,433,315)	(216,794)	(23,650,109)
General Revenues						
Property Taxes Levied For:						
General Purposes	18,277,543	-	-	18,277,543	-	18,277,543
Debt Service	593,111	-	-	593,111	-	593,111
Intergovernmental sources	2,203,838	-	-	2,203,838	-	2,203,838
Fines and assessments	1,110,529	-	-	1,110,529	-	1,110,529
Sales tax - debt service	3,434,887	-	-	3,434,887	-	3,434,887
Surplus property sale	12,308	-	-	12,308	-	12,308
Other	916,224	12,292	-	928,516	-	928,516
Total General Revenues	26,548,440	12,292	-	26,560,732	-	26,560,732
Insurance proceeds	-	-	441,338	-	441,338	441,338
Change in Net Assets	3,115,125	236,836	-	3,351,961	-	3,351,961
Net Assets, Beginning of Year	44,196,297	(2,175,895)	-	42,020,401	-	42,020,401
NET ASSETS, END OF YEAR	\$ 47,311,422	\$ (1,939,060)	\$ -	\$ 45,372,362	\$ -	\$ 45,372,362

The accompanying notes are an integral part of this statement.

BALANCE SHEET
GOVERNMENTAL FUNDS
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue</u>	<u>Totals</u>
ASSETS					
Cash - Notes B & C	\$ 5,280,325	\$ 7,215	\$ 1,178,096	\$ 1,059,925	\$ 7,525,561
Investments - Note C	8,010,097	8,847,064	1,853,595	-	18,710,756
Receivables					
Property taxes - delinquent - Note E	1,192,027	34,579	-	-	1,226,606
Fines and fees	144,244	-	-	-	144,244
Other	77,309	-	-	-	77,309
Due from other governments					
State shared revenue	469,083	-	-	-	469,083
Sales tax	-	861,789	-	-	861,789
Grant revenue	-	-	-	20,266	20,266
Inventory - jet fuel	-	-	-	13,223	13,223
Due from library	1,116,000	-	-	-	1,116,000
Due from other funds - Note D	1,627,110	-	2,352,639	8,027	3,987,776
	<u>\$ 17,916,195</u>	<u>\$ 9,750,647</u>	<u>\$ 5,384,330</u>	<u>\$ 1,101,441</u>	<u>\$ 34,152,613</u>
TOTAL ASSETS					
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued expenses	\$ 654,400	\$ -	\$ -	\$ -	\$ 654,400
Deferred revenue					
Property taxes	1,057,266	26,819	-	-	1,084,085
Grant revenue	-	-	-	24,732	24,732
Due to taxing units and others	1,242,297	-	-	-	1,242,297
Due to library	87,974	-	-	-	87,974
Due to other funds - Note D	908,027	-	-	1,477,445	2,385,472
	<u>3,949,964</u>	<u>26,819</u>	<u>-</u>	<u>1,502,177</u>	<u>5,478,960</u>
TOTAL LIABILITIES					
FUND BALANCES					
Reserved:					
Reserved for notes receivable	-	-	1,452,639	-	1,452,639
Reserved for capital projects	2,127,076	-	3,931,691	-	6,058,767
Reserved for operations	446,861	-	-	-	446,861
Reserved for debt service	-	9,723,828	-	-	9,723,828
Reserved for special revenue	-	-	-	(400,736)	(400,736)
Unreserved:					
Undesignated	11,392,294	-	-	-	11,392,294
	<u>13,966,231</u>	<u>9,723,828</u>	<u>5,384,330</u>	<u>(400,736)</u>	<u>28,673,653</u>
TOTAL FUND BALANCES					
TOTAL LIABILITIES AND FUND BALANCES					
	<u>\$ 17,916,195</u>	<u>\$ 9,750,647</u>	<u>\$ 5,384,330</u>	<u>\$ 1,101,441</u>	<u>\$ 34,152,613</u>

Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balances - Governmental Funds	\$	28,673,653
Capital assets, net of accumulated depreciation		39,739,330
Bonds payable		(18,380,254)
Leases payable		(2,079,922)
Compensated absences		(520,584)
Net OPEB Obligation		(976,348)
Accrued interest		(228,538)
Recognition of deferred taxes		1,084,085
Total Net Assets - Governmental Activities	\$	<u>47,311,422</u>

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, 2010

Net change in fund balances - total governmental funds		\$ 1,586,086
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.</p>		
Capital outlays	1,366,475	
Depreciation expense	<u>(2,798,008)</u>	(1,431,533)
<p>Net Repayment/(Issuance) of bond principal is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities</p>		
	<u>2,189,362</u>	2,189,362
<p>In the statement of activities, compensated absences are measured by the amounts expended during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		46,332
<p>Repayment/(Issuance) of lease purchase/(lease purchase proceeds) is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>		
Repayment of principal	<u>1,073,689</u>	1,073,689
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as it accrues, regardless of the due date.</p>		
Interest on bonds and lease purchase increased by:		53,381
<p>In the statement of activities, OPEB benefits are measured by the accrued OPEB cost recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		<u>(488,617)</u>
<p>Some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred tax revenues. In the statement of activities, property taxes are recorded as revenue in the year levied.</p>		
		<u>86,425</u>
Change in net assets - governmental activities		<u>\$ 3,115,125</u>

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2010

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
REVENUE					
Property taxes	\$ 17,718,503	\$ 591,101	\$ 474,625	\$ -	\$ 18,784,229
Intergovernmental	2,207,201	-	-	1,428,929	3,636,130
Fines and fees	1,795,129	-	-	593,750	2,388,879
Sales tax	-	3,434,887	-	-	3,434,887
Other	717,771	42,458	29,027	126,968	916,224
TOTAL REVENUE	22,438,604	4,068,446	503,652	2,149,647	29,160,349
EXPENDITURES					
Current					
Legislative	255,648	-	-	-	255,648
Administration	1,060,965	-	-	-	1,060,965
Tax assessment & collection	1,469,745	-	-	-	1,469,745
Election & registration	155,204	-	-	-	155,204
Administration of Justice	1,544,748	-	-	30,001	1,574,749
Law enforcement	3,146,498	-	-	169,957	3,316,455
Detention	1,658,622	-	-	-	1,658,622
Public safety	4,252,223	-	-	-	4,252,223
Public works & maintenance	4,542,923	-	-	-	4,542,923
Planning & development	348,899	-	-	-	348,899
Agriculture & home economics	91,641	-	-	-	91,641
Public health	42,432	-	-	-	42,432
Social services	252,828	-	-	-	252,828
Miscellaneous	329,248	-	-	3,189,797	3,519,045
Emergency telephone reporting	-	-	-	199,825	199,825
Capital outlays					
Capital construction & improvements	69,197	-	623,430	-	692,627
Debt service					
Principal retirement - Note G	-	3,321,362	-	-	3,321,362
Interest	-	819,378	-	-	819,378
Fees & other bond service costs	-	3,560	-	-	3,560
TOTAL EXPENDITURES	19,220,821	4,144,300	623,430	3,589,580	27,578,131
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	3,217,783	(75,854)	(119,778)	(1,439,933)	1,582,218
OTHER FINANCING SOURCES					
GO Bond proceeds	-	-	1,132,000	-	1,132,000
Library BAN payment	-	-	(1,140,440)	-	(1,140,440)
Surplus property sale	12,308	-	-	-	12,308
Transfer In/(Out)	(1,294,385)	994,171	(488,489)	788,703	-
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	1,935,706	918,317	(616,707)	(651,230)	1,586,086
Fund Balance, Beginning of Year,	12,030,525	8,805,511	6,001,037	250,494	27,087,567
FUND BALANCE, END OF YEAR	\$ 13,966,231	\$ 9,723,828	\$ 5,384,330	\$ (400,736)	\$ 28,673,653

STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Property taxes	\$ 15,941,072	\$ 15,941,072	\$ 17,718,503	\$ 1,777,431
Intergovernmental	2,290,910	2,290,910	2,207,201	(83,709)
Fines and fees	1,870,714	1,870,714	1,795,129	(75,585)
Other	<u>1,211,356</u>	<u>743,261</u>	<u>717,771</u>	<u>(25,490)</u>
TOTAL REVENUE	<u>21,314,052</u>	<u>20,845,957</u>	<u>22,438,604</u>	<u>1,592,647</u>
EXPENDITURES				
Current				
Legislative	262,425	262,424	255,648	6,776
Administration	1,279,402	1,220,402	1,060,965	159,437
Tax assessment & collection	1,517,207	1,507,208	1,469,745	37,463
Election & registration	153,482	188,420	155,204	33,216
Administration of Justice	1,680,993	1,681,247	1,544,748	136,499
Law enforcement	3,377,243	3,377,243	3,146,498	230,745
Detention	1,824,759	1,824,759	1,658,622	166,137
Public safety	4,463,557	4,464,467	4,252,223	212,244
Public works & maintenance	4,874,557	4,899,918	4,542,923	356,995
Planning & development	405,269	405,270	348,899	56,371
Agriculture & home economics	103,746	126,746	91,641	35,105
Public health	40,630	40,630	42,432	(1,802)
Social services	253,657	253,657	252,828	829
Miscellaneous	425,946	423,962	329,248	94,714
Capital outlays				
Capital construction & improvements	<u>620,521</u>	<u>138,946</u>	<u>69,197</u>	<u>69,749</u>
TOTAL EXPENDITURES	<u>21,283,394</u>	<u>20,815,299</u>	<u>19,220,821</u>	<u>1,594,478</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>30,658</u>	<u>30,658</u>	<u>3,217,783</u>	<u>3,187,125</u>
OTHER FINANCING SOURCES/(USES)				
Surplus property sale	25,000	25,000	12,308	(12,692)
Transfer In/(Out)	<u>(55,658)</u>	<u>(55,658)</u>	<u>(1,294,385)</u>	<u>(1,238,727)</u>
Excess/(Deficiency) of Revenue Over/ (Under) Expenditures				
	<u>\$ -</u>	<u>\$ -</u>	<u>1,935,706</u>	<u>1,935,706</u>
Fund Balance, Beginning of Year				
			<u>12,030,525</u>	
FUND BALANCE, END OF YEAR				
			<u>\$ 13,966,231</u>	

