

AUDITED FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA
Newberry, South Carolina

June 30, 2003

Audited Financial Statements

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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 and each major fund of Newberry County, South Carolina, as of and for the year ended June 30, 2003. 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 County did not include the required supplementary information - Management's Discussion and Analysis.

The County is in the process of computing the total historical costs of buildings and land owned by the County and the actual values have not been included in the County's capital assets at year-end. Therefore, accumulated depreciation and depreciation on buildings have been estimated based on the estimated value of buildings the County owns. The actual values may differ materially from the estimated ones used in the County's financial statements.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the items listed above, the primary government financial statements and cash flows, where applicable, present fairly, in all material respects, the financial position of the primary government of Newberry County, South Carolina, as of June 30, 2003 for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of Newberry County, South Carolina, do not purport to, and do not, present fairly the financial position of Newberry County, South Carolina, as of June 30, 2003 and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note Q to the financial statements, the County implemented a new financial reporting model, as required by the provisions of GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as of June 30, 2003.

The accompanying financial statements have been prepared assuming that the Nursing Home will continue as a going concern. As discussed in Note T, the Nursing Home has suffered recurring operating losses and its total liabilities exceeds its total assets. This raises substantial doubt about the Nursing Home's ability to continue as a going concern.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2003 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.

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

Risk and Emphasis

Lexington, South Carolina
October 3, 2003

STATEMENT OF NET ASSETS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | PRIMARY GOVERNMENT | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Current Assets | | | |
| Cash - Notes B & C | \$ 9,623,588 | \$ 56,826 | \$ 9,680,410 |
| Investments - Note C | 8,746,068 | - | 8,746,068 |
| Receivables | | | |
| Property taxes - delinquent - Note E | 272,385 | - | 272,385 |
| Fines and fees | 94,806 | - | 94,806 |
| Sales tax | 629,603 | - | 629,603 |
| Patient receivables, less \$6,790 allowance for doubtful accounts | - | 799,086 | 799,086 |
| Other | 17,405 | - | 17,405 |
| Due from other governments | | | |
| State shared revenue | 628,828 | - | 628,828 |
| Grant revenue | 267,300 | - | 267,300 |
| Due from other funds - Note D | 199,774 | - | 199,774 |
| Total Current Assets | 20,479,753 | 855,912 | 21,335,665 |
| Restricted cash | - | 65,973 | 65,973 |
| Bond issuance cost, less \$7,873 amortization | - | 117,185 | 117,185 |
| Capital Assets | | | |
| Land | 500,000 | 217,536 | 717,536 |
| Buildings | 7,000,000 | 10,829,495 | 17,829,495 |
| Improvements other than buildings | - | 2,210,948 | 2,210,948 |
| Construction in progress | 1,117,186 | - | 1,117,186 |
| Equipment | 7,007,908 | 2,004,717 | 9,012,625 |
| Accumulated depreciation | (6,202,119) | (4,498,762) | (10,700,881) |
| TOTAL ASSETS | \$ 29,902,728 | \$ 11,803,004 | \$ 41,705,732 |
| LIABILITIES AND NET ASSETS | | | |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accounts payable | \$ 609,323 | \$ 225,875 | \$ 835,198 |
| Accrued expenses | 229,607 | 286,405 | 516,012 |
| Escrowed funds | 432,060 | 19,832 | 451,892 |
| Deferred revenue | | | |
| Advance billings | - | 199,074 | 199,074 |
| Grant revenue | 93,526 | - | 93,526 |
| Due to other taxing units and others | 262,159 | - | 262,159 |
| Due to other funds | 109,774 | 64,959 | 174,733 |
| Accrued interest | 118,494 | - | 118,494 |
| Lease payable, current portion | 179,350 | - | 179,350 |
| Bonds payable, current portion | 1,755,000 | 249,148 | 2,004,148 |
| Total Current Liabilities | 3,789,293 | 1,045,293 | 4,834,586 |
| Bonds payable | 9,495,000 | 11,551,004 | 21,046,004 |
| Compensated absences | 207,305 | - | 207,305 |
| Lease purchase | 310,574 | - | 310,574 |
| TOTAL LIABILITIES | 13,802,172 | 12,596,297 | 26,398,469 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 4,383,051 | (1,036,218) | 3,346,833 |
| Restricted for: | | | |
| special projects | 186,851 | - | 186,851 |
| debt service | 5,119,711 | - | 5,119,711 |
| capital projects | 3,450,086 | - | 3,450,086 |
| Unrestricted | 2,960,857 | 242,925 | 3,203,782 |
| TOTAL NET ASSETS | 16,100,556 | (793,293) | 15,307,263 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 29,902,728 | \$ 11,803,004 | \$ 41,705,732 |

