

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

June 30, 2011

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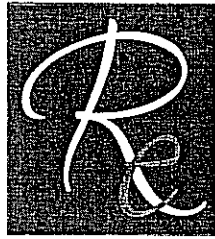
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RISH & ENZASTIGA

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, 2011. 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.

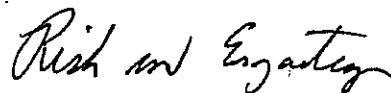
In our opinion, except for the effects on the financial statements of the above-mentioned items, the financial statements referred to above present fairly, the primary government financial statements and cash flows, where applicable, present fairly, in all material respects, the financial position of 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, 2011 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, 2011 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 18, 2011 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 schedule of expenditures of federal awards (required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) along with the accompanying supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.



Lexington, South Carolina
November 18, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2011**

INTRODUCTION

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2011. 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, 2011, were \$49,141,217, which represented an increase of \$3,768,855 from the prior year end. The net assets of the governmental activities totaled \$49,172,020. The net deficit of the business-type activities was \$30,803.
- **Revenues and Expenditures:** Revenues totaled \$28,819,955 and Expenditures totaled \$31,342,649 for all Governmental Funds at the fund level. Accordingly, expenditures exceeded revenues by \$2,522,694 before other financing activities. The general fund increased the fund balance by \$441,557; due to higher taxes and fee-in-lieu income. The debt service fund balance increased \$1,656,043 on higher property tax collections. The capital projects fund balance increased \$14,370,884 from the Sales Tax Bond and the lease purchase agreements.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$373,999 consisting of purchases of equipment and vehicles. Depreciation expense in governmental activities was \$2,950,099. This resulted in a net decrease of capital assets of \$2,576,100.
- **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 \$30,803 at year-end. Charges for services totaled \$5,850,960 and total expenses were \$6,537,238. The County sold the assets of the Nursing Home to a private company in February 2011. The gain on the sale was \$2,571,664.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$22,106,840 in fiscal year 2011 Revenues, which primarily consisted of property taxes and intergovernmental sources. Other financing Uses were \$3,408,026, and \$18,257,257 in Expenditures, leaving a surplus for the year of \$441,557.

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2011**

- **Debt Service:** The County retired \$5,990,441 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance increased from \$9,723,828 to \$11,379,871. Bonds payable are \$30,737,813 at June 30, 2011 in governmental activities. Business type activities outstanding debt at June 30, 2011 was \$0. The County used the proceeds from the sale of JF Hawkins assets to retire the outstanding business-type activities debt.

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, 2011**

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, 2011**

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 \$49,141,217 as of June 30, 2011. The largest portion of the County's net assets (53.5 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending.

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

The following table presents a summary of the County's net assets for the fiscal year ended June 30, 2011.

Current assets	\$ 50,158,065
Non-current assets	<u>37,663,230</u>
Total assets	<u>87,821,295</u>
Current liabilities	8,978,102
Non-current liabilities	<u>29,701,976</u>
Total liabilities	<u>38,680,078</u>
Net assets	<u>\$ 49,141,217</u>
Net assets -	
Invested in capital assets, net of related debt	\$ 26,328,230
Restricted	14,862,265
Unrestricted	<u>7,950,722</u>
Total net assets	<u>\$ 49,141,217</u>

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2011**

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

- GO Bond and Sales Bond proceeds of \$18,348,000
- Sale of JF Hawkins Nursing Home assets
- Increases in the Debt Service Fund totaling \$1,656,043, 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, 2011, were \$38,197,794. The total cost of all programs and services was \$34,428,939. The following table presents a summary of the activity that resulted in changes to total net assets for the fiscal year ended June 30, 2011.

REVENUES:	Amount
Program revenues:	
Charges for services	\$ 6,963,768
Operating grants and contributions	319,767
Capital grants	1,461,109
General revenues:	
Property taxes	18,974,148
Intergovernmental sources	1,688,323
Fines and assessments	1,012,716
Sales tax	3,494,878
Miscellaneous	<u>4,283,085</u>
Total revenues	<u>38,197,794</u>
EXPENSES:	
Governmental - current	(24,253,693)
Intergovernmental - capital	
Construction & improvements	(2,828,882)
Debt service	(809,126)
J. F. Hawkins Nursing Home	<u>(6,537,238)</u>
Total expenses	<u>(34,428,939)</u>
Increase in net assets	<u>\$ 3,768,855</u>

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -
CONTINUED
YEAR ENDED JUNE 30, 2011**

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	\$ 24,253,693	\$(21,359,969)
Intergovernmental - capital		
Construction & improvements	2,828,922	(2,828,922)
Debt Service - interest	809,126	(809,126)
J. F. Hawkins Nursing Home	<u>6,537,238</u>	<u>(686,278)</u>
 Total expenses	 <u>\$ 34,428,939</u>	 <u>\$(25,684,295)</u>

- The cost of all activities this year was \$34,428,939
- Net cost of governmental activities (\$24,998,017) was financed by general revenues (\$26,858,615), which are made up of primarily property taxes (\$18,974,148), intergovernmental sources (\$1,688,324), fines and assessments (\$1,012,716), sales tax (\$3,494,878), and other revenue (\$662,531).
- Net cost of business-type activities (\$686,278) was financed by the sale of JF Hawkins Nursing Home assets.

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, 2011**

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 \$46,034,457, an increase of \$17,360,804 since June 30, 2010. A fund balance of \$8,022,025 or 17.4 percent of total governmental fund balance constitutes unreserved and undesignated, which is available for spending at the County's discretion.

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

- \$ 18,619,230 for future capital projects
- \$ 11,279,871 for debt service
- \$ 491,584 for special revenue
- \$ 1,135,985 for notes receivable – due from J. F. Hawkins Nursing Home
- \$ 6,385,763 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 \$441,557 was the result of increased property taxes and savings for future projects in FY 2011 – 2012. The Debt Service Fund balance showed an increase of \$1,656,043 from the prior year due to the collection of higher property taxes. The Capital Projects Funds showed a fund balance of \$19,755,214, 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 \$1,908,257. Total net deficit was \$30,803 as of June 30, 2011. The Nursing Home assets were sold in February 2011 to a private party. The sale resulted in a gain of \$2,571,664

**NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) –
CONTINUED
YEAR ENDED JUNE 30, 2011**

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 \$20,471,083 in General Fund Revenue with actual revenue totaling \$22,106,840 for a difference of \$1,635,757. The budget for expenditures was \$20,486,081 with the actual expenditures being \$18,257,257 for a difference of \$2,228,826. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$441,557. 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, 2011, the County had invested \$37,163,230. 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 \$2,950,099 for governmental activities and \$456,976 for business-type activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2011.

	Amount
Land	\$ 8,143,969
Buildings and improvements	32,367,809
Furniture and equipment	13,103,643
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
Total	<u>\$ 70,609,570</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, 2011**

DEBT ADMINISTRATION

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2011.

	Amount
General obligation bonds	\$ 30,737,813
Lease purchase	2,128,502
Accrued compensated absences	<u>543,009</u>
Total	<u>\$ 30,409,324</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 2011 - 2012 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, 2011**

CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS

Tables I – VI are presented for additional analysis of the County's finances for the FY 10 - 11.

Table I – Statement of Net Assets – Governmental Activities – Total current assets increased \$17,696,982 over the prior year due to increases in cash (general fund and debt service). Capital assets decreased \$2,576,100 net as shown in Note O for capital asset additions for new equipment less depreciation expense. Total liabilities increased \$13.26 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 decreased by \$8,098,010 due to the sale of JF Hawkins. Cash increased \$66,128. Total liabilities decreased \$10,006,267 from the retirement of the JF Hawkins 2005 Revenue Bond.

Table IV – Statement of Activities – Governmental Activities – Total revenues increased \$515,278. The Sheriff's office received a grant to upgrade equipment in FY 2011. Property taxes increased \$103,494. Total expenses increased \$1.7 million due to increases in lease purchase, GO Bond and Sales Tax Bond expenses used for intergovernmental expenses.

Table V – Statement of Activities – Business-Type Activities –. The Nursing Home operations ended effective February 2011 due to the sale of the Nursing Home's assets. Charges for services decreased \$3,050,072. Total revenues decreased \$931,228. Expenses decreased \$2,580,588 due to operations ending in February.

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, 2011

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

	Governmental Activities		
	2011	2010	Variance
Assets			
Total Current Assets	\$ 49,464,123	\$ 31,767,141	\$ 17,696,982
Capital Assets, net of accumulated depreciation	<u>37,163,230</u>	<u>39,739,330</u>	<u>(2,576,100)</u>
Total Assets	<u>\$ 86,627,353</u>	<u>\$ 71,506,471</u>	<u>\$ 15,120,882</u>
Liabilities			
Total Current Liabilities	\$ 8,889,341	\$ 5,868,555	\$ 3,020,786
Non-Current Liabilities	<u>28,565,992</u>	<u>18,326,494</u>	<u>10,239,498</u>
Total Liabilities	<u>\$ 37,455,333</u>	<u>\$ 24,195,049</u>	<u>\$ 13,260,284</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 26,328,230	\$ 22,310,845	\$ 4,017,385
Restricted	14,862,265	12,122,592	2,739,673
Unrestricted/(deficit)	<u>7,981,525</u>	<u>12,877,985</u>	<u>(4,896,460)</u>
Total Net Assets	<u>\$ 49,172,020</u>	<u>\$ 47,311,422</u>	<u>\$ 1,860,598</u>

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

	Business-Type Activities		
	2011	2010	Variance
Assets			
Total Current Assets	\$ 693,942	\$ 487,795	\$ 206,147
Other Non-current Assets	500,000	1,579,465	(1,079,465)
Capital Assets, net of accumulated depreciation	<u>-</u>	<u>7,224,692</u>	<u>(7,224,692)</u>
Total Assets	<u>\$ 1,193,942</u>	<u>\$ 9,291,952</u>	<u>\$ (8,098,010)</u>
Liabilities			
Total Current Liabilities	\$ 88,761	\$ 1,551,012	\$ (1,462,251)
Non-Current Liabilities	<u>1,135,984</u>	<u>9,680,000</u>	<u>(8,544,016)</u>
Total Liabilities	<u>\$ 1,224,745</u>	<u>\$ 11,231,012</u>	<u>\$ (10,006,267)</u>
Net Assets			
Invested in capital assets, net of related debt	\$ -	\$ (2,780,308)	\$ 2,780,308
Unrestricted/(deficit)	<u>(30,803)</u>	<u>841,248</u>	<u>(872,051)</u>
Total Net Assets	<u>\$ (30,803)</u>	<u>\$ (1,939,060)</u>	<u>\$ 1,908,257</u>

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2011

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

	Total Government-Wide Activities		
	2011	2010	Variance
Assets			
Total Current Assets	\$ 50,158,065	\$ 32,254,936	\$ 17,903,129
Other Non-current Assets	500,000	1,579,465	(1,079,465)
Capital Assets, net of accumulated depreciation	<u>37,163,230</u>	<u>46,964,022</u>	<u>(9,800,792)</u>
Total Assets	<u>\$ 87,821,295</u>	<u>\$ 80,798,423</u>	<u>7,022,872</u>
Liabilities			
Total Current Liabilities	\$ 8,978,102	\$ 7,419,567	\$ 1,558,535
Non-Current Liabilities	<u>29,701,976</u>	<u>28,006,494</u>	<u>1,695,482</u>
Total Liabilities	<u>\$ 38,680,078</u>	<u>\$ 35,426,061</u>	<u>\$ 3,254,017</u>
Net Assets			
Invested in capital assets, net of related debt	\$ 26,328,230	\$ 19,530,537	\$ 6,797,693
Restricted	14,862,265	12,122,592	2,739,673
Unrestricted/(deficit)	<u>7,950,722</u>	<u>13,719,233</u>	<u>(5,768,511)</u>
Total Net Assets	<u>\$ 49,141,217</u>	<u>\$ 45,372,362</u>	<u>\$ 3,768,855</u>