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	Business-Type Activities
	<u>J. F. Hawkins Nursing Home</u>
ASSETS	
Current Assets	
Cash - Notes B & C	\$ 349,890
Receivables	
Insurance receivable	441,338
Patient receivables, less allowance for doubtful accounts \$433,722	<u>1,298,871</u>
Total Current Assets	<u>2,090,099</u>
Restricted cash - Note F	1,052,842
Bond issuance cost, less \$34,610 amortization	526,623
Capital Assets - Note O	
Land	217,536
Buildings	10,829,495
Improvements other than buildings	2,316,652
Equipment	2,232,125
Accumulated depreciation	<u>(8,371,116)</u>
TOTAL ASSETS	<u>\$ 10,894,256</u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accrued expenses	\$ 899,500
Escrowed funds	20,702
Deferred revenue	
Advance billings	305,810
Due to governmental funds - operating	149,665
Bonds payable, current portion	<u>325,000</u>
Total Current Liabilities	<u>1,700,677</u>
Due to governmental funds - long term	1,452,639
Bonds payable	<u>9,680,000</u>
TOTAL LIABILITIES	<u>12,833,316</u>
NET ASSETS	
Invested in capital assets, net of related debt - \$10,005,000	(2,780,308)
Unrestricted	<u>841,248</u>
TOTAL NET ASSETS	<u>(1,939,060)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,894,256</u>

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

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2010

REVENUE

Net nursing home patient service revenue (net of allowances, contractual adjustments and unbilled services of \$1,109,306)	\$ 6,865,201
Net Springfield rent, nursing facility and entrance fees	1,967,141
Other revenue	<u>68,690</u>
TOTAL OPERATING REVENUE	<u>8,901,032</u>

OPERATING EXPENSES

Nursing	3,381,900
Restorative	75,463
Dietary	1,122,680
Laundry	95,673
Housekeeping	312,265
Maintenance	319,521
Administrative	1,065,647
Medical records	65,015
Utilities	331,153
Insurance, licenses and property taxes	757,198
Medical supplies	11,656
Interest	467,489
Depreciation and amortization	546,970
Physical therapy	312,398
Pharmacy	205,780
Other ancillary services	<u>47,018</u>
TOTAL OPERATING EXPENSES	<u>9,117,826</u>

OPERATING INCOME (216,794)

NON-OPERATING ITEMS

Interest	1,227
Contributions	11,065
Insurance proceeds	<u>441,338</u>
TOTAL NON-OPERATING ITEMS	<u>453,630</u>

CHANGE IN NET ASSETS 236,836

Net Assets/(Deficit), Beginning of Year (2,175,896)

NET ASSETS/(DEFICIT), END OF YEAR \$ (1,939,060)

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and patients	\$ 8,639,956
Payments to employees	(4,354,402)
Payments to vendors	<u>(4,098,950)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>186,604</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Bond cushion fund - restricted assets	23,755
Interest earned	1,227
Property, plant, equipment purchased	<u>(64,970)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(39,988)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Bond payable - principal paid	<u>(315,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(315,000)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Contributions	<u>11,065</u>
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>11,065</u>
NET CHANGE IN CASH AND EQUIVALENTS	(157,319)
Cash and equivalents, Beginning of Year	<u>507,209</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 349,890</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ (216,794)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	546,970
Changes in operating assets and liabilities - increase/(decrease) in cash flows	
Accounts receivable	(255,125)
Accrued expenses	112,796
Accrued payroll	35,485
Due to Newberry County - general fund	(30,777)
Advance billings	<u>(5,951)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>186,604</u>

Supplemental Information

Cash payments of interest	<u>\$ 470,245</u>
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STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	Newberry County School District	Fire Departments/ Rescue Squads	Newberry County Library Construction	Total Agency Funds
ASSETS				
Cash and cash equivalents - Note B and C	\$ 1,487,028	\$ 344,945	\$ -	\$ 1,831,973
Investments	<u>13,250,469</u>	<u>-</u>	<u>1,178,599</u>	<u>14,429,068</u>
TOTAL ASSETS	<u>\$ 14,737,497</u>	<u>\$ 344,945</u>	<u>\$ 1,178,599</u>	<u>\$ 16,261,041</u>
LIABILITIES				
Due to other entities	\$ 14,737,497	\$ 344,945	\$ 62,599	\$ 15,145,041
Due to general fund	<u>-</u>	<u>-</u>	<u>1,116,000</u>	<u>1,116,000</u>
TOTAL LIABILITIES	<u>\$ 14,737,497</u>	<u>\$ 344,945</u>	<u>\$ 1,178,599</u>	<u>\$ 16,261,041</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010

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, 2010

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

GOVERNMENTAL FUNDS

General Fund

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

Special Revenue – Non-Major Funds

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

Capital Projects Fund - Major Fund

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

Debt Service Fund – Major Fund

This fund accounts for the accumulation of resources for and the payment of bond principal and interest. Debt Service Funds of the County are established and maintained in accordance with Acts passed by the General Assembly of South Carolina authorizing the sale of general obligation debt bonds of the County. Bonds and interest for which the County Treasurer collects and remits receipts to, or on behalf of, other governmental units are accounted for as part of the agency fund.

PROPRIETARY FUND

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

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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 \$13,223 at June 30, 2010. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010. At June 30, 2010, the liability for accrued vacation benefits recorded in the governmental activities was \$520,584. 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, 2010. 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, 2010

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, 2010 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, 2010, the carrying amount of the County's deposits was \$10,760,266 (\$7,875,451 for the primary government, \$1,052,842 for primary government restricted cash and \$1,831,973 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 \$79,472 cash on hand at June 30, 2010.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010. Category I 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	\$ 10,760,266	\$ --	\$ --	\$ 10,760,266	\$ 10,760,266
Total	\$ 10,760,266	\$ --	\$ --		
State treasurer's investment pool				18,710,756	18,710,756
State treasurer's investment pool – Agency funds				14,829,068	14,829,068
Total Investments and Deposits				\$ 44,300,090	\$ 44,300,090

The County has investments in the S. C. Local Government Investment Pool at June 30, 2010 of \$33,539,824 (\$18,710,756 for the primary government and \$14,829,068 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, 2010

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General	Special Revenue	\$ 1,477,445
Special Revenue	General	8,027
Capital Projects	General	900,000
Enterprise	General	149,665
Enterprise	Capital Projects	1,452,639
	Total	\$ 3,987,776

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, 2010, 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, 2010, the Nursing Home had restricted cash in the amounts of:

Resident funds	\$	20,702
Bond cushion funds		1,032,140

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, 2010

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2010:

	Balance, July 1, 2009	Additions	Deletions	Balance, June 30, 2010
Bonds payable	\$ 20,569,616	\$ 1,132,000	\$ (3,321,362)	\$ 18,380,254
Lease purchase agreement	3,153,611	--	(1,073,689)	2,079,922
Accrued vacation	<u>566,916</u>	---	<u>(46,332)</u>	<u>520,584</u>
Total Long Term Debt	<u>\$ 24,290,143</u>	<u>\$ 1,132,000</u>	<u>\$ (4,441,383)</u>	<u>\$ 20,980,760</u>

Bonds payable at June 30, 2010, 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	\$ 75,000
\$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 \$195,000	2,895,000
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 \$255,000	5,510,000
\$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 \$2,300,000	7,350,000
\$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	590,000
\$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 \$90,721	828,254
\$1,132,000 General Obligation Bonds, Series 2010, due in annual Installments of \$94,720 to \$166,000 through May 2018; interest rate 3.22%. Current amount due \$94,720	<u>1,132,000</u>
Total bonds payable	<u>\$ 18,380,254</u>

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

NOTE G - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2010:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 3,070,441	\$ 696,671	\$ 3,767,112
2012	3,156,395	584,914	3,741,309
2013	3,449,636	479,491	3,929,127
2014	834,289	354,605	1,188,894
2015	867,078	320,707	1,187,785
2016 – 2020	4,177,415	1,083,067	5,260,482
2021 – 2025	2,370,000	354,675	2,724,675
2026	<u>455,000</u>	<u>18,155</u>	<u>473,155</u>
Totals	<u>\$ 18,380,254</u>	<u>\$ 3,892,285</u>	<u>\$ 22,272,539</u>

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in the amount sufficient to pay the principal and interest due each year. The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. Based on the June 30, 2010 assessed property valuation, the County is below its legal debt limit of \$8,894,903. Bond indebtedness applied to the debt limit was \$5,445,254 leaving \$3,449,649 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 in 2008 at an annual interest rate of 2.19%. The note matured May 2010 and was paid off using the proceeds of the 2010 GO Bond.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

NOTE G - LONG-TERM DEBT – Continued

Lease Purchase Agreements

Lease Purchase 2007 was used to buy equipment for \$200,000. The annual interest rate is 3.97%. Annual payments of \$33,285 of principal and interest are due in October from 2010 – 2012. Current principal amount due is \$29,616.