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Program Revenues | | Net Revenue & Changes in Net Assets | | |
|-------------------------------------|-------------------------|---------------------|-------------------------------------|-----------------------------|-----------------|
| Expenses | Charges for Services | Operating Grants | Capital Grants | Business-Type Activities | Total |
| Governmental Activities | | | | | |
| Current | \$ 15,690,925 | \$ 1,154,975 | \$ 293,640 | \$ - | \$ (14,242,310) |
| Capital outlays | | | | | |
| Capital construction & improvements | 1,285,024 | - | 667,300 | - | (617,724) |
| Debt service | 558,852 | - | - | - | (558,852) |
| Interest & other bond costs | - | - | - | - | - |
| Total Governmental Activities | 17,534,801 | 1,154,975 | 293,640 | 667,300 | (15,418,886) |
| Business-Type Activities | | | | | |
| J. F. Hawkins Nursing Home | 7,380,780 | 7,398,172 | - | - | 17,392 |
| TOTAL | \$ 24,915,581 | \$ 8,553,147 | \$ 293,640 | \$ 667,300 | (15,418,886) |
| | | | | 17,392 | 17,392 |
| | | | | (15,418,886) | (15,418,886) |
| | | | | 8,519,635 | 8,519,635 |
| | | | | 503,492 | 503,492 |
| | | | | 1,217,120 | 1,217,120 |
| | | | | 3,309,842 | 3,309,842 |
| | | | | 1,365,682 | 1,365,682 |
| | | | | 2,465,501 | 2,465,501 |
| | | | | 1,111,603 | 1,115,839 |
| | | | | 4,236 | 4,236 |
| | | | | 18,492,875 | 18,497,111 |
| | | | | 3,073,989 | 3,095,617 |
| | | | | 21,628 | 21,628 |
| | | | | 13,026,567 | (814,921) |
| | | | | (814,921) | 12,211,646 |
| | | | | \$ 16,100,556 | \$ 15,307,263 |

General Revenues
Property Taxes Levied For:

- General Purposes
- Debt Service
- Transfer Station
- Intergovernmental sources
- Fines and assessments
- Sales tax - debt service
- Other

Total General Revenues

Change in Net Assets

Net Assets, Beginning of Year

NET ASSETS, END OF YEAR

BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | General | Special Revenue | Debt Service | Capital Projects | Totals |
|--|----------------------|--------------------|---------------------|---------------------|----------------------|
| ASSETS | | | | | |
| Cash - Notes B & C | \$ 2,560,615 | \$ 380,194 | \$ 3,499,989 | \$ 3,182,786 | \$ 9,623,584 |
| Investments - Note C | 7,803,372 | - | 942,696 | - | 8,746,068 |
| Receivables | | | | | |
| Property taxes - delinquent - Note E | 1,335,275 | 9,957 | 47,423 | - | 1,392,655 |
| Fines and fees | 94,806 | - | - | - | 94,806 |
| Sales tax | - | - | 629,603 | - | 629,603 |
| Other | 6,100 | - | - | - | 6,100 |
| Due from other governments | | | | | |
| State shared revenue | 628,828 | - | - | - | 628,828 |
| Grant revenue | - | - | - | 267,300 | 267,300 |
| Due from other funds - Note D | 199,774 | - | - | - | 199,774 |
| Notes receivable - Note F | | | | | |
| Newberry Water and Sewer | <u>11,305</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>11,305</u> |
| TOTAL ASSETS | <u>\$ 12,640,075</u> | <u>\$ 390,151</u> | <u>\$ 5,119,711</u> | <u>\$ 3,450,086</u> | <u>\$ 21,600,023</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 609,323 | \$ - | \$ - | \$ - | \$ 609,323 |
| Accrued expenses | 229,607 | - | - | - | 229,607 |
| Escrowed funds | 432,060 | - | - | - | 432,060 |
| Deferred revenue | | | | | |
| Property taxes | 1,133,488 | - | - | - | 1,133,488 |
| Grant revenue | - | 93,526 | - | - | 93,526 |
| Due to taxing units and others | 262,159 | - | - | - | 262,159 |
| Due to other funds - Note E | <u>-</u> | <u>109,774</u> | <u>-</u> | <u>-</u> | <u>109,774</u> |
| TOTAL LIABILITIES | <u>2,666,637</u> | <u>203,300</u> | <u>-</u> | <u>-</u> | <u>2,869,937</u> |
| FUND BALANCES | | | | | |
| Reserved: | | | | | |
| Reserved for capital projects | - | - | - | 3,450,086 | 3,450,086 |
| Reserved for debt service | - | - | 5,119,711 | - | 5,119,711 |
| Reserved for special revenue | - | 186,851 | - | - | 186,851 |
| Reserved for notes receivable | 11,305 | - | - | - | 11,305 |
| Unreserved: | | | | | |
| Undesignated | <u>9,962,133</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>9,962,133</u> |
| TOTAL FUND BALANCES | <u>9,973,438</u> | <u>186,851</u> | <u>5,119,711</u> | <u>3,450,086</u> | <u>18,730,086</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 12,640,075</u> | <u>\$ 390,151</u> | <u>\$ 5,119,711</u> | <u>\$ 3,450,086</u> | <u>\$ 21,600,023</u> |