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2011

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

	Governmental Activities		
	2011	2010	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 1,112,808	\$ 1,278,350	\$ (165,542)
Operating Grants	319,767	216,465	103,302
Capital Grants	1,461,109	1,215,827	245,282
General Revenue:			
Property Taxes	18,974,148	18,870,654	103,494
Intergovernmental Sources	1,688,323	2,203,838	(515,515)
Fines and Assessments	1,012,716	1,110,529	(97,813)
Sales Tax - Debt Service	3,494,878	3,434,887	59,991
Other	1,710,611	928,532	782,079
Total Revenues	\$ 29,774,360	\$ 29,259,082	\$ 515,278
Expenses			
Current			
Legislative	\$ 255,275	\$ 255,648	\$ (373)
Administration	1,461,515	1,564,592	(103,077)
Tax assessment & collection	1,334,889	1,482,756	(147,867)
Election & registration	207,067	214,028	(6,961)
Administration of Justice	1,666,660	1,581,302	85,358
Law enforcement	4,261,914	3,497,259	764,655
Detention	1,664,174	1,663,556	618
Public safety	4,058,454	3,856,835	201,619
Public works & maintenance	6,395,224	6,379,673	15,551
Planning & development	411,868	352,720	59,148
Agriculture & home economics	125,239	91,641	33,598
Public health	37,150	42,432	(5,282)
Social services	240,041	252,828	(12,787)
Miscellaneous	1,385,678	3,472,713	(2,087,035)
Emergency telephone reporting	748,435	199,825	548,610
Capital Construction & Improvements - Intergovernmental	2,828,992	466,592	2,362,400
Interest and Fees	809,126	769,557	39,569
Total Expenses	\$ 27,891,701	\$ 26,143,957	\$ 1,747,744

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

	Business-Type Activities		
	2011	2010	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 5,850,960	\$ 8,901,032	\$ (3,050,072)
Insurance proceeds	-	441,338	(441,338)
Other	2,572,474	12,292	2,560,182
Total Revenues	\$ 8,423,434	\$ 9,354,662	\$ (931,228)
Expenses			
J. F. Hawkins Nursing Home	\$ 6,537,238	\$ 9,117,826	\$ (2,580,588)

NEWBERRY COUNTY, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued
YEAR ENDED JUNE 30, 2011

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

	Total Government-Wide Activities		
	2011	2010	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 6,963,768	\$ 10,179,382	\$ (3,215,614)
Operating Grants	319,767	216,465	103,302
Capital Grants	1,461,109	1,215,827	245,282
General Revenue:			
Property Taxes	18,974,148	18,870,654	103,494
Intergovernmental Sources	1,688,323	2,203,838	(515,515)
Fines and Assessments	1,012,716	1,110,529	(97,813)
Sales Tax - Debt Service	3,494,878	3,434,887	59,991
Other	4,283,085	940,824	3,342,261
Insurance proceeds	-	441,338	(441,338)
Total Revenues	\$ 38,197,794	\$ 38,613,744	\$ (415,950)
Expenses			
Current			
Legislative	\$ 255,275	\$ 255,648	(373)
Administration	1,461,515	1,564,592	(103,077)
Tax assessment & collection	1,334,889	1,482,756	(147,867)
Election & registration	207,067	214,028	(6,961)
Administration of Justice	1,666,660	1,581,302	85,358
Law enforcement	4,261,914	3,497,259	764,655
Detention	1,664,174	1,663,556	618
Public safety	4,058,454	3,856,835	201,619
Public works & maintenance	6,395,224	6,379,673	15,551
Planning & development	411,868	352,720	59,148
Agriculture & home economics	125,239	91,641	33,598
Public health	37,150	42,432	(5,282)
Social services	240,041	252,828	(12,787)
Miscellaneous	1,385,678	3,472,713	(2,087,035)
Emergency telephone reporting	748,435	199,825	548,610
Capital Construction & Improvements - Intergovernmental	2,828,992	466,592	2,362,400
Interest and Fees	809,126	769,557	39,569
J. F. Hawkins Nursing Home	6,537,238	9,117,826	(2,580,588)
Total Expenses	34,428,939	35,261,783	(832,844)
Change in Net Assets	3,768,855	3,351,961	416,894
Net Assets, Beginning of Year	45,372,362	42,020,401	3,351,961
Net Assets, End of Year	\$ 49,141,217	\$ 45,372,362	\$ 3,768,855

BASIC FINANCIAL STATEMENTS
PRIMARY GOVERNMENT

STATEMENT OF NET ASSETS
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2011

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash - Notes B & C	\$ 7,433,360	\$ 416,018	\$ 7,849,378
Investments - Note C	37,108,571	-	37,108,571
Receivables			
Property taxes - delinquent - Note E	1,176,885	-	1,176,885
Fines and fees	144,244	-	144,244
Patient receivables, less allowance for doubtful accounts \$743,414	-	277,924	277,924
Other	64,957	-	64,957
Due from other governments			
State shared revenue	392,429	-	392,429
Sales tax	873,634	-	873,634
Grant revenue	1,300	-	1,300
Inventory - jet fuel	16,759	-	16,759
Due from library	1,116,000	-	1,116,000
Due to/from internal balances - Note D	<u>1,135,984</u>	<u>(1,135,984)</u>	<u>-</u>
Total Current Assets	<u>49,464,123</u>	<u>(442,042)</u>	<u>49,022,081</u>
Restricted cash - Note F	-	500,000	500,000
Capital Assets - Note O			
Land	8,143,969	-	8,143,969
Buildings	32,367,809	-	32,367,809
Improvements other than buildings	-	-	-
Roads	11,340,105	-	11,340,105
Equipment	13,103,643	-	13,103,643
Airport improvements	5,654,044	-	5,654,044
Accumulated depreciation	<u>(33,446,340)</u>	<u>-</u>	<u>(33,446,340)</u>
TOTAL ASSETS	<u>\$ 86,627,353</u>	<u>\$ 57,958</u>	<u>\$ 86,685,311</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Current Liabilities			
Accrued expenses	\$ 1,162,433	\$ 88,761	\$ 1,251,194
Deferred revenue			
Grant revenue	143,041	-	143,041
Due to other taxing units and others	1,133,782	-	1,133,782
Accrued interest	191,146	-	191,146
Lease payable, current portion	725,544	-	725,544
Bonds payable, current portion	<u>5,533,395</u>	<u>-</u>	<u>5,533,395</u>
Total Current Liabilities	<u>8,889,341</u>	<u>88,761</u>	<u>8,978,102</u>
Bonds payable, less current portion	25,204,418	-	25,204,418
Compensated absences	543,009	-	543,009
Net OPEB Obligation - See Note R	1,415,607	-	1,415,607
Lease purchase, less current portion	<u>1,402,958</u>	<u>-</u>	<u>1,402,958</u>
TOTAL LIABILITIES	<u>37,455,333</u>	<u>88,761</u>	<u>37,544,094</u>
NET ASSETS			
Invested in capital assets, net of related debt, \$10,835,000	26,328,230	-	26,328,230
Restricted for:			
notes receivable	1,135,984	-	1,135,984
special projects, net of related debt, \$19,731,000	2,346,410	-	2,346,410
debt service	11,379,871	-	11,379,871
Unrestricted/(Deficit)	<u>7,981,525</u>	<u>(30,803)</u>	<u>7,950,722</u>
TOTAL NET ASSETS	<u>49,172,020</u>	<u>(30,803)</u>	<u>49,141,217</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 86,627,353</u>	<u>\$ 57,958</u>	<u>\$ 86,685,311</u>

STATEMENT OF ACTIVITIES
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Program Revenues			Net Revenue & Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Current							
Legislative Administration	\$ 255,275	\$ -	\$ -	\$ -	\$ (255,275)	\$ -	\$ (255,275)
Tax assessment & collection	1,461,515	-	-	-	(1,461,515)	-	(1,461,515)
Election & registration	1,334,889	-	-	-	(1,334,889)	-	(1,334,889)
Administration of Justice	207,067	-	-	-	(207,067)	-	(207,067)
Law enforcement	1,666,660	-	183,293	-	(1,483,367)	-	(1,483,367)
Detention	4,261,914	-	-	873,241	(3,388,673)	-	(3,388,673)
Public safety	1,664,174	-	-	-	(1,664,174)	-	(1,664,174)
Public works & maintenance	4,058,454	95,324	136,474	-	(3,826,656)	-	(3,826,656)
Planning & development	6,395,224	511,778	-	587,868	(5,295,578)	-	(5,295,578)
Agriculture & home economics	411,868	-	-	-	(411,868)	-	(411,868)
Public health	125,239	-	-	-	(125,239)	-	(125,239)
Social services	37,150	-	-	-	(37,150)	-	(37,150)
Miscellaneous	240,041	-	-	-	(240,041)	-	(240,041)
Emergency telephone reporting	1,385,678	-	-	-	(1,385,678)	-	(1,385,678)
Capital construction & improvements - intergovernmental	748,435	505,706	-	-	(242,729)	-	(242,729)
Debt service	2,828,992	-	-	-	(2,828,992)	-	(2,828,992)
Interest & other bond costs	809,126	-	-	-	(809,126)	-	(809,126)
Total Governmental Activities	<u>27,891,701</u>	<u>1,112,808</u>	<u>319,767</u>	<u>1,461,109</u>	<u>(24,998,017)</u>	<u>-</u>	<u>(24,998,017)</u>
Business-Type Activities							
J. F. Hawkins Nursing Home	<u>6,537,238</u>	<u>5,850,960</u>	<u>-</u>	<u>-</u>	<u>(686,278)</u>	<u>(686,278)</u>	<u>(686,278)</u>
TOTAL	<u>\$ 34,428,939</u>	<u>\$ 6,963,768</u>	<u>\$ 319,767</u>	<u>\$ 1,461,109</u>	<u>(24,998,017)</u>	<u>(686,278)</u>	<u>(25,684,295)</u>
General Revenues							
Property Taxes Levied For:							
General Purposes					18,145,955	-	18,145,955
Debt Service					828,193	-	828,193
Intergovernmental sources					1,688,323	-	1,688,323
Fines and assessments					1,012,716	-	1,012,716
Sales tax - debt service					3,494,878	-	3,494,878
Bond premium					1,048,080	-	1,048,080
Other					662,531	810	663,341
Transfer					(22,061)	22,061	-
Total General Revenues					<u>26,858,615</u>	<u>22,871</u>	<u>26,881,486</u>
Sale of JF Hawkins					<u>-</u>	<u>2,571,664</u>	<u>2,571,664</u>
Change in Net Assets					<u>1,860,598</u>	<u>1,908,257</u>	<u>3,768,855</u>
Net Assets, Beginning of Year					<u>47,311,422</u>	<u>(1,939,060)</u>	<u>45,372,362</u>
NET ASSETS, END OF YEAR					<u>\$ 49,172,020</u>	<u>\$ (30,803)</u>	<u>\$ 49,141,217</u>

The accompanying notes are an integral part of this statement.

BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2011

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
ASSETS					
Cash - Notes B & C	\$ 5,340,975	\$ 19,773	\$ 1,175,082	\$ 897,530	\$ 7,433,360
Investments - Note C	10,403,427	10,477,651	16,227,493	-	37,108,571
Receivables					
Property taxes - delinquent - Note E	1,126,354	50,531	-	-	1,176,885
Fines and fees	144,244	-	-	-	144,244
Other	64,957	-	-	-	64,957
Due from other governments					
State shared revenue	392,429	-	-	-	392,429
Sales tax	-	873,634	-	-	873,634
Grant revenue	-	-	-	1,300	1,300
Inventory - jet fuel	-	-	-	16,759	16,759
Due from library	1,116,000	-	-	-	1,116,000
Due from other funds - Note D	308,205	-	2,352,639	27,241	2,688,085
TOTAL ASSETS	\$ 18,896,591	\$ 11,421,589	\$ 19,755,214	\$ 942,830	\$ 51,016,224
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued expenses	\$ 1,162,433	\$ -	\$ -	\$ -	\$ 1,162,433
Deferred revenue					
Property taxes	948,692	41,718	-	-	990,410
Grant revenue	-	-	-	143,041	143,041
Due to taxing units and others	1,133,782	-	-	-	1,133,782
Due to other funds - Note D	1,243,896	-	-	308,205	1,552,101
TOTAL LIABILITIES	4,488,803	41,718	-	451,246	4,981,767
FUND BALANCES					
Reserved:					
Assigned for notes receivable	-	-	1,135,984	-	1,135,984
Assigned for capital projects	6,385,763	-	18,619,230	-	25,004,993
Assigned for debt service	-	11,379,871	-	-	11,379,871
Assigned for special revenue	-	-	-	491,584	491,584
Unreserved:					
Undesignated	8,022,025	-	-	-	8,022,025
TOTAL FUND BALANCES	14,407,788	11,379,871	19,755,214	491,584	46,034,457
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,896,591	\$ 11,421,589	\$ 19,755,214	\$ 942,830	\$ 51,016,224

Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balances - Governmental Funds	\$ 46,034,457
Capital assets, net of accumulated depreciation	37,163,230
Bonds payable	(30,737,813)
Leases payable	(2,128,502)
Compensated absences	(543,009)
Net OPEB Obligation	(1,415,607)
Accrued interest	(191,146)
Recognition of deferred taxes	990,410
Total Net Assets - Governmental Activities	\$ 49,172,020

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, 2011

Net change in fund balances - total governmental funds		\$	17,360,804
<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			373,999
Depreciation expense		<u>(2,950,099)</u>	(2,576,100)
<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>			
		(18,348,000)	
		<u>5,990,441</u>	(12,357,559)
<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>			
			(22,425)
<p>Repayment/(Issuance) of lease purchase/(lease purchase proceeds) is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities.</p>			
Issuance of principal		(770,000)	
Repayment of principal		<u>721,420</u>	(48,580)
<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:			37,392
<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>			
			(439,259)
<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>(93,675)</u>
Change in net assets - governmental activities		\$	<u>1,860,598</u>

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2011

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
REVENUE					
Property taxes	\$ 18,254,529	\$ 813,294	\$ -	\$ -	\$ 19,067,823
Intergovernmental	1,843,304	-	-	1,625,895	3,469,199
Fines and fees	1,546,078	-	-	579,446	2,125,524
Sales tax	-	3,494,878	-	-	3,494,878
Other	462,929	10,404	56,892	132,306	662,531
TOTAL REVENUE	22,106,840	4,318,576	56,892	2,337,647	28,819,955
EXPENDITURES					
Current					
Legislative	255,275	-	-	-	255,275
Administration	979,434	-	-	-	979,434
Tax assessment & collection	1,340,297	-	-	-	1,340,297
Election & registration	148,243	-	-	-	148,243
Administration of Justice	1,557,733	-	-	89,525	1,647,258
Law enforcement	3,095,018	-	-	1,015,423	4,110,441
Detention	1,646,441	-	-	-	1,646,441
Public safety	3,728,389	-	-	-	3,728,389
Public works & maintenance	4,232,597	-	-	503,346	4,735,943
Planning & development	397,931	-	-	-	397,931
Agriculture & home economics	125,239	-	-	-	125,239
Public health	37,150	-	-	-	37,150
Social services	240,041	-	-	-	240,041
Miscellaneous	372,930	-	-	1,012,748	1,385,678
Emergency telephone reporting	-	-	-	748,435	748,435
Capital outlays					
Capital construction & improvements	100,539	-	2,978,453	-	3,078,992
Debt service					
Principal retirement - Note G	-	5,990,441	-	-	5,990,441
Interest	-	716,141	-	-	716,141
Fees & other bond service costs	-	30,880	-	-	30,880
TOTAL EXPENDITURES	18,257,257	6,737,462	2,978,453	3,369,477	31,342,649
Excess/(Deficiency) of Revenue Over/(Under)					
Expenditures before Other Financing Sources	3,849,583	(2,418,886)	(2,921,561)	(1,031,830)	(2,522,694)
OTHER FINANCING SOURCES					
GO Bond proceeds	-	3,600,080	15,696,503	-	19,296,583
Lease purchase proceeds	-	-	770,000	-	770,000
Lease purchase payment	-	-	(161,024)	-	(161,024)
Transfer In/(Out)	(3,408,026)	474,849	986,966	1,924,150	(22,061)
Excess/(Deficiency) of Revenue Over/					
(Under) Expenditures	441,557	1,656,043	14,370,884	892,320	17,360,804
Fund Balance, Beginning of Year,	13,966,231	9,723,828	5,384,330	(400,736)	28,673,653
FUND BALANCE, END OF YEAR	\$ 14,407,788	\$ 11,379,871	\$ 19,755,214	\$ 491,584	\$ 46,034,457

STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE				
Property taxes, current	\$ 13,062,416	\$ 13,062,416	\$ 13,435,418	\$ 373,002
Vehicle taxes	1,110,217	1,110,217	1,480,374	370,157
Special education levies - taxes	-	-	817,328	817,328
Fee In Lieu	660,000	660,000	1,272,450	612,450
Delinquent taxes and cost	810,000	810,000	1,248,959	438,959
Intergovernmental	2,041,915	2,041,915	1,843,304	(198,611)
Fines and fees	1,778,459	1,778,459	1,546,078	(232,381)
Other	884,775	630,076	462,929	(167,147)
Balance brought forward	<u>378,000</u>	<u>378,000</u>	<u>-</u>	<u>(378,000)</u>
TOTAL REVENUE	<u>20,725,782</u>	<u>20,471,083</u>	<u>22,106,840</u>	<u>1,635,757</u>
EXPENDITURES				
Current				
Legislative	285,423	285,570	255,275	30,295
Administration	1,135,517	1,135,517	979,434	156,083
Tax assessment & collection	1,513,434	1,513,434	1,340,297	173,137
Election & registration	197,111	197,111	148,243	48,868
Administration of Justice	1,665,268	1,665,268	1,557,733	107,535
Law enforcement	3,300,284	3,298,567	3,095,018	203,549
Detention	1,811,280	1,811,280	1,646,441	164,839
Public safety	4,087,904	4,087,727	3,728,389	359,338
Public works & maintenance	4,746,927	4,742,581	4,232,597	509,984
Planning & development	443,639	443,639	397,931	45,708
Agriculture & home economics	134,346	134,346	125,239	9,107
Public health	40,630	40,630	37,150	3,480
Social services	249,838	249,838	240,041	9,797
Miscellaneous	470,138	477,999	372,930	105,069
Capital outlays				
Capital construction & improvements	<u>402,576</u>	<u>402,576</u>	<u>100,539</u>	<u>302,037</u>
TOTAL EXPENDITURES	<u>20,484,315</u>	<u>20,486,083</u>	<u>18,257,257</u>	<u>2,228,826</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>241,467</u>	<u>(15,000)</u>	<u>3,849,583</u>	<u>3,864,583</u>
OTHER FINANCING SOURCES/(USES)				
Surplus property sale	25,000	15,000	-	(15,000)
Transfer In/(Out)	<u>(266,467)</u>	<u>-</u>	<u>(3,408,026)</u>	<u>(3,408,026)</u>
Excess/(Deficiency) of Revenue Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>441,557</u>	<u>441,557</u>
Fund Balance, Beginning of Year			<u>13,966,231</u>	
FUND BALANCE, END OF YEAR			<u>\$ 14,407,788</u>	

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2011

	Business-Type Activities
	<u>J. F. Hawkins Nursing Home</u>
ASSETS	
Current Assets	
Cash - Notes B & C	\$ 416,018
Receivables	
Patient receivables, less	
allowance for doubtful accounts \$743,414	<u>277,924</u>
Total Current Assets	<u>693,942</u>
Escrow - Restricted cash - Note F	<u>500,000</u>
TOTAL ASSETS	<u><u>\$ 1,193,942</u></u>
LIABILITIES AND NET ASSETS	
LIABILITIES	
Current Liabilities	
Accrued expenses	\$ <u>88,761</u>
Total Current Liabilities	<u>88,761</u>
Due to governmental funds - long term	<u>1,135,984</u>
TOTAL LIABILITIES	<u>1,224,745</u>
NET ASSETS	
Unrestricted	<u>(30,803)</u>
TOTAL NET ASSETS	<u>(30,803)</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,193,942</u></u>

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

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2011

REVENUE

Net nursing home patient service revenue (net of allowances, contractual adjustments and unbilled services of \$778,624)	\$ 4,496,535
Net Springfield rent, nursing facility and entrance fees	1,221,295
Other revenue	<u>133,130</u>
TOTAL OPERATING REVENUE	<u>5,850,960</u>

OPERATING EXPENSES

Nursing	2,314,843
Restorative	73,192
Dietary	844,938
Laundry	65,730
Housekeeping	216,862
Maintenance	265,299
Administrative	915,876
Medical records	24,785
Utilities	270,681
Insurance, licenses and property taxes	472,912
Medical supplies	19,559
Interest	344,415
Depreciation and amortization	460,787
Physical therapy	154,062
Pharmacy	93,297
Other ancillary services	<u>-</u>
TOTAL OPERATING EXPENSES	<u>6,537,238</u>

OPERATING INCOME (686,278)

NON-OPERATING ITEMS

Interest	810
Transfer from general fund	22,061
Gain on sale of JF Hawkins	<u>2,571,664</u>
TOTAL NON-OPERATING ITEMS	<u>2,594,535</u>

CHANGE IN NET ASSETS 1,908,257

Net Assets/(Deficit), Beginning of Year (1,939,060)

NET ASSETS/(DEFICIT), END OF YEAR \$ (30,803)

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and patients	\$ 6,566,097
Insurance proceeds	441,338
Payments to employees	(2,742,342)
Payments to vendors	<u>(4,144,848)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>120,245</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Bond cushion fund - restricted cash	532,140
Interest earned	810
Property, plant, equipment sold	<u>9,884,253</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>10,417,203</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Bond payable - principal paid	<u>(10,005,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(10,005,000)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Due to governmental funds	<u>(466,320)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(466,320)</u>
NET CHANGE IN CASH AND EQUIVALENTS	66,128
Cash and equivalents, Beginning of Year	<u>349,890</u>
CASH AND EQUIVALENTS, END OF YEAR	<u>\$ 416,018</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, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ (686,278)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	460,787
Changes in operating assets and liabilities - increase/(decrease) in cash flows	
Accounts receivable	1,020,947
Insurance receivable	441,338
Accrued expenses	(810,739)
Advance billings	<u>(305,810)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>120,245</u>

Supplemental Information

Cash payments of interest	<u>\$ 459,220</u>
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STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2011

	Newberry County School District	Fire Departments/ Rescue Squads	Newberry County Library Construction	Total Agency Funds
ASSETS				
Cash and cash equivalents - Note B and C	\$ 2,052,222	\$ 242,086	\$ -	\$ 2,294,308
Investments	<u>15,778,958</u>	<u>-</u>	<u>1,183,715</u>	<u>16,962,673</u>
TOTAL ASSETS	<u>\$ 17,831,180</u>	<u>\$ 242,086</u>	<u>\$ 1,183,715</u>	<u>\$ 19,256,981</u>
LIABILITIES				
Due to other entities	\$ 17,831,180	\$ 242,086	\$ 67,715	\$ 18,140,981
Due to general fund	<u>-</u>	<u>-</u>	<u>1,116,000</u>	<u>1,116,000</u>
TOTAL LIABILITIES	<u>\$ 17,831,180</u>	<u>\$ 242,086</u>	<u>\$ 1,183,715</u>	<u>\$ 19,256,981</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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, 2011

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, 2011

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, 2011

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 \$16,759 at June 30, 2011. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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, 2011. 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, 2011. Under encumbrance accounting, contracts, purchase orders and other commitments for expenditures are recorded in order to reserve that portion of an applicable appropriation as an extension of the formal budgetary integration in the County's general fund.

Fund Equity

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

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

Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Capital Assets

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

Accounts Receivable

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

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

Bond Issuance Costs

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

Tax Status

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

Revenue

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

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE B - CASH

Deposits

At June 30, 2011, the carrying amount of the County's deposits was \$10,143,686 (\$7,849,378 for the primary government, and \$2,294,308 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 \$117,231 cash on hand at June 30, 2011.