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 2010 – 2012. Current principal amount due is \$215,493.

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 2010 – 2013. Current principal amount due is \$315,064.

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, 2010:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 560,173	\$ 67,277	\$ 627,450
2012	578,641	48,809	627,450
2013	597,729	29,721	627,450
2014	<u>343,379</u>	<u>9,991</u>	<u>353,370</u>
Totals	<u>\$ 2,079,922</u>	<u>\$ 155,798</u>	<u>\$ 2,235,720</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, 2010

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, 2010:

	Balance, <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2010</u>
Revenue Refunding				
Bonds Series 2005	\$ <u>10,320,000</u>	\$ <u> --</u>	\$ <u>(315,000)</u>	\$ <u>10,005,000</u>

J. F. Hawkins -- continued

Bonds payable at June 30, 2010, 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>\$ 10,005,000</u>
---------------------	----------------------

The principal amount of notes payable outstanding at June 30, 2010 due in each of the next five fiscal years is as follows:

	Principal	Interest
2011	\$ 325,000	\$ 459,220
2012	340,000	447,358
2013	350,000	434,437
2014	365,000	420,438
2015	380,000	405,472
2016 – 2020	2,160,000	1,770,375
2021 – 2025	2,685,000	1,239,455
2026 – 2030	<u>3,400,000</u>	<u>526,750</u>
Total	<u>\$ 10,005,000</u>	<u>\$ 5,703,505</u>

The Nursing Home had interest expense of \$467,489 for the Special Source Refunding Revenue Bond.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010, 2009, and 2008 was \$4,038,271, \$4,137,623, and \$3,926,708, respectively for SCRS – Local Government and \$3,072,981, \$2,993,559, and \$2,925,952, respectively for PORS – Class II. The employer contribution requirements for SCRS at 9.24%, 9.24% and 9.06% and PORS – Class II at 10.65%, 10.65%, and 10.3% for the past three fiscal years were \$373,136, \$382,316, \$355,760 and \$327,272, \$318,814, \$301,373, respectively. The County also paid group life contributions for the past three fiscal years of \$6,057, \$6,206 and \$5,890 for SCRS participants and \$6,146, \$5,987, and \$5,852 to the PORS – Class II. Additionally, accidental death contributions for PORS – Class II were \$6,146, \$5,987 and \$5,852 for the years ended June 30, 2010, 2009 and 2008, respectively.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010 was \$4,147,045 for SCRS – Local Government. The employer contribution requirements for SCRS at 9.24% were \$383,187. The Nursing Home incurred \$6,221 for group life contributions for the fiscal year ended June 30, 2010. The Nursing Home's covered payroll for the years ended June 30, 2009 and 2008 were \$3,822,372 and \$3,974,956, respectively. Employer contributions for those years were \$359,806 and \$360,131, 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.

Subsequent Events

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

The County has entered into an agreement to sell the assets of the business type activity, JF Hawkins Nursing Home. The transaction is expected to close in January 2011. The effect of this transaction will change the presentation of the financial statements in future years.

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, 2010

NOTE L – FUND BALANCE RESERVATIONS

The following amounts are shown as reserved:

Reserved for notes receivable	\$ 1,452,639
Reserved for special revenue	(400,861)
Reserved for debt service	9,723,828
Reserved for capital projects	6,058,767
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 2010-2011 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, 2010

NOTE O – CAPITAL ASSETS

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

	Balance, <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2010</u>
Buildings and Land *	\$ 39,371,338	\$ 1,140,440	\$ --	\$ 40,511,778
Vehicles and equipment	13,138,960	226,035	(288,005)	13,076,990
Roads	11,340,105	--	--	11,340,105
Construction in Progress *	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(28,333,584)</u>	<u>(2,798,008)</u>	<u>288,005</u>	<u>(30,843,587)</u>
Total	<u>\$ 41,170,863</u>	<u>\$ (1,431,533)</u>	<u>\$ --</u>	<u>\$ 39,739,330</u>

* Land of \$8,143,969 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, <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2010</u>
Land **	\$ 217,536	\$ --	\$ --	\$ 217,536
Land Improvements	1,319,995	--	--	1,319,995
Buildings	10,829,495	--	--	10,829,495
Building Improvements	996,657	--	--	996,657
Equipment	2,167,155	64,970	--	2,232,125
Accumulated depreciation	<u>(7,830,313)</u>	<u>(540,803)</u>	<u>--</u>	<u>(8,371,116)</u>
	<u>\$ 7,700,525</u>	<u>\$ (475,833)</u>	<u>\$ --</u>	<u>\$ 7,224,692</u>

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

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

NOTE O – CAPITAL ASSETS - Continued

The County recorded depreciation expense of \$2,798,008 shown in current expenses on the statement of activities – governmental activities and

Administration	\$ 15,010
Tax assessment	13,011
Election	58,824
Admin of Justice	6,553
Law Enforcement	180,804
Detention	4,934
Public Safety	678,301
Public Works	1,836,750
Planning and Development	<u>3,821</u>
Total	<u>\$ 2,798,008</u>

The Nursing Home recorded \$540,803 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 \$1,939,060 at June 30, 2010. 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 – INSURANCE PROCEEDS

The accounts receivable clerk for JF Hawkins Nursing Home embezzled \$441,338. The Nursing Home was bonded and received the insurance proceeds to compensate for this loss in the current and previous fiscal years.

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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, 2010

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, 2010, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/10</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>(56,712)</u>
Increase in Net OPEB Obligation/(Asset)	\$488,617
 Net OPEB Obligation/(Asset)- beginning of year	 <u>\$487,731</u>
 Net OPEB Obligation/(Asset) - end of year	 <u>\$976,348</u>

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, 2010 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
06/30/10	\$545,329	\$56,712	10.40%	\$976,348

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, 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, 2009	\$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, 2009. 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, 2010 was 29 years.

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

NOTE 5 – TRANSFERS

Individual fund transfers for the year ended June 30, 2010 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 837,245
Special Revenue Fund	General Fund	48,542
General Fund	Debt Service	519,546
Capital Projects	Debt Service	474,625
General Fund	Capital Projects	8,440
Capital Projects	General Fund	22,304

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. Transfer from Capital Projects to General Fund was to reimburse the general fund for expenditures.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue			
Taxes			
Property taxes, current	\$ 15,051,072	\$ 15,877,625	\$ 826,553
Fee in lieu of taxes	350,000	717,326	367,326
Delinquent taxes	400,000	919,297	519,297
Delinquent tax cost	140,000	204,255	64,255
Total Taxes	<u>15,941,072</u>	<u>17,718,503</u>	<u>1,777,431</u>
Intergovernmental			
Local government	1,763,410	1,656,859	(106,551)
Merchant inventory tax	65,000	86,536	21,536
Salary supplements	6,300	6,300	-
Accomodations tax	3,200	84,793	81,593
National forestry fund	385,000	273,943	(111,057)
Solid waste - state grant	21,000	16,005	(4,995)
Disaster preparedness	47,000	82,765	35,765
Total Intergovernmental	<u>2,290,910</u>	<u>2,207,201</u>	<u>(83,709)</u>
Fines and fees			
Clerk of Court - fines and fees	220,000	210,552	(9,448)
CCCP fees	124,000	64,999	(59,001)
Clerk of Court - copies	13,285	15,590	2,305
Central Court	510,000	396,631	(113,369)
Magistrates	-	7,045	7,045
Registration and election	18,000	4,363	(13,637)
Animal control	60,000	36,671	(23,329)
Probate Judge - fees	80,000	87,281	7,281
Probate Judge - copies	-	1,341	1,341
Sheriff - fees	9,500	9,765	265
Forfeit land commission	500	8,578	8,078
Marriage license fee/ceremonies	-	80	80
Building Inspection	150,000	153,413	3,413
FFP	7,000	32,508	25,508
Bad check	5,450	6,068	618

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Fines and fees - continued			
Tipping fees	567,479	624,106	56,627
Recycle revenue	70,000	95,921	25,921
Zoning fee	21,000	17,701	(3,299)
Cable/phone franchise	14,500	22,516	8,016
	<u>1,870,714</u>	<u>1,795,129</u>	<u>(75,585)</u>
Total Fines and fees			
Other			
Interest	85,000	48,244	(36,756)
Veterans affairs	6,000	5,389	(611)
Health department	20,000	18,846	(1,154)
Mobile home licenses	1,000	1,040	40
Assessor's maps	1,750	833	(917)
Rent & utilities	5,500	5,248	(252)
Assessor - copies	-	1,374	1,374
Soil and Water Conservation	35,000	33,887	(1,113)
School resource officer	330,963	303,782	(27,181)
Miscellaneous	258,048	299,128	41,080
	<u>743,261</u>	<u>717,771</u>	<u>(25,490)</u>
Total Other			
TOTAL REVENUE	<u>\$ 20,845,957</u>	<u>\$ 22,438,604</u>	<u>\$ 1,592,647</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
LEGISLATIVE			
County Council			
Personnel	126,869	126,869	-
Overtime	2,999	1,050	1,949
Social security	9,935	8,160	1,775
Retirement	12,195	12,112	83
Travel - council	25,105	21,976	3,129
Insurance	24,592	41,211	(16,619)
Workers compensation	1,754	2,640	(886)
Advertising	3,500	2,401	1,099
Audit and accounting	40,000	30,500	9,500
Bookbinding	4,500	1,417	3,083
Contracted maintenance	2,500	2,275	225
Office expenses	2,975	1,071	1,904
Postage	400	308	92
Telephone	4,080	3,074	1,006
Subsistence	1,020	584	436
	<hr/>	<hr/>	<hr/>
TOTAL LEGISLATIVE	262,424	255,648	6,776
ADMINISTRATION			
County Administrator			
Personnel	319,357	314,554	4,803
Social security	25,075	21,148	3,927
Retirement	29,988	27,139	2,849
Insurance	43,902	35,302	8,600
Workers compensation	3,308	3,335	(27)
Payroll services	26,000	21,162	4,838
Advertising	2,000	1,226	774
Maintenance	15,000	9,894	5,106
Copier machine	1,000	842	158
Memberships & Dues	1,100	385	715
Office expense	4,675	4,525	150
Postage	4,000	3,593	407
Printing	2,500	2,461	39
Telephone	7,500	7,535	(35)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
County Administrator - continued			
Training	4,000	1,177	2,823
Travel	7,650	8,142	(492)
Subsistence	<u>2,550</u>	<u>2,707</u>	<u>(157)</u>
Total County Administrator	<u>499,605</u>	<u>465,127</u>	<u>34,478</u>
Miscellaneous Operating			
Contracted maintenance	22,000	18,839	3,161
Professional services	65,000	64,946	54
Insurance	53,762	4,878	48,884
Tort insurance	125,377	103,709	21,668
Unemployment insurance	6,000	23,751	(17,751)
Drug testing	4,000	828	3,172
Insurance - buildings	87,071	72,575	14,496
Rent	72,572	72,572	-
Subsistence	11,475	11,475	-
Equipment	19,469	18,822	647
Accrued salaries	-	32,028	(32,028)
Legals	<u>254,071</u>	<u>171,415</u>	<u>82,656</u>
Total Miscellaneous Operating	<u>720,797</u>	<u>595,838</u>	<u>124,959</u>
TOTAL ADMINISTRATION	<u>1,220,402</u>	<u>1,060,965</u>	<u>159,437</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	165,815	172,000	(6,185)
Overtime	1,379	1,647	(268)
Social security	12,685	13,847	(1,162)
Retirement	15,570	15,436	134
Insurance	29,999	26,822	3,177
Workers compensation	2,159	2,963	(804)
Advertising	300	67	233
Contracted maintenance	22,573	22,456	117
Professional services	42,336	41,148	1,188
Membership & dues	255	175	80
Office expense	4,520	4,011	509
Postage	46,224	43,648	2,576

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Treasurer's Office - continued			
Printing	11,305	10,701	604
Telephone	3,200	1,674	1,526
Training	1,375	1,245	130
Travel	1,747	1,612	135
Subsistence	1,029	1,013	16
Capital outlay	<u>5,000</u>	<u>4,596</u>	<u>404</u>
Total Treasurer's Office	<u>367,471</u>	<u>365,061</u>	<u>2,410</u>
Auditor's Office			
Personnel	184,488	197,177	(12,689)
Social security	14,114	14,209	(95)
Retirement	17,323	18,257	(934)
Insurance	28,980	32,644	(3,664)
Workers compensation	2,259	3,097	(838)
Advertising	500	150	350
Contracted maintenance	17,937	17,642	295
Professional services	42,336	39,558	2,778
Memberships & dues	100	100	-
Office expense	2,550	2,296	254
Postage	1,200	1,188	12
Printing	8,856	4,438	4,418
Subscriptions & books	800	672	128
Telephone	3,000	2,780	220
Training	1,150	735	415
Travel	1,152	1,098	54
Subsistence	2,253	1,234	1,019
Office furniture	<u>5,000</u>	<u>4,730</u>	<u>270</u>
Total Auditor's Office	<u>333,998</u>	<u>342,005</u>	<u>(8,007)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Assessor's Office			
Personnel	361,260	365,909	(4,649)
Overtime	30,000	23,158	6,842
Social security	29,930	24,980	4,950
Retirement	36,740	29,994	6,746
Insurance	62,419	62,179	240
Workers compensation	4,553	4,656	(103)
Advertising	900	-	900
Contracted maintenance	57,627	37,906	19,721
Vehicle insurance	2,400	2,359	41
Memberships & dues	2,465	2,465	-
Office expense	10,328	9,064	1,264
Postage	3,800	1,602	2,198
Printing	5,000	5,000	-
Repairs to vehicle	813	774	39
Subscriptions	1,238	401	837
Telephone	2,800	2,480	320
Training	3,373	2,118	1,255
Travel	1,262	1,042	220
Subsistence	2,170	2,170	-
Gas, oil, grease	7,187	7,014	173
Uniforms	1,200	893	307
	<hr/>	<hr/>	<hr/>
Total Assessor's Office	627,465	586,164	41,301
Tax Collector			
Personnel	60,065	67,491	(7,426)
Social security	4,595	4,935	(340)
Retirement	5,640	5,966	(326)
Insurance	12,476	11,923	553
Workers compensation	909	1,168	(259)
Advertising	12,000	11,920	80
Contracted maintenance	4,305	4,305	-
Consulting	26,780	24,161	2,619
Vehicle insurance	650	628	22
Memberships & dues	125	105	20
Office expense	1,019	997	22

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Tax Collector - continued			
Postage	31,700	31,471	229
Printing	700	700	-
Supplies	1,200	785	415
Subscriptions	101	101	-
Telephone	1,900	1,677	223
Training	1,170	425	745
Travel	307	39	268
Gas, oil, grease	1,669	22	1,647
Review board and appeals	6,800	3,533	3,267
Capital outlay	4,163	4,163	-
	<u>178,274</u>	<u>176,515</u>	<u>1,759</u>
Total Tax Collector			
	<u>178,274</u>	<u>176,515</u>	<u>1,759</u>
TOTAL TAX ASSESSMENT & COLLECTION			
	<u>1,507,208</u>	<u>1,469,745</u>	<u>37,463</u>
REGISTRATION & ELECTION BOARD			
Personnel	58,990	60,207	(1,217)
Precinct personnel	9,000	4,777	4,223
Board members	18,433	10,452	7,981
Social security	4,513	4,387	126
Retirement	5,539	5,637	(98)
Insurance	5,496	4,928	568
Workers compensaton	183	259	(76)
Advertising	1,000	486	514
Contingency	2,158	2,158	-
Contracted maintenance	24,000	23,272	728
Utilities	4,000	2,775	1,225
Memberships and dues	180	160	20
Office expense	2,475	1,041	1,434
Lease - office	17,663	16,485	1,178
Postage	6,000	1,337	4,663
Printing	4,375	1,044	3,331
Supplies	1,000	553	447
Telephone	6,148	2,960	3,188
Communications equipment	9,117	8,522	595

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Registration and Election Board - continued			
Training	1,800	560	1,240
Travel	2,125	532	1,593
Subsistence	2,125	632	1,493
Equipment	2,100	2,040	60
	<hr/>	<hr/>	<hr/>
TOTAL REGISTRATION & ELECTION BOARD	188,420	155,204	33,216
ADMINISTRATION OF JUSTICE			
Criminal & Civil Court			
Solicitor's office	88,580	88,580	-
Personnel - bailiff	28,000	30,845	(2,845)
Jury fees	35,000	35,000	-
Advertising	900	611	289
Contracted maintenance	3,300	1,234	2,066
Office	4,250	1,533	2,717
Postage	4,000	653	3,347
Printing	1,000	80	920
Telephone	3,500	3,291	209
DJJ	1,500	929	571
	<hr/>	<hr/>	<hr/>
Total Criminal & Civil Court	170,030	162,756	7,274
Clerk of Court			
Personnel	184,021	184,668	(647)
Social security	14,078	12,994	1,084
Retirement	17,280	17,340	(60)
Insurance	30,958	25,319	5,639
Workers compensation	1,405	1,916	(511)
Contracted maintenance	83,000	67,432	15,568
Memberships & dues	125	125	-
Office expense	3,825	3,162	663
Postage	25,000	20,568	4,432
Printing	5,000	2,252	2,748
Telephone	4,000	2,771	1,229
Training	500	300	200
Subsistence	1,700	1,064	636