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, 2011. Category 1 includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	Category			Carrying	Market
	1	2	3	Amount	Value
Bank deposit accounts	\$ 10,143,686	\$ --	\$ --	\$ 10,143,686	\$10,143,686
Total	\$ 10,143,686	\$ --	\$ --		
State treasurer's investment pool				37,108,571	37,108,571
State treasurer's investment pool - Agency funds				16,962,673	16,962,673
Total Investments and Deposits				\$ 64,214,930	\$ 64,214,930

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2011 of \$54,071,244 (\$37,108,571 for the primary government and \$16,962,673 for the Agency Funds) which are not categorized because they are not evidenced by securities that exist in physical or book entry form. The investment pool is managed by the State Treasurer and the fair value of the County's position equals the value of the pool's shares. Shares may lose value and fall below original cost. The investment pool does not have a credit rating. The regulatory oversight of the pool is the State of South Carolina. The pool financial statements may be obtained by writing: State Treasurer's Office, SCLGIP, PO Box 11778, Columbia, SC 29211.

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

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 308,205
Special Revenue	General	27,241
Capital Projects	General	1,216,655
Enterprise	Capital Projects	<u>1,135,984</u>
	Total	<u>\$ 2,688,085</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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, 2011, 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, 2011, the Nursing Home had restricted cash of \$500,000 in an escrow account. The funds were placed in escrow as a condition of the sale of JF Hawkins. In February 2014, the funds will be available. These funds are set aside for any contingencies for the sale of JF Hawkins Nursing Home.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2011:

	Balance, July 1, 2010	Additions	Deletions	Balance, June 30, 2011
Bonds payable	\$ 18,380,254	\$ 18,348,000	\$ (5,990,441)	\$ 30,737,813
Lease purchase agreement	2,079,922	770,000	(721,420)	2,128,502
Accrued vacation	<u>520,584</u>	<u>22,425</u>	<u>--</u>	<u>543,009</u>
Total Long Term Debt	<u>\$ 20,980,760</u>	<u>\$ 19,140,425</u>	<u>\$ (6,711,861)</u>	<u>\$ 33,409,324</u>

Bonds payable at June 30, 2011, are composed of the following:

Special Source Revenue Bond (Fee-in-Lieu) – 2006 - due in annual installments of \$195,000 - \$455,000 through April 2026; interest rate 3.99%. Current amount due \$260,000	\$ 5,255,000
\$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 \$2,400,000	5,050,000
\$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 \$65,000	530,000
\$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 \$94,115	737,533
\$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 \$132,280	1,037,280
\$2,552,000 General Obligation Refunding Bonds, Series 2010B, due in Annual installments of \$212,000 to \$290,000 through March 2020; Interest rate 2.44%. Current amount due \$212,000	2,332,000
\$171,000 General Obligation Bonds, Series 2010C, due in Annual installments of \$171,000 in 2011; Interest rate 2.44%. Current amount due \$171,000	171,000
\$15,625,000 – 2011 Bonds (Sales Tax), due in annual Installments of \$2,200,000 to \$3,125,000 through March 2020; Interest rate 2.44%. Current amount due \$2,200,000	<u>15,625,000</u>
Total bonds payable	<u>\$ 30,737,813</u>

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE G - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2011:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 5,534,395	\$ 553,740	\$ 6,087,135
2013	6,554,636	442,192	6,996,828
2014	3,339,289	317,525	3,656,814
2015	3,177,078	277,990	3,455,068
2016	3,307,009	250,409	3,557,418
2017 – 2021	6,720,406	741,858	7,462,264
2022 – 2026	<u>2,105,000</u>	<u>258,353</u>	<u>2,363,353</u>
Totals	<u>\$ 30,737,813</u>	<u>\$ 2,842,067</u>	<u>\$ 33,578,880</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, 2011 assessed property valuation, the County is below its legal debt limit of \$9,511,346. Bond indebtedness applied to the debt limit was \$4,807,813, leaving \$4,703,533 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.

Refunding Bond

The County issued the 2010 GO Refunding Bond to pay-off the 2001 GO Bond. The 2001 GO Bond had \$2,700,000 outstanding. By refunding the 2001 GO Bond the County will receive a net economic benefit of \$1,195,056. The 2001 GO Bond is now defeased.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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 2011 – 2012. Current principal amount due is \$30,792.

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 2011 – 2012. Current principal amount due is \$223,617.

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 2011 – 2013. Current principal amount due is \$324,233.

Lease Purchase 2010 was used to buy equipment for \$770,000. The annual interest rate is 2.39%. Annual payments of \$161,432 of principal and interest are due in December from 2011 – 2014. Current principal amount due is \$146,902.

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, 2011:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 725,544	\$ 63,339	\$ 788,883
2013	748,137	40,746	788,883
2014	497,151	17,429	514,580
2015	<u>157,670</u>	<u>3,762</u>	<u>161,432</u>
Totals	<u>\$ 2,128,502</u>	<u>\$ 125,276</u>	<u>\$ 2,253,778</u>

Accrued Vacation

At June 30, 2011, the liability for accrued vacation benefits recorded in the governmental activities was \$543,009. 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, 2011

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, 2011:

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
Revenue Refunding				
Bonds Series 2005	\$ 10,005,000	\$ --	\$ (10,005,000)	\$ --

In February 2011, the County sold the assets of the JF Hawkins Nursing Home. The proceeds from the sale were used to pay-off the remaining balance due on the bonds payable. The bonds are now considered defeased.

The Nursing Home had interest expense of \$344,415 for the Special Source Refunding Revenue Bond.

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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE H - PENSION PLAN - Continued

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 - 11.13%, 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, 2011, 2010, and 2009 was \$3,916,764, \$4,038,271, and \$4,137,623, , respectively for SCRS - Local Government and \$3,070,088, \$3,072,981, and \$2,993,559, respectively for PORS - Class II. The employer contribution requirements for SCRS at 9.24%, 9.24% and 9.24% and PORS - Class II at 11.13%, 10.65%, and 10.65% for the past three fiscal years were \$361,909, \$373,136, \$355,760 and \$341,701, \$327,272, \$318,814, respectively. The County also paid group life contributions for the past three fiscal years of \$5,875, \$6,057 and \$6,206 for SCRS participants and \$6,140, \$6,146, and \$5,987 to the PORS - Class II. Additionally, accidental death contributions for PORS - Class II were \$6,140, \$6,146, and \$5,987 for the years ended June 30, 2011, 2010 and 2009, respectively.

The Nursing Home participates in the SCRS as listed above. The Nursing Home's covered payroll for the fiscal year ended June 30, 2011 was \$3,086,614 for SCRS - Local Government. The employer contribution requirements for SCRS at 9.24% were \$285,203. The Nursing Home incurred \$6,221 for group life contributions for the fiscal year ended June 30, 2011. The Nursing Home's covered payroll for the years ended June 30, 2009 and 2008 were \$4,147,045 and \$3,822,372, respectively. Employer contributions for those years were \$383,187 and \$359,806, respectively.

The Nursing Home did not have any employees in the fiscal fourth quarter due to the sale of JF Hawkins in February 2011.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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 accumulated enough funds to pay-off the 2005 Sales Tax Bond and that Bond was defeased in the Fall 2011.

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, 2011

NOTE L – FUND BALANCE RESERVATIONS

The following amounts are shown as assigned:

Assigned for notes receivable	\$ 1,135,984
Assigned for special revenue	491,584
Assigned for debt service	11,379,871
Assigned for capital projects	25,004,993

Assigned 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. Assigned for special revenue is the amount available for special revenue purposes. Assigned for debt service is the amount available in the debt service fund to pay future maturities of bonds and notes payable. Assigned for capital projects is the amount available to spend on future capital projects in the County for the Industrial Park (\$702,502), Public Works (\$673,425), Whitmire Rescue and EMS (\$500,000), Community Hall (\$259,045), Sheriffs Building (\$2,827,583), Animal Shelter (\$858,386), Old Library (\$396,827), Newberry Square (\$674,925), Projects (\$195,572), GO Bond proceeds, Lease Purchase proceeds and Sales Tax Bond proceeds remaining.

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, 2011

NOTE O – CAPITAL ASSETS

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

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
Buildings and Land *	\$ 40,511,778	\$ --	\$ --	\$ 40,511,778
Vehicles and equipment	13,076,990	373,999	(347,346)	13,103,643
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(30,843,587)</u>	<u>(2,950,099)</u>	<u>347,346</u>	<u>(33,446,340)</u>
Total	<u>\$ 39,739,330</u>	<u>\$ (2,576,100)</u>	<u>\$ --</u>	<u>\$ 37,163,230</u>

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

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

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</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	2,232,125	--	(2,232,125)	--
Accumulated depreciation	<u>(8,371,116)</u>	<u>(456,976)</u>	<u>8,828,092</u>	<u>--</u>
	<u>\$ 7,700,525</u>	<u>\$ (456,976)</u>	<u>\$ (7,243,549)</u>	<u>\$ --</u>

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE O – CAPITAL ASSETS - Continued

The County recorded depreciation expense of \$2,950,099 shown in current expenses on the statement of activities – governmental activities and

Administration	\$ 20,397
Tax assessment	16,610
Election	58,824
Admin of Justice	19,402
Law Enforcement	196,517
Detention	17,733
Public Safety	409,952
Public Works	2,196,727
Planning and Development	<u>13,937</u>
Total	<u>\$ 2,950,099</u>

The Nursing Home recorded \$456,976 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 – SALE OF JF HAWKINS NURSING HOME

The County sold the assets of the JF Hawkins Nursing Home on February 28, 2011. This resulted in a gain of \$2,571,664. The County retained the accounts receivable of the Nursing Home through February 28, 2011. The County will continue to collect on any amounts due from the prior operation of the Nursing Home and is responsible for any outstanding or contingent liabilities associated with the operations before February 28, 2011.

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

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE Q – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

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

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

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

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, 2011

NOTE Q – 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, 2011, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/11</u>
Annual Required Contributions	\$ 496,023
Interest on Net OPEB Obligation/(Asset)	0
Adjustment to Annual Required Contributions	<u>(0)</u>
Annual OPEB cost (expense)	\$ 496,023
Contributions made, including implicit subsidy	<u>(56,764)</u>
Increase in Net OPEB Obligation/(Asset)	\$ 439,259
 Net OPEB Obligation/(Asset)– beginning of year	 <u>\$ 976,348</u>
 Net OPEB Obligation/(Asset) – end of year	 <u>\$1,415,607</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 past three fiscal years ended June 30, 2011 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
06/30/11	\$496,023	\$56,764	11.44%	\$1,415,607

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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

D. Funded Status and Funding Progress

The funded status of the plan as of June 30, 2011 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>
7/1/ 2008	\$0	\$4,098,135	\$4,098,135	0.00%	\$7,131,182	57.47%
7/1/2010	\$0	\$3,657,849	\$3,657,849	0.00%	\$6,986,852	52.35%

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

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The plan's most recent actuarial valuation was performed as of July 1, 2010.

In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2011 was 28 years.