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Clerk of Court - continued			
Travel	1,360	1,314	46
Total Clerk of Court	<u>372,252</u>	<u>341,225</u>	<u>31,027</u>
Family Court - Clerk of Court			
Personnel	122,879	122,879	-
Social security	9,400	9,036	364
Retirement	11,538	11,538	-
Insurance	30,536	27,473	3,063
Workers compensation	266	316	(50)
Contracted maintenance	16,000	12,026	3,974
Office expense	3,400	2,790	610
Postage	12,000	100	11,900
Printing	14,000	6,429	7,571
Telephone	3,500	2,621	879
Training	1,500	1,189	311
Total Family Court - Clerk of Court	<u>225,019</u>	<u>196,397</u>	<u>28,622</u>
Probate Judge			
Personnel	162,623	161,041	1,582
Social security	12,441	10,964	1,477
Retirement	16,491	15,682	809
Insurance	30,144	26,661	3,483
Workers compensation	2,687	2,906	(219)
Advertising	200	179	21
Contracted maintenance	10,000	6,876	3,124
Membership & dues	435	435	-
Office expense	8,839	8,748	91
Postage	2,000	2,000	-
Printing	600	588	12
Telephone	2,300	2,454	(154)
Education & training	1,925	860	1,065
Travel	4,055	4,016	39
Capital outlay	5,000	3,334	1,666
Total Probate Judge	<u>259,740</u>	<u>246,744</u>	<u>12,996</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Probation & Parole Office			
P.O. Box rent	49	44	5
Telephone	2,000	2,532	(532)
	<u>2,049</u>	<u>2,576</u>	<u>(527)</u>
Total Probation & Parole Office			
	<u>2,049</u>	<u>2,576</u>	<u>(527)</u>
Public Defender			
Personnel	48,084	48,216	(132)
Social security	3,678	3,332	346
Retirement	4,515	5,143	(628)
Insurance	9,772	8,809	963
Workers compensation	200	217	(17)
Copier	5,260	2,337	2,923
	<u>71,509</u>	<u>68,054</u>	<u>3,455</u>
Total Public Defender			
	<u>71,509</u>	<u>68,054</u>	<u>3,455</u>
Coroner			
Personnel	42,588	41,588	1,000
Social security	3,380	2,340	1,040
Retirement	2,340	3,380	(1,040)
Insurance	4,505	4,603	(98)
Workers compensation	1,281	1,610	(329)
Contracted maintenance	1,541	1,473	68
Vehicle insurance	1,329	615	714
Memberships & dues	400	400	-
Office expense	936	829	107
Postage	132	132	-
Telephone	1,405	827	578
Training	650	650	-
Travel	700	700	-
Subsistence	1,589	1,058	531
Fuel	5,150	842	4,308
Supplies	3,350	3,341	9
Post Mortems & BA	42,640	39,985	2,655
	<u>113,916</u>	<u>104,373</u>	<u>9,543</u>
Total Coroner			
	<u>113,916</u>	<u>104,373</u>	<u>9,543</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Magistrate District 2			
Personnel	229,538	217,558	11,980
Jury fees	23,000	11,994	11,006
Social security	17,560	15,762	1,798
Retirement	23,494	22,196	1,298
Insurance	40,729	41,189	(460)
Workers compensation	2,500	2,266	234
Advertising	100	84	16
Contracted maintenance	3,000	1,687	1,313
Consulting & tech fees	3,200	77	3,123
Memberships	240	170	70
Office expense	8,220	8,210	10
Postage	10,420	6,000	4,420
Printing	900	-	900
Telephone	2,500	1,981	519
Training	1,017	951	66
Travel	1,276	894	382
Subsistence	5,212	3,675	1,537
	<u>372,906</u>	<u>334,694</u>	<u>38,212</u>
Total Magistrate District 2			
Magistrate District 1			
Personnel	12,187	12,856	(669)
Social security	932	909	23
Retirement	1,347	1,498	(151)
Insurance	5,844	4,928	916
Workers compensation	102	92	10
Office expense	425	25	400
Postage	211	44	167
Telephone	1,500	1,364	136
Training	800	275	525
Travel	680	135	545
	<u>24,028</u>	<u>22,126</u>	<u>1,902</u>
Total Magistrate District 1			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Magistrate District 4			
Personnel	11,536	11,536	-
Social security	883	789	94
Retirement	1,275	1,565	(290)
Insurance	8,270	8,277	(7)
Workers compensation	229	208	21
Membership	150	100	50
Office expense	680	448	232
Postage	300	56	244
Telephone	1,740	1,555	185
Training	1,500	1,500	-
Travel	1,275	2,018	(743)
	<u>27,838</u>	<u>28,052</u>	<u>(214)</u>
Total Magistrate District 4			
Magistrate District 6			
Personnel	18,937	18,937	-
Contracted personnel	5,000	2,837	2,163
Social security	1,449	1,140	309
Retirement	2,093	2,012	81
Insurance	10,178	9,157	1,021
Workers compensation	371	336	35
Office expense	1,465	1,397	68
Postage	35	33	2
Telephone	895	365	530
Training	265	265	-
Travel	1,272	1,272	-
	<u>41,960</u>	<u>37,751</u>	<u>4,209</u>
Total Magistrate District 6			
TOTAL ADMINISTRATION OF JUSTICE	<u>1,681,247</u>	<u>1,544,748</u>	<u>136,499</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
LAW ENFORCEMENT - Sheriff's Department			
Personnel	1,733,261	1,645,370	87,891
Overtime	98,976	70,826	28,150
School resource officer - salary and benefits	303,509	303,782	(273)
Social security	136,729	129,199	7,530
Retirement	199,892	188,988	10,904
Insurance	242,105	228,447	13,658
Workers compensation	66,110	61,227	4,883
Contracted maintenance	50,200	49,661	539
Professional services	1,500	1,147	353
Vehicle insurance	51,782	43,375	8,407
Bonds - employees	3,800	3,400	400
Membership & dues	3,765	3,380	385
Office expense	5,100	3,876	1,224
Postage	1,000	562	438
Printing	2,980	2,404	576
Transportation of prisoners	2,500	450	2,050
Repairs to vehicles	7,900	7,549	351
Telephone	5,175	5,249	(74)
Training	1,720	1,265	455
Travel	510	123	387
Subsistence	3,596	1,420	2,176
Ammo & guns	3,645	2,532	1,113
Cleaning supplies	500	309	191
Gas, oil, grease	224,009	175,450	48,559
Medicals	1,250	1,242	8
Photo supplies	2,300	1,927	373
Police supplies	4,250	4,134	116
CIRT supplies	3,500	3,392	108
Uniforms	25,000	24,616	384
Special law enforcement	1,250	700	550
Supplies	3,829	3,646	183
Project Near	1,000	641	359
Crime prevention	1,000	805	195

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Sheriff's department - continued			
School safety	5,000	4,766	234
Capital outlay	168,600	160,963	7,637
Other equipment	10,000	9,675	325
	<hr/>	<hr/>	<hr/>
Total Sheriff's Department	3,377,243	3,146,498	230,745
	<hr/>	<hr/>	<hr/>
TOTAL LAW ENFORCEMENT	3,377,243	3,146,498	230,745
	<hr/>	<hr/>	<hr/>
DETENTION			
Corrections			
Personnel	815,015	763,291	51,724
Overtime	69,167	58,961	10,206
Social security	67,640	58,878	8,762
Retirement	97,702	90,650	7,052
Insurance	217,490	196,255	21,235
Workers compensation	34,500	32,249	2,251
Contracted maintenance	45,400	44,852	548
Utilities	79,000	67,995	11,005
Vehicle insurance	2,500	1,867	633
Memberships & dues	252	48	204
Office expense	3,825	2,230	1,595
Postage	172	6	166
Printing	1,000	658	342
Telephone	3,300	3,196	104
Training	1,556	446	1,110
Travel	4,749	2,239	2,510
Subsistence	4,305	183	4,122
Chemicals	2,560	2,334	226
Cleaning materials	5,000	4,980	20
Food	143,200	117,357	25,843
Gas, oil, grease	2,528	120	2,408
Medical	140,343	134,764	5,579
Supplies	4,000	2,315	1,685
Uniforms	6,500	6,275	225
Clothing	10,055	8,255	1,800
DYS Juvenile	5,650	2,000	3,650

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Corrections - continued			
Kitchen supplies	1,500	1,500	-
Other equipment	55,850	54,718	1,132
Total Corrections	<u>1,824,759</u>	<u>1,658,622</u>	<u>166,137</u>
TOTAL DETENTION	<u>1,824,759</u>	<u>1,658,622</u>	<u>166,137</u>
PUBLIC SAFETY			
Public Safety			
Personnel	90,848	90,848	-
Social security	6,950	6,861	89
Retirement	8,531	8,531	-
Insurance	10,993	9,856	1,137
Workers compensation	553	1,261	(708)
Contracted maintenance	7,064	4,632	2,432
Vehicle insurance	1,950	1,886	64
Office expense	3,392	1,420	1,972
Repairs	1,000	540	460
Telephone	2,556	4,161	(1,605)
Training	1,383	525	858
Total Public Safety	<u>135,220</u>	<u>130,521</u>	<u>4,699</u>
Animal Control			
Personnel	132,114	123,030	9,084
Overtime	14,000	8,614	5,386
Social security	11,331	9,332	1,999
Retirement	13,908	12,263	1,645
Insurance	31,350	20,795	10,555
Workers compensation	4,000	4,032	(32)
Advertising	650	522	128
Repairs to equipment	1,250	1,119	131
Utilities	12,000	13,454	(1,454)
Insurance vehicles	2,500	2,456	44
Memberships and dues	150	150	-
Office expense	6,163	6,092	71
Postage	275	128	147

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Animal Control - continued			
Rent	3,651	3,651	-
Repairs to vehicle	4,000	51	3,949
Telephone	3,800	3,330	470
Training	800	581	219
Travel	298	224	74
Subsistence	595	550	45
Cleaning supplies	2,252	2,251	1
Dog food	4,000	2,624	1,376
Gas, oil and grease	13,500	10,983	2,517
Medical and surgical	18,950	16,074	2,876
Medication	26,850	20,940	5,910
Tools	1,000	995	5
Uniforms	2,600	2,106	494
Capital outlay	14,013	13,325	688
	<u>326,000</u>	<u>279,672</u>	<u>46,328</u>
Total Animal Control			
Communications			
Personnel	406,768	366,875	39,893
Overtime	65,000	29,957	35,043
Social security	36,091	29,665	6,426
Retirement	44,300	36,897	7,403
Insurance	83,352	78,811	4,541
Workers compensation	1,046	1,069	(23)
Contracted maintenance	52,344	51,968	376
Office expense	7,429	3,885	3,544
Telephone	3,700	3,727	(27)
Training	900	350	550
Other equipment	37,500	37,500	-
	<u>738,430</u>	<u>640,704</u>	<u>97,726</u>
Total Communications			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Board of Rescue Squads			
Workers compensation	27,000	24,473	2,527
Contracted maintenance	8,000	7,451	549
Utilities	33,600	30,800	2,800
Vehicle insurance	22,000	21,740	260
Repairs to equipment	10,000	8,019	1,981
Telephone	8,400	6,913	1,487
Training	10,000	7,884	2,116
Gas, oil, grease	18,125	13,838	4,287
Medical supplies	20,000	16,010	3,990
Rescue supplies	43,726	43,651	75
Capital outlay	<u>195,401</u>	<u>199,616</u>	<u>(4,215)</u>
Total Board of Rescue Squads	<u>396,252</u>	<u>380,395</u>	<u>15,857</u>
Hazardous Materials			
Telephone	380	301	79
Training	4,398	2,948	1,450
Supplies	3,759	2,857	902
Capital outlay	<u>26,124</u>	<u>20,087</u>	<u>6,037</u>
Total Hazardous Materials	<u>34,661</u>	<u>26,193</u>	<u>8,468</u>
Flood Management			
Personnel	34,739	34,739	-
Social security	2,658	2,559	99
Retirement	3,262	3,262	-
Insurance	6,225	5,920	305
Workers compensation	107	97	10
Contracted maintenance	69,688	69,588	100
Office expense	1,317	1,275	42
Postage	196	196	-
Printing	2,515	2,500	15
Telephone	500	27	473
Training	2,675	285	2,390
Subsistence	<u>366</u>	<u>52</u>	<u>314</u>
Total Flood Management	<u>124,248</u>	<u>120,500</u>	<u>3,748</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Board of Rural Fire Control			
Personnel	52,973	53,073	(100)
Social security	4,052	4,052	-
Retirement	4,974	4,974	-
Insurance	9,772	8,809	963
Workers compensation	35,187	31,878	3,309
Contracted services	30,500	20,478	10,022
Shared revenue	209,993	234,135	(24,142)
Contracted maintenance	2,800	2,800	-
Utilities	61,600	61,600	-
Vehicle insurance	51,071	48,399	2,672
Repairs to equipment	69,935	68,322	1,613
Repairs to radio	7,463	7,398	65
Training	1,500	1,500	-
Cleaning supplies	1,500	1,426	74
Gas, oil, grease	33,664	20,933	12,731
Medical	39,000	27,886	11,114
Fire supplies	17,300	12,281	5,019
Lease purchase payment	622,170	618,198	3,972
	<u>1,255,454</u>	<u>1,228,142</u>	<u>27,312</u>
Total Board of Rural Fire Control			
Building Inspections			
Personnel	112,672	107,728	4,944
Social security	8,619	7,841	778
Retirement	10,580	10,036	544
Insurance	17,454	17,148	306
Workers compensation	2,350	2,757	(407)
Advertising	1,700	1,586	114
Vehicle insurance	1,175	1,175	-
Memberships	500	270	230
Office	5,100	5,027	73
Postage	750	506	244
Printing	600	575	25
Subscriptions	600	404	196
Telephone	2,000	2,151	(151)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Building Inspections - continued			
Training	2,500	130	2,370
Travel	425	-	425
Subsistence	425	-	425
Gas, oil, grease	5,000	2,675	2,325
Total Building Inspections	<u>172,450</u>	<u>160,009</u>	<u>12,441</u>
Ambulance			
Contracted maintenance	1,522	688	834
Utilities	2,000	2,000	-
Vehicle insurance	16,607	18,310	(1,703)
Repairs to vehicle	10,000	15,570	(5,570)
Training	5,400	2,350	3,050
Gas, oil, grease	44,396	58,713	(14,317)
Uniforms	15,000	3,619	11,381
Appropriations	900,422	900,422	-
Capital outlay	270,705	271,680	(975)
Total Ambulance	<u>1,266,052</u>	<u>1,273,352</u>	<u>(7,300)</u>
Lake Murray Public Safety			
Utilities	15,000	12,026	2,974
Telephone	700	709	(9)
Total Lake Murray Public Safety	<u>15,700</u>	<u>12,735</u>	<u>2,965</u>
TOTAL PUBLIC SAFETY	<u>4,464,467</u>	<u>4,252,223</u>	<u>212,244</u>
PUBLIC WORKS & MAINTENANCE			
Public Works			
Personnel	561,580	552,072	9,508
Overtime	9,360	7,121	2,239
Social security	43,677	41,079	2,598
Retirement	53,611	52,263	1,348
Insurance	108,731	124,058	(15,327)
Workers compensation	42,708	45,205	(2,497)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Works - continued			
Advertising	402	402	-
Contracted maintenance	66,440	54,904	11,536
Utilities	5,600	4,871	729
Vehicle insurance	31,000	25,745	5,255
Memberships & dues	500	166	334
Office expense	2,380	2,101	279
Postage	350	142	208
Repairs to equipment	35,103	26,034	9,069
Supplies	3,500	329	3,171
Telephone	5,300	4,514	786
Training	4,400	2,247	2,153
Travel	188	179	9
Subsistence	1,020	1,117	(97)
Cleaning materials	200	18	182
Bridge materials	12,000	-	12,000
Fertilizer, plants, seeds	2,398	2,056	342
Gas, oil, grease	19,000	20,070	(1,070)
Diesel fuel	69,200	63,097	6,103
Safety supplies	2,500	2,266	234
Gravel	140,000	140,000	-
Asphalt	10,000	6,063	3,937
Pipe	15,000	9,958	5,042
Tools	3,000	3,000	-
Road signs	4,000	2,777	1,223
219 Beautification Project	46,000	25,932	20,068
Uniforms	8,800	6,667	2,133
Capital outlay	242,605	236,760	5,845
Road paving and improvements	80,500	55,122	25,378
Other equipment	8,500	6,820	1,680
	<hr/>	<hr/>	<hr/>
Total Public Works	1,639,553	1,525,155	114,398

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Central Maintenance			
Contracted maintenance	473,521	465,363	8,158
Utilities	13,000	12,308	692
Fuel	4,136	2,636	1,500
Tools	500	76	424
	<u>491,157</u>	<u>480,383</u>	<u>10,774</u>
Total Central Maintenance			
Building Maintenance			
Personnel	66,574	67,849	(1,275)
Social security	5,092	4,744	348
Retirement	6,251	6,371	(120)
Insurance	15,954	13,068	2,886
Workers compensation	2,148	3,178	(1,030)
Contracted maintenance	9,948	9,777	171
Utilities	156,416	173,478	(17,062)
Vehicle insurance	1,529	1,210	319
Supplies	55,585	47,515	8,070
Telephone	1,586	1,707	(121)
Gas, oil, grease	2,957	2,828	129
Tools	700	699	1
Uniforms	1,200	1,095	105
Capital outlay	128,235	39,531	88,704
	<u>454,175</u>	<u>373,050</u>	<u>81,125</u>
Total Building Maintenance			
Community Hall			
Contracted maintenance	5,500	3,333	2,167
Utilities	11,630	8,658	2,972
Repairs building	21,439	782	20,657
Telephone	800	663	137
	<u>39,369</u>	<u>13,436</u>	<u>25,933</u>
Total Community Hall			
Collections			
Personnel	63,885	55,529	8,356
Social security	4,829	4,114	715
Retirement	5,999	5,814	185
Insurance	10,993	13,862	(2,869)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Collections - continued			
Workers compensation	7,563	7,577	(14)
Advertising	3,000	76	2,924
Contracted personnel	262,396	258,120	4,276
Contracted maintenance	379,999	345,106	34,893
Repairs to equipment	5,000	2,917	2,083
Utilities	22,500	22,379	121
Vehicle insurance	4,000	2,223	1,777
Membership and dues	150	145	5
Office	4,044	449	3,595
Postage	300	157	143
Supplies	2,100	1,180	920
Telephone	8,300	5,669	2,631
Subsistence	723	280	443
Gas, oil, grease	5,603	3,937	1,666
Supplies	500	68	432
Tools and other equipment	1,000	879	121
Capital outlay	11,382	11,382	-
	<u>804,266</u>	<u>741,863</u>	<u>62,403</u>
Total Collections			
Transfer Station			
Personnel	27,000	17,379	9,621
Overtime	1,560	77	1,483
Social security	2,185	1,208	977
Retirement	2,682	1,036	1,646
Insurance	5,936	3,282	2,654
Contracted services	1,296,523	1,283,124	13,399
Repairs to equipment	10,000	8,365	1,635
Utilities	12,000	8,862	3,138
Sewer disposal	3,500	2,880	620
Office	213	188	25
Rent	4,200	3,850	350
Supplies	4,000	787	3,213
Equipment	24,750	12,041	12,709
	<u>1,394,549</u>	<u>1,343,079</u>	<u>51,470</u>
Total Transfer Station			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Custodian Services			
Personnel	29,795	28,040	1,755
Social security	2,279	2,083	196
Retirement	2,798	2,633	165
Insurance	8,974	4,223	4,751
Workers compensation	457	2,406	(1,949)
Repairs	500	154	346
Vehicle insurance	675	599	76
Telephone	660	312	348
Cleaning supplies	22,139	19,793	2,346
Gas, oil and grease	2,275	2,400	(125)
Other equipment	6,297	3,314	2,983
	<u>76,849</u>	<u>65,957</u>	<u>10,892</u>
Total Custodian Services			
	<u>76,849</u>	<u>65,957</u>	<u>10,892</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>4,899,918</u>	<u>4,542,923</u>	<u>356,995</u>
PLANNING & DEVELOPMENT			
Central Midlands Regional PC	<u>19,146</u>	<u>19,146</u>	<u>-</u>
Economic Development			
Personnel	74,881	74,881	-
Social Security	5,728	5,709	19
Retirement	7,031	7,031	-
Insurance	5,496	4,928	568
Workers compensation	1,440	1,724	(284)
Appropriations	25,000	3,593	21,407
Memberships	1,010	820	190
Office	3,825	2,949	876
Postage	1,000	89	911
Printing	2,000	1,117	883
Subscriptions	200	59	141
Telephone	3,100	2,631	469
Training	800	545	255