NOTES TO FINANCIAL STATEMENTS
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

NOTE R – TRANSFERS

Individual fund transfers for the year ended June 30, 2011 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,957,365
Special Revenue Fund	General Fund	33,215
General Fund	Debt Service	474,849
General Fund	Capital Projects	986,966
General Fund	Enterprise Fund	22,061

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 to debt service are to pay for bond principal and interest for the Special Source Revenue Bond. Transfer from General Fund to Capital Projects was to pay for capital expenditures.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
Revenue			
Taxes			
Property taxes, current	\$ 14,172,633	\$ 14,915,792	\$ 743,159
Property taxes - Special Education Levies	-	817,328	817,328
Fee in lieu of taxes	660,000	1,272,450	612,450
Delinquent taxes	650,000	1,019,752	369,752
Delinquent tax cost	<u>160,000</u>	<u>229,207</u>	<u>69,207</u>
 Total Taxes	 <u>15,642,633</u>	 <u>18,254,529</u>	 <u>2,611,896</u>
 Intergovernmental			
Local government	1,500,633	1,353,894	(146,739)
Merchant inventory tax	60,000	86,536	26,536
Salary supplements	6,300	6,300	-
Accomodations tax	3,200	11,958	8,758
National forestry fund	356,782	229,636	(127,146)
Solid waste - state grant	18,000	18,506	506
Disaster preparedness	<u>97,000</u>	<u>136,474</u>	<u>39,474</u>
 Total Intergovernmental	 <u>2,041,915</u>	 <u>1,843,304</u>	 <u>(198,611)</u>
 Fines and fees			
Clerk of Court - fines and fees	190,000	144,169	(45,831)
CCCP fees	68,000	64,935	(3,065)
Clerk of Court - copies	13,285	11,277	(2,008)
Central Court	560,000	363,838	(196,162)
Registration and election	-	5,478	5,478
Animal control	19,500	20,803	1,303
Probate Judge - fees	82,000	65,932	(16,068)
Probate Judge - copies	5,364	2,322	(3,042)
Sheriff - fees	9,540	14,330	4,790
Forfeit land commission	3,500	5,132	1,632
Marriage license fee/ceremonies	320	(220)	(540)
Building Inspection	180,000	95,324	(84,676)
FFP	11,000	38,671	27,671
Bad check	5,950	5,535	(415)
Tipping fees	<u>511,000</u>	<u>511,778</u>	<u>778</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Fines and fees - continued			
Recycle revenue	75,000	155,664	80,664
Zoning fee	21,000	18,991	(2,009)
Cable/phone franchise	23,000	22,119	(881)
	<u>1,778,459</u>	<u>1,546,078</u>	<u>(232,381)</u>
Total Fines and fees			
Other			
Interest	36,000	31,101	(4,899)
Veterans affairs	6,000	4,614	(1,386)
Health department	20,000	10,885	(9,115)
Mobile home licenses	1,000	950	(50)
Assessor's maps	500	3,111	2,611
Rent & utilities	4,800	4,160	(640)
Assessor - copies	5,494	4,372	(1,122)
Soil and Water Conservation	41,000	37,323	(3,677)
School resource officer	304,960	259,082	(45,878)
Balance brought forward	378,000	-	(378,000)
Miscellaneous	210,322	107,331	(102,991)
	<u>1,008,076</u>	<u>462,929</u>	<u>(545,147)</u>
Total Other			
	<u>20,471,083</u>	<u>22,106,840</u>	<u>1,635,757</u>
TOTAL REVENUE			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Expenditures			
LEGISLATIVE			
County Council			
Personnel	126,869	127,507	(638)
Overtime	3,000	-	3,000
Social security	9,935	9,195	740
Retirement	12,451	12,230	221
Travel - council	25,250	16,801	8,449
Insurance	46,584	44,945	1,639
Workers compensation	2,504	2,423	81
Advertising	3,500	1,666	1,834
Audit and accounting	40,000	31,565	8,435
Bookbinding	4,501	1,752	2,749
Contracted maintenance	2,500	-	2,500
Office expenses	2,975	2,848	127
Postage	400	373	27
Telephone	4,080	3,570	510
Subsistence	1,021	400	621
	<hr/>	<hr/>	<hr/>
TOTAL LEGISLATIVE	285,570	255,275	30,295
ADMINISTRATION			
County Administrator			
Personnel	322,622	322,531	91
Social security	24,681	23,369	1,312
Retirement	30,295	30,295	-
Insurance	40,983	42,661	(1,678)
Workers compensation	4,790	4,634	156
Advertising	2,001	1,462	539
Maintenance	12,500	10,448	2,052
Copier machine	1,000	845	155
Memberships & Dues	1,100	385	715
Office expense	4,675	4,677	(2)
Postage	4,000	3,767	233
Printing	2,500	2,592	(92)
Telephone	7,500	7,577	(77)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
County Administrator - continued			
Training	4,000	2,220	1,780
Travel	7,650	7,484	166
Subsistence	<u>2,550</u>	<u>523</u>	<u>2,027</u>
Total County Administrator	<u>472,847</u>	<u>465,470</u>	<u>7,377</u>
Miscellaneous Operating			
Contracted maintenance	22,000	23,672	(1,672)
Insurance	45,251	28,938	16,313
Tort insurance	104,727	104,726	1
Unemployment insurance	6,000	14,631	(8,631)
Drug testing	4,000	898	3,102
Insurance - buildings	69,571	69,039	532
Rent	72,572	72,572	-
Subsistence	11,475	11,522	(47)
Equipment	47,069	45,277	1,792
Payroll service	26,000	19,012	6,988
Legals	<u>254,005</u>	<u>123,677</u>	<u>130,328</u>
Total Miscellaneous Operating	<u>662,670</u>	<u>513,964</u>	<u>148,706</u>
TOTAL ADMINISTRATION	<u>1,135,517</u>	<u>979,434</u>	<u>156,083</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	165,845	165,845	-
Overtime	1,379	1,017	362
Social security	12,793	12,467	326
Retirement	15,702	15,668	34
Insurance	24,836	24,386	450
Workers compensation	2,664	2,577	87
Advertising	300	154	146
Contracted maintenance	22,573	22,452	121
Professional services	42,336	42,294	42
Membership & dues	255	175	80
Office expense	3,825	3,825	-
Postage	46,224	36,061	10,163

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Treasurer's Office - continued			
Printing	12,000	7,390	4,610
Telephone	3,200	2,096	1,104
Training	1,375	1,130	245
Travel	1,746	1,653	93
Subsistence	1,029	1,004	25
Capital outlay	5,000	4,999	1
	<u>363,082</u>	<u>345,193</u>	<u>17,889</u>
Total Treasurer's Office			
Auditor's Office			
Personnel	190,803	185,996	4,807
Social security	14,505	13,619	886
Retirement	17,804	17,465	339
Insurance	33,483	26,823	6,660
Workers compensation	2,835	2,743	92
Advertising	500	60	440
Contracted maintenance	17,937	17,691	246
Professional services	42,336	42,102	234
Memberships & dues	200	175	25
Office expense	2,550	1,637	913
Postage	1,200	1,170	30
Printing	6,856	3,802	3,054
Subscriptions & books	800	458	342
Telephone	3,000	3,069	(69)
Training	1,150	1,145	5
Travel	2,110	786	1,324
Subsistence	3,195	1,665	1,530
Office furniture	5,000	3,142	1,858
	<u>346,264</u>	<u>323,548</u>	<u>22,716</u>
Total Auditor's Office			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel	345,682	292,830	52,852
Overtime	30,000	8,826	21,174
Social security	26,490	20,988	5,502
Retirement	32,516	26,908	5,608
Insurance	63,031	58,873	4,158
Workers compensation	8,718	8,435	283
Advertising	2,100	2,100	-
Contracted maintenance	76,923	65,638	11,285
Vehicle insurance	2,500	3,052	(552)
Memberships & dues	1,705	275	1,430
Office expense	11,300	8,333	2,967
Postage	3,800	1,258	2,542
Printing	800	800	-
Repairs to vehicle	1,000	590	410
Subscriptions	1,600	1,168	432
Telephone	2,800	2,347	453
Training	5,360	1,848	3,512
Travel	900	524	376
Subsistence	2,875	782	2,093
Gas, oil, grease	6,500	3,370	3,130
Uniforms	1,200	-	1,200
	<u>627,800</u>	<u>508,945</u>	<u>118,855</u>
Total Assessor's Office			
Tax Collector			
Personnel	58,200	58,200	-
Overtime	3,148	5,091	(1,943)
Social security	4,692	4,744	(52)
Retirement	5,761	5,943	(182)
Insurance	11,941	12,240	(299)
Workers compensation	1,056	1,022	34
Advertising	14,513	14,513	-
Contracted maintenance	4,677	4,643	34
Professional fees	8,310	6,249	2,061
Consulting	15,100	14,710	390
Vehicle insurance	650	612	38

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Tax Collector - continued			
Memberships & dues	125	105	20
Office expense	1,200	1,200	-
Postage	30,988	27,034	3,954
Printing	800	594	206
Supplies	1,200	-	1,200
Subscriptions	125	101	24
Telephone	1,900	1,314	586
Training	1,150	480	670
Travel	1,000	-	1,000
Subsistence	1,500	672	828
Gas, oil, grease	1,452	129	1,323
Review board and appeals	6,800	3,015	3,785
	<u>176,288</u>	<u>162,611</u>	<u>13,677</u>
Total Tax Collector			
	<u>176,288</u>	<u>162,611</u>	<u>13,677</u>
TOTAL TAX ASSESSMENT & COLLECTION	<u>1,513,434</u>	<u>1,340,297</u>	<u>173,137</u>
REGISTRATION & ELECTION BOARD			
Personnel	58,990	49,474	9,516
Precinct personnel	9,000	21,395	(12,395)
Board members	18,433	372	18,061
Social security	4,513	4,618	(105)
Retirement	5,539	5,894	(355)
Insurance	4,448	4,946	(498)
Workers compensaton	183	177	6
Advertising	1,500	-	1,500
Contracted maintenance	18,000	17,895	105
Utilities	8,400	4,546	3,854
Memberships and dues	180	160	20
Office expense	2,975	(548)	3,523
Lease - office	28,260	28,260	-
Postage	6,000	2,200	3,800
Printing	4,375	2,421	1,954
Supplies	3,000	59	2,941
Telephone	6,148	4,629	1,519