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Economic Development - continued			
Travel	5,984	4,759	1,225
Subsistence	4,620	3,174	1,446
	<hr/>	<hr/>	<hr/>
Total Economic Development	142,115	114,009	28,106
Comprehensive Planning			
Personnel	100,232	96,376	3,856
Social security	7,668	7,680	(12)
Retirement	9,412	9,412	-
Insurance	19,455	16,855	2,600
Workers compensation	2,116	2,206	(90)
Advertising	1,260	862	398
Consulting	10,800	550	10,250
Vehicle insurance	1,500	1,206	294
Memberships and dues	910	385	525
Office expense	4,050	2,129	1,921
Postage	2,500	1,148	1,352
Books	1,699	154	1,545
Telephone	3,094	3,171	(77)
Training	2,140	540	1,600
Travel	1,787	-	1,787
Subsistence	1,234	133	1,101
Gas, oil, and grease	2,152	937	1,215
	<hr/>	<hr/>	<hr/>
Total Comprehensive Planning	172,009	143,744	28,265
Central Carolina Economic Development Alliance	72,000	72,000	-
	<hr/>	<hr/>	<hr/>
TOTAL PLANNING & DEVELOPMENT	405,270	348,899	56,371

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	65,000	29,052	35,948
Newberry Soil & Water Conservation	61,746	62,589	(843)
TOTAL AGRICULTURE & HOME ECONOMICS	<u>126,746</u>	<u>91,641</u>	<u>35,105</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	4,550	4,196	354
Total Health Department	<u>4,550</u>	<u>4,196</u>	<u>354</u>
Beckman Mental Health	12,750	15,000	(2,250)
Westview Behavioral	23,330	23,236	94
TOTAL PUBLIC HEALTH	<u>40,630</u>	<u>42,432</u>	<u>(1,802)</u>
SOCIAL SERVICES			
Department of Social Services			
Utilities	46,713	49,283	(2,570)
P.O. Box rent	70	70	-
Telephone	5,000	4,449	551
Emergency	5,000	5,000	-
Paupers funeral	3,075	1,500	1,575
Total Department of Social Services	<u>59,858</u>	<u>60,302</u>	<u>(444)</u>
Veteran's Affairs			
Personnel	92,219	94,808	(2,589)
Social security	7,055	7,149	(94)
Retirement	8,659	8,902	(243)
Insurance	19,063	16,701	2,362
Workers compensation	990	1,668	(678)
Contracted maintenance	700	700	-
Membership fees	75	65	10

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Veteran's Affairs - continued			
Office expense	7,846	7,678	168
Postage	1,100	1,100	-
Printing	200	147	53
Telephone	2,600	1,372	1,228
Training	150	100	50
Travel	973	383	590
Subsistence	1,004	588	416
	<u>142,634</u>	<u>141,361</u>	<u>1,273</u>
Total Veteran's Affairs			
Council on Aging			
Quarterly appropriation	40,000	40,000	-
	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total Council on Aging			
	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Rape Crisis Network	4,250	4,250	-
	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Sistercare, Inc.	2,295	2,295	-
	<u>2,295</u>	<u>2,295</u>	<u>-</u>
Newberry County Literacy	4,620	4,620	-
	<u>4,620</u>	<u>4,620</u>	<u>-</u>
TOTAL SOCIAL SERVICES	<u>253,657</u>	<u>252,828</u>	<u>829</u>
MISCELLANEOUS			
Airport			
Contingency	54,190	-	54,190
	<u>54,190</u>	<u>-</u>	<u>54,190</u>
Total Airport			
	<u>54,190</u>	<u>-</u>	<u>54,190</u>
Government Association	380	-	380
	<u>380</u>	<u>-</u>	<u>380</u>
Newberry County School District	70,000	70,000	-
	<u>70,000</u>	<u>70,000</u>	<u>-</u>
S.C. Association of Counties	9,146	9,146	-
	<u>9,146</u>	<u>9,146</u>	<u>-</u>
National Association of Counties	742	742	-
	<u>742</u>	<u>742</u>	<u>-</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Medically indigent			
Appropriation	<u>85,597</u>	<u>86,597</u>	<u>(1,000)</u>
Fairgrounds			
Contracted maintenance	840	435	405
Utilities	9,550	9,251	299
Insurance	5,739	-	5,739
Repairs to building	20,000	6,666	13,334
Telephone	<u>264</u>	<u>300</u>	<u>(36)</u>
Total Fairgrounds	<u>36,393</u>	<u>16,652</u>	<u>19,741</u>
Helena Community Center			
Contracted maintenance	500	175	325
Utilities	5,346	3,229	2,117
Repairs to building	<u>828</u>	<u>500</u>	<u>328</u>
Total Helena Community Center	<u>6,674</u>	<u>3,904</u>	<u>2,770</u>
Newberry Opera House	25,000	25,000	-
Recreation			
Personnel	29,414	29,413	1
Social security	2,250	2,065	185
Retirement	2,762	1,381	1,381
Insurance	8,614	714	7,900
Recreation appropriation	<u>92,800</u>	<u>83,634</u>	<u>9,166</u>
Total Recreation	<u>135,840</u>	<u>117,207</u>	<u>18,633</u>
TOTAL MISCELLANEOUS	<u>423,962</u>	<u>329,248</u>	<u>94,714</u>
CAPITAL CONSTRUCTION & IMPROVEMENTS			
Contingency	<u>138,946</u>	<u>69,197</u>	<u>69,749</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>138,946</u>	<u>69,197</u>	<u>69,749</u>
TOTAL EXPENDITURES	<u>20,815,299</u>	<u>19,220,821</u>	<u>1,594,478</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Excess/(Deficiency) of Revenue over Expenditures	30,658	3,217,783	3,187,125
OTHER FINANCING SOURCES/ (USES)			
Surplus property sale	25,000	12,308	(12,692)
Sheriff's building reserve	(55,658)	-	55,658
Transfer to capital projects	-	(8,440)	(8,440)
Transfer to debt service (Special Source Rev Bnd)	-	(519,546)	(519,546)
Transfer from special revenue	-	48,542	48,542
Transfer from capital projects	-	22,304	22,304
Transfers to special revenue (includes Special Education Levies)	-	(837,245)	(837,245)
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(30,658)</u>	<u>(1,282,077)</u>	<u>(1,251,419)</u>
Excess of Revenue over Expenditures after other financing sources	<u>\$ -</u>	<u>\$ 1,935,706</u>	<u>\$ 1,935,706</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
ASSETS								
Cash	\$ 231,546	\$ 160,888	\$ 98,149	\$ 423,284	\$ 146,058	\$ -	\$ -	\$ 1,059,925
Due from general fund	-	-	-	-	-	-	8,027	8,027
Inventory	-	-	-	-	-	-	13,223	13,223
Due from grantor	-	13,623	-	-	-	6,643	-	20,266
TOTAL ASSETS	\$ 231,546	\$ 174,511	\$ 98,149	\$ 423,284	\$ 146,058	\$ 6,643	\$ 21,250	\$ 1,101,441
LIABILITIES								
Deferred revenue	\$ -	24,732	\$ -	\$ -	\$ -	\$ -	\$ -	24,732
Due to general fund	-	46,389	65,087	106,675	(7,859)	1,267,153	-	1,477,445
TOTAL LIABILITIES	-	71,121	65,087	106,675	(7,859)	1,267,153	-	1,502,177
FUND BALANCE								
Reserved for special revenue	231,546	103,390	33,062	316,609	153,917	(1,260,510)	21,250	(400,736)
TOTAL FUND BALANCE	231,546	103,390	33,062	316,609	153,917	(1,260,510)	21,250	(400,736)
TOTAL LIABILITIES AND FUND BALANCE	\$ 231,546	\$ 174,511	\$ 98,149	\$ 423,284	\$ 146,058	\$ 6,643	\$ 21,250	\$ 1,101,441