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Registration and Election Board - continued			
Communications equipment	11,117	264	10,853
Training	1,800	480	1,320
Travel	2,125	381	1,744
Subsistence	<u>2,125</u>	<u>620</u>	<u>1,505</u>
TOTAL REGISTRATION & ELECTION BOARD	<u>197,111</u>	<u>148,243</u>	<u>48,868</u>
ADMINISTRATION OF JUSTICE			
Criminal & Civil Court			
Solicitor's office	81,099	88,580	(7,481)
Personnel - bailiff	35,481	35,481	-
Jury fees	35,000	35,000	-
Advertising	901	359	542
Contracted maintenance	2,500	2,280	220
Office	5,000	4,705	295
Postage	4,000	2,790	1,210
Printing	1,000	833	167
Telephone	3,500	3,299	201
DJJ	<u>1,500</u>	<u>965</u>	<u>535</u>
Total Criminal & Civil Court	<u>169,981</u>	<u>174,292</u>	<u>(4,311)</u>
Clerk of Court			
Personnel	176,721	174,974	1,747
Social security	14,078	12,902	1,176
Retirement	17,280	16,422	858
Insurance	22,238	18,318	3,920
Workers compensation	2,410	2,332	78
Contracted maintenance	78,000	68,379	9,621
Memberships & dues	125	125	-
Office expense	19,300	19,196	104
Postage	25,000	18,946	6,054
Printing	2,000	311	1,689
Telephone	4,000	3,465	535
Training	500	361	139
Subsistence	<u>1,700</u>	<u>-</u>	<u>1,700</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Clerk of Court - continued			
Travel	1,360	1,355	5
Total Clerk of Court	<u>364,712</u>	<u>337,086</u>	<u>27,626</u>
Family Court - Clerk of Court			
Personnel	122,879	123,222	(343)
Social security	9,400	8,619	781
Retirement	11,538	11,538	-
Insurance	25,990	26,448	(458)
Workers compensation	381	369	12
Contracted maintenance	22,000	13,635	8,365
Office expense	3,400	2,982	418
Postage	8,000	5,396	2,604
Printing	14,000	7,591	6,409
Telephone	3,500	2,722	778
Training	1,500	386	1,114
Total Family Court - Clerk of Court	<u>222,588</u>	<u>202,908</u>	<u>19,680</u>
Probate Judge			
Personnel	162,623	162,623	-
Social security	12,441	11,825	616
Retirement	16,849	16,849	-
Insurance	21,543	25,941	(4,398)
Workers compensation	2,304	2,229	75
Advertising	120	-	120
Contracted maintenance	8,000	7,431	569
Membership & dues	470	470	-
Office expense	7,500	7,310	190
Postage	2,380	2,339	41
Printing	600	455	145
Telephone	2,300	2,434	(134)
Education & training	2,160	2,160	-
Travel	4,897	4,897	-
Total Probate Judge	<u>244,187</u>	<u>246,963</u>	<u>(2,776)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Probation & Parole Office			
P.O. Box rent	49	46	3
Telephone	<u>2,000</u>	<u>2,536</u>	<u>(536)</u>
Total Probation & Parole Office	<u>2,049</u>	<u>2,582</u>	<u>(533)</u>
Public Defender			
Personnel	48,084	48,084	-
Social security	3,678	3,337	341
Retirement	4,515	4,788	(273)
Insurance	8,547	9,124	(577)
Workers compensation	178	172	6
Office	3,850	-	3,850
Training	<u>1,500</u>	<u>472</u>	<u>1,028</u>
Total Public Defender	<u>70,352</u>	<u>65,977</u>	<u>4,375</u>
Coroner			
Personnel	42,588	41,588	1,000
Social security	2,340	2,473	(133)
Retirement	3,527	3,254	273
Insurance	7,450	5,960	1,490
Workers compensation	1,474	1,426	48
Contracted maintenance	1,700	846	854
Vehicle insurance	1,830	1,824	6
Memberships & dues	500	200	300
Office expense	935	188	747
Postage	132	123	9
Telephone	1,405	1,021	384
Training	500	375	125
Travel	850	355	495
Subsistence	1,600	1,086	514
Fuel	4,700	2,241	2,459
Supplies	3,850	1,991	1,859
Post Mortems & BA	<u>42,565</u>	<u>42,065</u>	<u>500</u>
Total Coroner	<u>117,946</u>	<u>107,016</u>	<u>10,930</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Magistrate District 2			
Personnel	232,617	219,964	12,653
Jury fees	23,000	12,357	10,643
Social security	17,795	15,868	1,927
Retirement	24,446	22,806	1,640
Insurance	44,174	44,707	(533)
Workers compensation	727	703	24
Advertising	100	-	100
Contracted maintenance	3,000	767	2,233
Consulting & tech fees	3,200	-	3,200
Memberships	240	240	-
Office expense	8,220	7,453	767
Postage	10,421	5,482	4,939
Printing	900	193	707
Telephone	2,500	1,102	1,398
Training	1,017	495	522
Travel	1,275	705	570
Subsistence	5,212	2,968	2,244
	<u>378,844</u>	<u>335,810</u>	<u>43,034</u>
Total Magistrate District 2			
Magistrate District 1			
Personnel	13,678	13,678	-
Social security	1,046	1,009	37
Retirement	1,577	1,555	22
Insurance	4,448	4,579	(131)
Workers compensation	335	324	11
Office expense	425	116	309
Postage	100	46	54
Telephone	1,700	1,262	438
Training	800	295	505
Travel	680	70	610
	<u>24,789</u>	<u>22,934</u>	<u>1,855</u>
Total Magistrate District 1			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Magistrate District 4			
Personnel	11,536	11,536	-
Social security	1,275	791	484
Retirement	1,330	1,311	19
Insurance	8,547	9,124	(577)
Workers compensation	317	307	10
Membership	150	90	60
Office expense	680	323	357
Postage	300	144	156
Telephone	1,740	1,734	6
Training	1,500	1,012	488
Travel	1,275	1,275	-
	<u>28,650</u>	<u>27,647</u>	<u>1,003</u>
Total Magistrate District 4			
Magistrate District 6			
Personnel	18,937	18,937	-
Contracted personnel	5,000	-	5,000
Social security	1,449	845	604
Retirement	2,183	2,152	31
Insurance	8,547	9,124	(577)
Workers compensation	521	504	17
Office expense	2,803	1,430	1,373
Postage	150	33	117
Telephone	480	480	-
Training	250	245	5
Travel	850	768	82
	<u>41,170</u>	<u>34,518</u>	<u>6,652</u>
Total Magistrate District 6			
TOTAL ADMINISTRATION OF JUSTICE	<u>1,665,268</u>	<u>1,557,733</u>	<u>107,535</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
LAW ENFORCEMENT - Sheriff's Department			
Personnel	1,674,923	1,595,651	79,272
Overtime	98,976	96,267	2,709
School resource officer - salary and benefits	300,359	256,641	43,718
Social security	127,556	122,031	5,525
Retirement	201,800	192,798	9,002
Insurance	233,196	220,842	12,354
Workers compensation	63,313	59,985	3,328
Contracted maintenance	50,000	48,643	1,357
Professional services	1,500	360	1,140
Vehicle insurance	51,782	45,822	5,960
Bonds - employees	3,800	3,450	350
Membership & dues	3,765	3,530	235
Office expense	5,300	3,507	1,793
Postage	1,000	849	151
Printing	2,980	1,633	1,347
Transportation of prisoners	2,501	1,746	755
Repairs to vehicles	5,000	4,378	622
Telephone	5,175	4,909	266
Training	1,720	1,694	26
Travel	510	349	161
Subsistence	3,596	3,378	218
Ammo & guns	3,645	3,588	57
Cleaning supplies	500	-	500
Gas, oil, grease	224,009	221,218	2,791
Medicals	1,250	821	429
Photo supplies	2,300	1,374	926
Police supplies	4,250	2,567	1,683
CIRT supplies	3,500	3,334	166
Uniforms	25,000	24,615	385
Special law enforcement	1,250	625	625
Supplies	3,500	3,304	196
Project Near	1,000	1,028	(28)
Crime prevention	1,000	930	70

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Sheriff's department - continued			
School safety	5,329	5,385	(56)
Capital outlay	173,282	148,044	25,238
Other equipment	<u>10,000</u>	<u>9,722</u>	<u>278</u>
 Total Sheriff's Department	 <u>3,298,567</u>	 <u>3,095,018</u>	 <u>203,549</u>
 TOTAL LAW ENFORCEMENT	 <u>3,298,567</u>	 <u>3,095,018</u>	 <u>203,549</u>
 DETENTION			
Corrections			
Personnel	811,454	802,363	9,091
Overtime	69,167	53,530	15,637
Social security	67,367	63,714	3,653
Retirement	101,536	98,774	2,762
Insurance	193,261	200,044	(6,783)
Workers compensation	35,232	34,087	1,145
Contracted maintenance	45,000	43,178	1,822
Utilities	79,000	65,484	13,516
Vehicle insurance	2,500	1,242	1,258
Memberships & dues	252	146	106
Office expense	4,225	3,162	1,063
Postage	190	-	190
Printing	1,000	-	1,000
Telephone	3,300	1,547	1,753
Training	2,000	1,344	656
Travel	4,305	2,242	2,063
Subsistence	4,305	305	4,000
Chemicals	2,560	2,412	148
Cleaning materials	5,000	4,052	948
Food	153,200	101,802	51,398
Gas, oil, grease	2,528	-	2,528
Medical	182,343	136,920	45,423
Supplies	7,500	6,715	785
Uniforms	6,500	4,869	1,631
Clothing	10,055	8,511	1,544
DYS Juvenile	5,650	337	5,313

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Corrections - continued			
Kitchen supplies	1,500	1,449	51
Other equipment	10,350	8,212	2,138
	<u>1,811,280</u>	<u>1,646,441</u>	<u>164,839</u>
Total Corrections			
TOTAL DETENTION	<u>1,811,280</u>	<u>1,646,441</u>	<u>164,839</u>
PUBLIC SAFETY			
Public Safety			
Personnel	90,848	90,848	-
Social security	6,950	6,899	51
Retirement	8,531	8,531	-
Insurance	10,993	9,159	1,834
Workers compensation	202	195	7
Contracted maintenance	7,064	6,802	262
Vehicle insurance	1,950	1,239	711
Office expense	2,092	1,514	578
Repairs	1,001	198	803
Telephone	2,556	3,160	(604)
Training	1,000	202	798
Fuel	1,683	64	1,619
	<u>134,870</u>	<u>128,811</u>	<u>6,059</u>
Total Public Safety			
Animal Control			
Personnel	131,341	116,687	14,654
Overtime	14,000	7,765	6,235
Social security	11,119	8,679	2,440
Retirement	13,648	11,577	2,071
Insurance	17,985	23,531	(5,546)
Workers compensation	3,853	3,728	125
Advertising	900	108	792
Repairs to equipment	1,750	295	1,455
Utilities	14,500	14,412	88
Insurance vehicles	2,500	2,398	102
Memberships and dues	400	35	365
Office expense	6,200	3,397	2,803

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final Budget	Actual	Variance Favorable (Unfavorable)
Animal Control - continued			
Postage	275	56	219
Rent	3,651	3,651	-
Repairs to vehicle	5,750	675	5,075
Telephone	3,800	3,204	596
Training	1,500	755	745
Travel	300	-	300
Subsistence	1,400	621	779
Cleaning supplies	2,400	1,652	748
Dog food	4,000	1,508	2,492
Gas, oil and grease	14,000	13,362	638
Medical and surgical	35,000	19,294	15,706
Medication	23,000	12,101	10,899
Tools	1,600	649	951
Uniforms	2,700	786	1,914
Capital outlay	6,413	5,213	1,200
	<u>323,985</u>	<u>256,139</u>	<u>67,846</u>
Total Animal Control			
Communications			
Personnel	408,297	365,093	43,204
Overtime	65,000	36,130	28,870
Social security	36,207	28,827	7,380
Retirement	44,442	36,497	7,945
Insurance	70,271	78,004	(7,733)
Workers compensation	1,467	1,419	48
Contracted maintenance	52,144	51,124	1,020
Office expense	6,059	1,701	4,358
Telephone	3,700	3,208	492
Training	1,950	1,800	150
Subsistence	1,573	36	1,537
Other equipment	37,500	37,500	-
	<u>728,610</u>	<u>641,339</u>	<u>87,271</u>
Total Communications			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Board of Rescue Squads			
Workers compensation	22,677	25,167	(2,490)
Contracted maintenance	13,000	10,135	2,865
Utilities	28,800	28,800	-
Vehicle insurance	22,000	19,111	2,889
Repairs to equipment	15,000	10,171	4,829
Telephone	8,400	3,957	4,443
Training	15,000	11,871	3,129
Gas, oil, grease	18,125	16,278	1,847
Medical supplies	25,000	14,419	10,581
Rescue supplies	54,999	51,718	3,281
Capital outlay	<u>209,111</u>	<u>179,113</u>	<u>29,998</u>
Total Board of Rescue Squads	<u>432,112</u>	<u>370,740</u>	<u>61,372</u>
Hazardous Materials			
Telephone	350	329	21
Training	5,300	3,004	2,296
Supplies	8,485	4,927	3,558
Capital outlay	<u>20,087</u>	<u>20,087</u>	<u>-</u>
Total Hazardous Materials	<u>34,222</u>	<u>28,347</u>	<u>5,875</u>
Flood Management			
Personnel	35,739	34,739	1,000
Social security	2,659	2,530	129
Retirement	3,262	3,262	-
Insurance	5,746	6,213	(467)
Workers compensation	108	104	4
Contracted maintenance	66,700	58,470	8,230
Office expense	4,075	1,101	2,974
Postage	211	-	211
Printing	-	-	-
Telephone	-	27	(27)
Training	2,250	350	1,900
Subsistence	<u>1,470</u>	<u>241</u>	<u>1,229</u>
Total Flood Management	<u>122,220</u>	<u>107,037</u>	<u>15,183</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Board of Rural Fire Control			
Personnel	52,973	52,973	-
Social security	4,052	3,897	155
Retirement	4,974	4,974	-
Insurance	8,547	9,121	(574)
Workers compensation	21,212	20,523	689
Contracted services	30,000	9,772	20,228
Shared revenue	234,135	181,175	52,960
Contracted maintenance	3,000	2,617	383
Utilities	61,600	61,600	-
Vehicle insurance	46,161	44,347	1,814
Office	1,100	476	624
Repairs to equipment	49,821	48,616	1,205
Repairs to radio	10,000	6,418	3,582
Training	1,500	1,493	7
Cleaning supplies	1,500	1,142	358
Gas, oil, grease	29,164	28,303	861
Medical	39,000	29,890	9,110
Fire supplies	14,000	12,974	1,026
Lease purchase payment	238,958	237,393	1,565
Total Board of Rural Fire Control	<u>851,697</u>	<u>757,704</u>	<u>93,993</u>
Building Inspections			
Personnel	115,098	115,098	-
Social security	8,805	8,707	98
Retirement	10,808	10,808	-
Insurance	20,733	18,638	2,095
Workers compensation	3,098	2,997	101
Advertising	-	-	-
Vehicle insurance	1,175	1,222	(47)
Memberships	500	476	24
Office	5,100	3,652	1,448
Postage	501	172	329
Printing	600	162	438
Subscriptions	600	397	203

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Building Inspections - continued			
Telephone	2,000	2,227	(227)
Training	2,500	1,067	1,433
Travel	425	77	348
Subsistence	425	-	425
Gas, oil, grease	4,000	4,271	(271)
Capital outlay	32,784	26,486	6,298
	<u>209,152</u>	<u>196,457</u>	<u>12,695</u>
Total Building Inspections			
Ambulance			
Contracted maintenance	1,922	1,806	116
Utilities	2,960	2,960	-
Vehicle insurance	17,710	17,710	-
Repairs to vehicle	10,640	9,959	681
Training	-	-	-
Gas, oil, grease	74,421	72,181	2,240
Uniforms	15,000	9,819	5,181
Appropriations	900,422	900,422	-
Capital outlay	213,584	213,584	-
	<u>1,236,659</u>	<u>1,228,441</u>	<u>8,218</u>
Total Ambulance			
Lake Murray Public Safety			
Utilities	13,500	12,674	826
Telephone	700	700	-
	<u>14,200</u>	<u>13,374</u>	<u>826</u>
Total Lake Murray Public Safety			
	<u>4,087,727</u>	<u>3,728,389</u>	<u>359,338</u>
TOTAL PUBLIC SAFETY			
PUBLIC WORKS & MAINTENANCE			
Public Works			
Personnel	545,172	525,633	19,539
Overtime	9,360	2,912	6,448
Social security	41,706	38,951	2,755
Retirement	51,192	49,341	1,851

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Public Works - continued			
Insurance	131,888	118,198	13,690
Workers compensation	46,425	44,917	1,508
Advertising	500	500	-
Contracted maintenance	30,000	20,793	9,207
Utilities	5,600	5,965	(365)
Vehicle insurance	31,000	24,023	6,977
Memberships & dues	500	145	355
Office expense	4,800	1,640	3,160
Postage	350	346	4
Repairs to equipment	31,381	29,688	1,693
Supplies	3,619	2,295	1,324
Telephone	9,500	5,194	4,306
Training	4,760	1,851	2,909
Travel	610	224	386
Subsistence	2,500	154	2,346
Cleaning materials	200	-	200
Bridge materials	15,000	-	15,000
Fertilizer, plants, seeds	3,000	1,376	1,624
Gas, oil, grease	38,000	33,450	4,550
Diesel fuel	99,000	83,892	15,108
Safety supplies	5,450	5,423	27
Gravel	128,500	87,185	41,315
Asphalt	10,000	9,682	318
Pipe	15,000	4,752	10,248
Tools	3,000	1,627	1,373
Road signs	4,500	4,500	-
219 Beautification Project	25,000	13,710	11,290
Uniforms	8,800	6,836	1,964
Capital outlay	135,052	135,052	-
Road paving and improvements	85,594	41,405	44,189
Other equipment	8,500	4,621	3,879
	<u>1,535,459</u>	<u>1,306,281</u>	<u>229,178</u>
Total Public Works			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Central Maintenance			
Contracted maintenance	482,991	474,670	8,321
Utilities	13,000	12,944	56
Fuel	4,000	2,737	1,263
Tools	500	-	500
	<u>500,491</u>	<u>490,351</u>	<u>10,140</u>
Total Central Maintenance			
Building Maintenance			
Personnel	66,574	68,378	(1,804)
Social security	5,093	4,943	150
Retirement	6,251	6,413	(162)
Insurance	10,194	10,396	(202)
Workers compensation	4,664	4,512	152
Contracted maintenance	12,000	12,216	(216)
Utilities	162,017	172,609	(10,592)
Vehicle insurance	1,529	1,203	326
Supplies	55,500	46,341	9,159
Telephone	1,586	1,854	(268)
Gas, oil, grease	3,042	3,802	(760)
Tools	700	700	-
Uniforms	1,200	1,200	-
Capital outlay	50,000	39,607	10,393
	<u>380,350</u>	<u>374,174</u>	<u>6,176</u>
Total Building Maintenance			
Community Hall			
Contracted maintenance	5,500	2,943	2,557
Utilities	11,630	8,629	3,001
Repairs building	20,000	20,000	-
Telephone	-	383	(383)
	<u>37,130</u>	<u>31,955</u>	<u>5,175</u>
Total Community Hall			
Collections			
Personnel	56,486	55,758	728
Social security	4,264	4,211	53
Retirement	5,304	5,236	68
Insurance	10,993	12,176	(1,183)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Collections - continued			
Workers compensation	7,853	7,598	255
Advertising	500	108	392
Contracted personnel	257,031	257,031	
Contracted maintenance	394,969	354,152	40,817
Repairs to equipment	5,000	4,937	63
Utilities	22,150	22,162	(12)
Vehicle insurance	4,000	2,223	1,777
Membership and dues	150	145	5
Office	1,275	842	433
Postage	300	211	89
Supplies	2,000	1,491	509
Telephone	5,000	5,344	(344)
Subsistence	2,028	-	2,028
Gas, oil, grease	12,800	6,950	5,850
Supplies	2,134	500	1,634
Tools and other equipment	1,000	933	67
Capital outlay	6,750	6,250	500
	<u>801,987</u>	<u>748,258</u>	<u>53,729</u>
Total Collections			
Transfer Station			
Personnel	23,740	23,805	(65)
Overtime	1,560	-	1,560
Social security	1,935	1,641	294
Retirement	2,376	2,229	147
Insurance	4,448	4,579	(131)
Contracted services	1,322,201	1,145,043	177,158
Repairs to equipment	10,000	10,040	(40)
Utilities	12,000	8,969	3,031
Sewer disposal	3,500	3,000	500
Office	350	-	350
Rent	4,200	4,200	-
Supplies	5,000	3,860	1,140
Equipment	26,940	5,949	20,991
	<u>1,418,250</u>	<u>1,213,315</u>	<u>204,935</u>
Total Transfer Station			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Custodian Services			
Personnel	28,000	28,000	-
Social security	2,629	2,076	553
Retirement	2,142	2,631	(489)
Insurance	4,448	4,546	(98)
Workers compensation	4,319	4,179	140
Repairs	500	476	24
Vehicle insurance	675	599	76
Telephone	660	330	330
Cleaning supplies	23,216	22,247	969
Gas, oil and grease	2,275	3,179	(904)
Other equipment	50	-	50
	<u>68,914</u>	<u>68,263</u>	<u>651</u>
Total Custodian Services			
	<u>68,914</u>	<u>68,263</u>	<u>651</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>4,742,581</u>	<u>4,232,597</u>	<u>509,984</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	5,696	32
Retirement	7,031	7,031	-
Insurance	4,448	4,579	(131)
Workers compensation	2,059	1,992	67
Appropriations	65,000	42,737	22,263
Memberships	820	820	-
Office	4,000	2,936	1,064
Postage	500	270	230
Printing	2,000	2,000	-
Subscriptions	200	64	136
Telephone	3,100	2,882	218
Training	1,240	715	525

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Economic Development - continued			
Travel	6,000	2,555	3,445
Subsistence	4,679	1,659	3,020
Total Economic Development	<u>181,686</u>	<u>150,817</u>	<u>30,869</u>
Comprehensive Planning			
Personnel	100,231	100,231	-
Social security	7,668	7,539	129
Retirement	9,412	9,412	-
Insurance	16,388	18,453	(2,065)
Workers compensation	2,153	2,083	70
Advertising	1,260	745	515
Consulting	7,200	3,317	3,883
Vehicle insurance	1,500	1,206	294
Memberships and dues	1,550	472	1,078
Office expense	5,500	3,521	1,979
Postage	2,500	1,478	1,022
Printing	1,100	-	1,100
Books	2,050	1,493	557
Telephone	3,600	2,772	828
Training	2,675	1,599	1,076
Travel	674	174	500
Subsistence	3,099	1,273	1,826
Gas, oil, and grease	2,247	200	2,047
Total Comprehensive Planning	<u>170,807</u>	<u>155,968</u>	<u>14,839</u>
Central Carolina Economic Development Alliance	<u>72,000</u>	<u>72,000</u>	<u>-</u>
TOTAL PLANNING & DEVELOPMENT	<u>443,639</u>	<u>397,931</u>	<u>45,708</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	72,600	60,427	12,173
Newberry Soil & Water Conservation	61,746	64,812	(3,066)
TOTAL AGRICULTURE & HOME ECONOMICS	<u>134,346</u>	<u>125,239</u>	<u>9,107</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	4,550	3,878	672
Total Health Department	4,550	3,878	672
Beckman Mental Health	12,750	10,125	2,625
Westview Behavioral	23,330	23,147	183
TOTAL PUBLIC HEALTH	<u>40,630</u>	<u>37,150</u>	<u>3,480</u>
SOCIAL SERVICES			
Department of Social Services			
Utilities	52,500	49,940	2,560
P.O. Box rent	270	70	200
Telephone	5,000	4,552	448
Emergency	5,000	5,000	-
Paupers funeral	3,000	2,000	1,000
Total Department of Social Services	<u>65,770</u>	<u>61,562</u>	<u>4,208</u>
Veteran's Affairs			
Personnel	88,387	87,997	390
Social security	6,762	6,590	172
Retirement	8,300	8,263	37
Insurance	17,705	16,004	1,701
Workers compensation	1,274	1,233	41
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, 2011

	Final <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
Veteran's Affairs - continued			
Office expense	1,800	1,610	190
Postage	1,000	653	347
Printing	100	-	100
Telephone	2,650	1,354	1,296
Training	450	370	80
Travel	1,200	909	291
Subsistence	<u>2,500</u>	<u>1,566</u>	<u>934</u>
Total Veteran's Affairs	<u>132,903</u>	<u>127,314</u>	<u>5,589</u>
Council on Aging			
Quarterly appropriation	<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	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Sistercare, Inc.	<u>2,295</u>	<u>2,295</u>	<u>-</u>
Newberry County Literacy	<u>4,620</u>	<u>4,620</u>	<u>-</u>
TOTAL SOCIAL SERVICES	<u>249,838</u>	<u>240,041</u>	<u>9,797</u>
MISCELLANEOUS			
Airport			
Contingency	<u>101,931</u>	<u>44,532</u>	<u>57,399</u>
Total Airport	<u>101,931</u>	<u>44,532</u>	<u>57,399</u>
Government Association	<u>555</u>	<u>-</u>	<u>555</u>
Newberry County School District	<u>70,000</u>	<u>70,000</u>	<u>-</u>
S.C. Association of Counties	<u>9,146</u>	<u>9,146</u>	<u>-</u>
National Association of Counties	<u>742</u>	<u>742</u>	<u>-</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Medically indigent Appropriation	<u>92,527</u>	<u>92,527</u>	<u>-</u>
Fairgrounds			
Contracted maintenance	840	435	405
Utilities	9,550	7,855	1,695
Insurance	5,739	-	5,739
Repairs to building	<u>20,000</u>	<u>1,856</u>	<u>18,144</u>
Total Fairgrounds	<u>36,129</u>	<u>10,146</u>	<u>25,983</u>
Helena Community Center			
Contracted maintenance	500	175	325
Utilities	4,800	3,723	1,077
Repairs to building	<u>828</u>	<u>500</u>	<u>328</u>
Total Helena Community Center	<u>6,128</u>	<u>4,398</u>	<u>1,730</u>
Newberry Opera House	25,000	25,000	-
Recreation			
Personnel	29,415	29,413	2
Social security	2,250	2,057	193
Retirement	2,762	1,593	1,169
Insurance	9,750	5,182	4,568
Recreation appropriation	<u>91,664</u>	<u>78,194</u>	<u>13,470</u>
Total Recreation	<u>135,841</u>	<u>116,439</u>	<u>19,402</u>
TOTAL MISCELLANEOUS	<u>477,999</u>	<u>372,930</u>	<u>105,069</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
CAPITAL CONSTRUCTION & IMPROVEMENTS			
Contingency	<u>402,576</u>	<u>100,539</u>	<u>302,037</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>402,576</u>	<u>100,539</u>	<u>302,037</u>
TOTAL EXPENDITURES	<u>20,486,083</u>	<u>18,257,257</u>	<u>2,228,826</u>
Excess/(Deficiency) of Revenue over Expenditures	(15,000)	3,849,583	3,864,583
OTHER FINANCING SOURCES/ (USES)			
Surplus property sale	15,000	-	(15,000)
Transfer to debt service (Special Source Rev Bnd)	-	(474,849)	(474,849)
Transfer from special revenue	-	33,215	33,215
Transfer to capital projects	-	(986,966)	(986,966)
Transfer to JF Hawkins Nursing Home	-	(22,061)	(22,061)
Transfers to special revenue (includes Special Education Levies)	<u>-</u>	<u>(1,957,365)</u>	<u>(1,957,365)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>15,000</u>	<u>(3,408,026)</u>	<u>(3,423,026)</u>
Excess of Revenue over Expenditures after other financing sources	<u>\$ -</u>	<u>\$ 441,557</u>	<u>\$ 441,557</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2011