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
Revenue								
Intergovernmental								
Federal grants	\$ -	\$ 82,006	\$ -	\$ -	\$ 131,096	\$ 176,300	\$ -	\$ 389,402
State grants	-	-	-	-	-	1,039,527	-	1,039,527
Other								
Assessments	-	-	92,919	500,831	-	-	-	593,750
Interest	50	-	62	-	-	-	-	112
Miscellaneous	37,187	-	-	-	-	-	89,669	126,856
Total Revenue	37,237	82,006	92,981	500,831	131,096	1,215,827	89,669	2,059,978
Expenditures								
Personnel	-	-	72,477	65,684	-	-	-	138,161
Operating	574	68,696	28,210	134,141	30,001	472,604	85,399	819,625
Capital outlays	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	2,631,794	-	2,631,794
Total Expenditures	574	68,696	100,687	199,825	30,001	3,104,398	85,399	3,589,580
Other financing sources								
Transfer in/(out)	-	-	-	-	(48,542)	837,245	-	788,703
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	36,663	13,310	(7,706)	301,006	52,553	(1,051,326)	4,270	(651,230)
Fund balance, beginning of year	194,883	90,080	40,768	15,603	101,364	(209,184)	16,980	250,494
FUND BALANCE, END OF YEAR	\$ 231,546	\$ 103,390	\$ 33,062	\$ 316,609	\$ 153,917	\$ (1,260,510)	\$ 21,250	\$ (400,736)

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2010

REVENUE

Property Taxes	
1995 GO Bond	\$ 29,973
2001 GO Bond	273,463
2005 GO Bond	60,908
2007A GO Bond	141,940
2007B GO Bond	84,817
Sales Taxes	3,434,887
Interest	<u>42,458</u>
 TOTAL REVENUE	 <u>4,068,446</u>

EXPENDITURES

Principal	
1995 GO Bond	75,000
2001 GO Bond	185,000
2007A GO Bond	87,450
2007B GO Bond	60,000
Special Source Revenue Bond	245,000
MC Commerce Park	468,912
Sales Tax Bond	2,200,000
Interest	
1995 GO Bond	6,638
2001 GO Bond	145,443
2007A GO Bond	32,621
2007B GO Bond	25,792
Special Source Revenue Bond	229,625
MC Commerce Park	50,634
Sales Tax Bond	328,625
Fees	
2001 GO Bond	1,060
2005 GO Bond	<u>2,500</u>
 TOTAL EXPENDITURES	 <u>4,144,300</u>

OTHER FINANCING SOURCES/(USES)

Transfer from General Fund	519,546
Transfer from Capital Projects	<u>474,625</u>

EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	918,317
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Fund balance, beginning of year	<u>8,805,511</u>
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FUND BALANCE, END OF YEAR	<u>\$ 9,723,828</u>
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STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2010

REVENUE

Interest	\$ 29,027
Fee in Lieu	474,625
	<u>474,625</u>
TOTAL REVENUE	<u>503,652</u>

EXPENDITURES

Capital Outlays	
Lease Purchase	321,310
Sales tax	
Water and Sewer Auth	151,965
Maybinton Ballfield	38,883
Newberry Rescue	4,100
Whitmire Park	91,439
Pomaria	8,095
Miscellaneous	7,638
	<u>7,638</u>
TOTAL EXPENDITURES	<u>623,430</u>

OTHER FINANCING SOURCES/(USES)

Transfer to Debt Service Fund	(474,625)
GO Bond Proceeds	1,132,000
Library BAN payment	(1,140,440)
Transfer to general fund	(22,304)
Transfer from general fund	8,440
	<u>8,440</u>

EXCESS OF REVENUE

OVER EXPENDITURES (616,707)

Fund balance, beginning of year 6,001,037

FUND BALANCE, END OF YEAR \$ 5,384,330

COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2010

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Library Construction	Fire/Rescue Squads	Total
ASSETS						
Cash	\$ 903,627	\$ 519,708	\$ 63,693	\$ -	\$ 344,945	\$ 1,831,973
Investments	-	8,628,202	4,622,267	1,178,599	-	14,429,068
TOTAL ASSETS	<u>\$ 903,627</u>	<u>\$ 9,147,910</u>	<u>\$ 4,685,960</u>	<u>\$ 1,178,599</u>	<u>\$ 344,945</u>	<u>\$ 16,261,041</u>
LIABILITIES						
Due to taxing units and others	\$ 903,627	\$ 9,147,910	\$ 4,685,960	\$ 1,178,599	\$ 344,945	\$ 16,261,041
TOTAL LIABILITIES	<u>\$ 903,627</u>	<u>\$ 9,147,910</u>	<u>\$ 4,685,960</u>	<u>\$ 1,178,599</u>	<u>\$ 344,945</u>	<u>\$ 16,261,041</u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

Section I – Financial Statement Findings

SIGNIFICANT DEFICIENCIES

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

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

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

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

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

Response: The County’s software has controls to reduce the number of entries that are posted out of balance. Monthly reviews of the daily postings and accounts are should help to correct the problem areas. The County has also hired an internal accounting consultant to help monitor the conditions listed.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

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 2009 - 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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

4. Internal Accounting Consultant – Elliott Davis

Condition: The County has an internal accounting consultant to monitor and make adjustments to the County's general ledger. The internal accounting consultant did not make timely adjustments and made incorrect adjustments.

Criteria: The purpose of the internal accounting consultant was to monitor the general ledger and make corrections to help alleviate finding #1, listed on the Schedule of Findings and Questioned Costs, as needed.

Effect: Because the internal accounting consultant did not make timely adjustments, adjustments were not made until the end of the year. The adjustments then could not be matched in the proper period. Because the internal accounting consultant made incorrect adjustments, the general ledger was not correct.

Recommendation: The internal accounting consultant should review the County's ledger timely. The internal accounting consultant should review accounting adjustments with accounting staff to ensure accuracy before changes are made.

Response:

5. Accounts Receivable and Revenue – JF Hawkins Nursing Home

Condition: The Nursing Home records revenue, contractual adjustments and receivables monthly. The reconciliation of the ledger to the sub-ledger needs to be monitored and reviewed by utilizing the segregation of duties. The sub-ledger did not match the general ledger. The sub-ledger had irregularities due to the embezzlement and double booking of charges one month.

Criteria: Monthly reconciliation and review of accounts receivable, contract adjustments and revenue should be performed and monitored by segregating the duties to ensure completeness and accuracy.

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

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

Response: The Nursing Home will monitor the accounts receivable and revenue.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2010

6. Banking

Condition: An employee of the Nursing Home was allowed to cash checks made payable to the Nursing Home.

Criteria: Bank accounts should be set up where no one is able to cash checks made out to the Nursing Home.

Effect: Because checks were cashed, an individual was able to take funds that were intended for the operations of the Nursing Home.

Recommendation: All banks should be notified that County/Nursing Home employees are not to cash checks intended for the operation of the County.

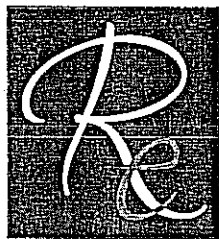
Response: The County has notified all banks that no checks are to be cashed that are intended for the operations of the County.

Section II – Federal Award Findings and Questioned Costs

No federal awards findings and questioned costs.

Section III – 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, 2010, and have issued our report thereon dated November 5, 2010. 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

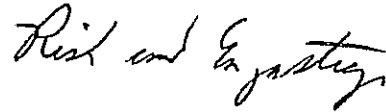
In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 six control deficiencies listed in the Schedule of Findings and Questioned Costs, items 1 - 6.

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 six material weaknesses listed in the Schedule of Findings and Questioned Costs, items 1 - 6.

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.



November 5, 2010
Lexington, South Carolina

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2010

Assessments	\$	56,624
Surcharges		36,295
Interest		<u>62</u>
Expenditures		<u>100,687</u>
Increase in fund balance		(7,706)
Fund Balance, July 1, 2009		<u>40,768</u>
Fund Balance, June 30, 2010	\$	<u><u>33,062</u></u>

Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>
Public Defender Application Fees	\$ 3,170	\$ 3,170
Marriage License Fee	5,430	5,430
Circuit/Family Court Fines	6,923	6,923
Circuit/Family Court Filing Fees	193,758	193,758
General Sessions - Assessments - DUI	6,607	6,607
Magistrates Court - Assessments - DUI	6,720	6,720
Magistrates - Surcharge - DUI	7,400	7,400
Magistrates - Drug Surcharge	3,200	3,200
General Sessions - Drug Surcharge	2,371	2,371
General Sessions - Other Assessments	6,238	4,220
Magistrates Court - Other Assessments	379,710	337,828
General Sessions - Surcharges	15,678	3,378
Magistrates Court - Surcharges	<u>215,823</u>	<u>201,360</u>
	<u>\$ 853,028</u>	<u>\$ 782,365</u>

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

Newberry County, South Carolina

Year Ended June 30, 2010

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.