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
ASSETS								
Cash	\$ 182,604	\$ 273,457	\$ 73,458	\$ 180,782	\$ 187,229	\$ -	\$ -	\$ 897,530
Due from general fund	-	-	-	-	27,241	-	-	27,241
Inventory	-	-	-	-	-	-	16,759	16,759
Due from grantor	1,300	-	-	-	-	-	-	1,300
TOTAL ASSETS	<u>\$ 183,904</u>	<u>\$ 273,457</u>	<u>\$ 73,458</u>	<u>\$ 180,782</u>	<u>\$ 214,470</u>	<u>\$ -</u>	<u>\$ 16,759</u>	<u>\$ 942,830</u>
LIABILITIES								
Deferred revenue	\$ 10,042	\$ 132,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,041
Due to general fund	9,334	14,684	63,920	106,608	-	108,965	4,694	308,205
TOTAL LIABILITIES	<u>19,376</u>	<u>147,683</u>	<u>63,920</u>	<u>106,608</u>	<u>-</u>	<u>108,965</u>	<u>4,694</u>	<u>451,246</u>
FUND BALANCE								
Reserved for special revenue	164,528	125,774	9,538	74,174	214,470	(108,965)	12,065	491,584
TOTAL FUND BALANCE	<u>164,528</u>	<u>125,774</u>	<u>9,538</u>	<u>74,174</u>	<u>214,470</u>	<u>(108,965)</u>	<u>12,065</u>	<u>491,584</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 183,904</u>	<u>\$ 273,457</u>	<u>\$ 73,458</u>	<u>\$ 180,782</u>	<u>\$ 214,470</u>	<u>\$ -</u>	<u>\$ 16,759</u>	<u>\$ 942,830</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
Revenue								
Intergovernmental								
Federal grants	\$ -	\$ 873,241	\$ -	\$ -	\$ 183,293	\$ -	\$ -	\$ 1,056,534
State grants	-	-	-	-	-	569,361	-	569,361
Other								
Assessments	-	-	73,740	505,706	-	-	-	579,446
Interest	46	-	52	294	-	-	-	392
Miscellaneous	186	-	-	-	-	-	131,728	131,914
Total Revenue	232	873,241	73,792	506,000	183,293	569,361	131,728	2,337,647
Expenditures								
Personnel	-	-	84,789	65,230	-	-	-	150,019
Operating	67,250	-	12,527	390,714	89,525	503,346	140,913	1,204,275
Capital outlays	-	850,857	-	292,491	-	-	-	1,143,348
Intergovernmental	-	-	-	-	-	871,835	-	871,835
Total Expenditures	67,250	850,857	97,316	748,435	89,525	1,375,181	140,913	3,369,477
Other financing sources								
Transfer in/(out)	-	-	-	-	(33,215)	1,957,365	-	1,924,150
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(67,018)	22,384	(23,524)	(242,435)	60,553	1,151,545	(9,185)	892,320
Fund balance, beginning of year	231,546	103,390	33,062	316,609	153,917	(1,260,510)	21,250	(400,736)
FUND BALANCE, END OF YEAR	\$ 164,528	\$ 125,774	\$ 9,538	\$ 74,174	\$ 214,470	\$ (108,965)	\$ 12,065	\$ 491,584

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2011

REVENUE

Property Taxes	
1995 GO Bond	\$ 6,480
2001 GO Bond	6,048
2005 GO Bond	6,032
2007A GO Bond	139,187
2007B GO Bond	99,799
2010A GO Bond	137,623
2010B GO Bond	244,154
2010C GO Bond	173,971
Sales Taxes	3,494,878
Interest	<u>10,404</u>
 TOTAL REVENUE	 <u>4,318,576</u>

EXPENDITURES

Principal	
1995 GO Bond	75,000
2001 GO Bond	2,895,000
2007A GO Bond	90,721
2007B GO Bond	60,000
2010A GO Bond	94,720
2010B GO Bond	220,000
Special Source Revenue Bond	255,000
Sales Tax Bond	2,300,000
Interest	
1995 GO Bond	2,213
2001 GO Bond	125,848
2007A GO Bond	29,288
2007B GO Bond	23,296
2010A GO Bond	36,450
2010B GO Bond	31,134
Special Source Revenue Bond	219,849
Sales Tax Bond	248,063
Fees	
2001 GO Bond	194
Other fees and expenditures	<u>30,686</u>
 TOTAL EXPENDITURES	 <u>6,737,462</u>

OTHER FINANCING SOURCES/(USES)

Transfer from General Fund	474,849
2010 B GO Bond Refunding	2,552,000
Bond premium - sales tax bond	<u>1,048,080</u>

EXCESS/(DEFICIENCY) OF REVENUE
OVER EXPENDITURES 1,656,043

Fund balance, beginning of year 9,723,828

FUND BALANCE, END OF YEAR \$ 11,379,871

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2011

REVENUE

Interest	\$ <u>56,892</u>
TOTAL REVENUE	<u>56,892</u>

EXPENDITURES

Capital Outlays	
Community Hall	230,373
Econ Dev	94,399
Airport	49,854
Clemson Extension	316,371
Recreation	64,891
Other	241,054
Sales tax	
Maybinton Ballfield	12,762
Town of Prosperity	56,475
Piedmont Tech	1,910,774
Miscellaneous	<u>1,500</u>
TOTAL EXPENDITURES	<u>2,978,453</u>

OTHER FINANCING SOURCES/(USES)

Sales tax bond proceeds	15,675,000
Sales tax fees	(149,497)
2010 C GO Bond	171,000
2010 lease purchase payment	(161,024)
Lease purchase proceeds	770,000
Transfer from general fund	<u>986,966</u>

EXCESS OF REVENUE

OVER EXPENDITURES 14,370,884

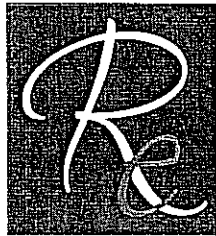
Fund balance, beginning of year 5,384,330

FUND BALANCE, END OF YEAR \$ 19,755,214

COMBINING BALANCE SHEET
 TRUST AND AGENCY FUND
 NEWBERRY COUNTY, SOUTH CAROLINA
 June 30, 2011

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Library Construction	Fire/Rescue Squads	Total
ASSETS						
Cash	\$ 1,284,789	\$ 697,323	\$ 70,110	\$ -	\$ 242,086	\$ 2,294,308
Investments	<u>-</u>	<u>10,351,983</u>	<u>5,426,975</u>	<u>1,183,715</u>	<u>-</u>	<u>16,962,673</u>
TOTAL ASSETS	<u>\$ 1,284,789</u>	<u>\$ 11,049,306</u>	<u>\$ 5,497,085</u>	<u>\$ 1,183,715</u>	<u>\$ 242,086</u>	<u>\$ 19,256,981</u>
LIABILITIES						
Due to taxing units and others	<u>\$ 1,284,789</u>	<u>\$ 11,049,306</u>	<u>\$ 5,497,085</u>	<u>\$ 1,183,715</u>	<u>\$ 242,086</u>	<u>\$ 19,256,981</u>
TOTAL LIABILITIES	<u>\$ 1,284,789</u>	<u>\$ 11,049,306</u>	<u>\$ 5,497,085</u>	<u>\$ 1,183,715</u>	<u>\$ 242,086</u>	<u>\$ 19,256,981</u>

SINGLE AUDIT SECTION



RISH & ENZASTIGA

Certified Public Accountants

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

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

Compliance

We have audited the compliance of the Newberry County, South Carolina with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the federal reporting and single audit section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

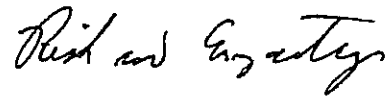
The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

A handwritten signature in cursive script, appearing to read "Rish and G. [unclear]".

Lexington, South Carolina
November 18, 2011

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.228	4-RP-09-004	<u>\$ 20,776</u>
Total U.S. Department of Housing and Urban Development			<u>20,776</u>
U.S. Department of Health and Human Services			
Thru SC Department of Social Services Health and Human Services	93.558	G01SCTANF	183,293
Thru SC Department of Social Services County Administrative Expense FFP	Multiple		<u>38,671</u>
Total U.S. Department of Health and Human Services			<u>221,964</u>
Department of Justice			
COPS Technology Program	16.710		<u>873,241</u>
Total Dept of Justice			<u>873,241</u>
Federal Emergency Management Agency			
Thru SC Emerg Mgt - Disaster Prep	97.042		<u>50,842</u>
Total Federal Emergency Management Agency			<u>50,842</u>
Federal Aviation Administration, Department of Transportation			
Airport Improvement Program	20.106		<u>132,302</u>
Total U.S. Department of Transportation			<u>132,302</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,299,125</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year ended June 30, 2011

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - MAJOR PROGRAMS

The County had one major program for the current fiscal year. COPS Technology Program grant with expenditures of \$873,241 was the County's only major program.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued - qualified

Internal control over financial reporting:

A. Material weaknesses identified? X Yes No

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

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

A. Material weaknesses identified? Yes X No

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

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

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

Identification of major programs:

CFDA Number

16.710

Name of Federal Program or Cluster

COPS Technology Program

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

Low-Risk Auditee Yes X No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

Section II – Financial Statement Findings

SIGNIFICANT DEFICIENCIES

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

Section III – Federal Award Findings and Questioned Costs

No federal awards findings and questioned costs.

Section IV – Prior Findings

1. Fire Departments and Rescue Squads 2009 - 2010

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.

2. Internal Accounting Consultant - 2010

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.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2011

3. Banking - 2010

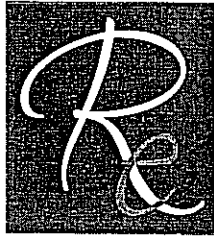
Condition: An employee of the Nursing Home was allowed to cash checks made payable to the Nursing Home.

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.



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, 2011, and have issued our report thereon dated November 18, 2011. We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

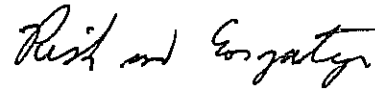
Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We identified three control deficiencies listed in the Schedule of Findings and Questioned Costs, items 1 - 3.

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described above and would not necessarily disclose all matters in the internal control structure that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We identified three material weaknesses listed in the Schedule of Findings and Questioned Costs, items 1 - 3.

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



November 18, 2011
Lexington, South Carolina

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2011

Assessments	\$	42,531
Surcharges		31,209
Interest		<u>52</u>
Expenditures		<u>97,316</u>
Increase in fund balance		(23,524)
Fund Balance, July 1, 2010		<u>33,062</u>
Fund Balance, June 30, 2011	\$	<u><u>9,538</u></u>

Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>
Public Defender Application Fees	\$ 3,640	\$ 3,640
Marriage License Fee	4,640	4,640
Circuit/Family Court Fines	5,571	5,571
Circuit/Family Court Filing Fees	180,205	180,205
General Sessions - Assessments - DUI	261	261
Magistrates Court - Assessments - DUI	17,013	17,013
Magistrates - Surcharge - DUI	7,400	7,400
Magistrates - Drug Surcharge	4,850	4,850
General Sessions - Drug Surcharge	3,972	3,972
General Sessions - Other Assessments	19,756	18,109
Magistrates Court - Other Assessments	309,441	274,900
General Sessions - Surcharges	14,070	2,671
Magistrates Court - Surcharges	<u>172,409</u>	<u>155,643</u>
	<u>\$ 743,228</u>	<u>\$ 678,875</u>

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

Newberry County, South Carolina

Year Ended June 30, 2011

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.

Response: The Central Court has implemented a new accounting system and will have the reconciliations performed on a monthly basis.