Reconciliation of governmental fund balances to
statement of net assets:

| | |
|---|----------------------|
| Total Fund Balances - Governmental Funds | \$ 18,730,086 |
| Capital assets, net of accumulated depreciation | 9,422,975 |
| Bonds payable | (11,250,000) |
| Leases payable | (489,924) |
| Compensated absences | (207,305) |
| Accrued interest | (118,494) |
| Recognition of deferred taxes | <u>13,218</u> |
| Total Net Assets - Governmental Activities | <u>\$ 16,100,556</u> |

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

NEWBERRY COUNTY, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2003

Net change in fund balances - total governmental funds \$ 399,174

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

| | | |
|----------------------|------------------|---------|
| Capital outlays | 1,555,017 | |
| Depreciation expense | <u>(751,540)</u> | 803,477 |

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities 1,835,000

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as it accrues, regardless of the due date.

Interest on bonds decreased by: 27,447

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. (4,327)

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.

13,218

Change in net assets - governmental activities \$ 3,073,989

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2003

| | General | Special Revenue | Debt Service | Capital Projects | Totals |
|---|---------------------|--------------------|---------------------|---------------------|----------------------|
| REVENUE | | | | | |
| Property taxes | \$ 8,492,664 | \$ 1,217,120 | \$ 517,245 | \$ - | \$ 10,227,029 |
| Intergovernmental | 3,309,842 | 693,640 | - | 267,300 | 4,270,782 |
| Fines and fees | 1,510,088 | 246,899 | - | - | 1,756,987 |
| Tipping fees | - | 763,670 | - | - | 763,670 |
| Sales tax | - | - | 2,465,501 | - | 2,465,501 |
| Other | 818,315 | 103,558 | 29,363 | 160,367 | 1,111,603 |
| TOTAL REVENUE | 14,130,909 | 3,024,887 | 3,012,109 | 427,667 | 20,595,572 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Legislative | 171,548 | - | - | - | 171,548 |
| Administration | 518,084 | - | - | - | 518,084 |
| Tax assessment & collection | 873,149 | - | - | - | 873,149 |
| Election & registration | 121,922 | - | - | - | 121,922 |
| Administration of Justice | 1,074,371 | 156,187 | - | - | 1,230,558 |
| Law enforcement | 2,162,137 | 173,717 | - | - | 2,335,854 |
| Detention | 1,039,467 | - | - | - | 1,039,467 |
| Public safety | 1,150,142 | - | - | - | 1,150,142 |
| Public works & maintenance | 2,491,260 | - | - | - | 2,491,260 |
| Planning & development | 259,677 | - | - | - | 259,677 |
| Education & cultural | 272,745 | - | - | - | 272,745 |
| Agriculture & home economics | 154,836 | - | - | - | 154,836 |
| Public health | 86,846 | - | - | - | 86,846 |
| Social services | 192,986 | - | - | - | 192,986 |
| Transfer station | - | 2,086,538 | - | - | 2,086,538 |
| Intergovernmental | - | 525,973 | - | - | 525,973 |
| Miscellaneous | 1,034,322 | - | - | - | 1,034,322 |
| Emergency telephone reporting | 389,151 | - | - | - | 389,151 |
| Capital outlays | | | | | |
| Capital construction & improvements | 786 | - | - | 2,839,255 | 2,840,041 |
| Debt service | | | | | |
| Principal retirement - Note G | - | - | 1,835,000 | - | 1,835,000 |
| Interest | 5,245 | - | 578,520 | - | 583,765 |
| Fees & other bond service costs | - | - | 2,534 | - | 2,534 |
| TOTAL EXPENDITURES | 11,998,674 | 2,942,415 | 2,416,054 | 2,839,255 | 20,196,398 |
| Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources | 2,132,235 | 82,472 | 596,055 | (2,411,588) | 399,174 |
| OTHER FINANCING SOURCES | | | | | |
| Transfer In/(Out) | 146,745 | (146,745) | - | - | - |
| Excess/(Deficiency) of Revenue Over/ (Under) Expenditures | 2,278,980 | (64,273) | 596,055 | (2,411,588) | 399,174 |
| Fund Balance, Beginning of Year, | 7,694,458 | 251,124 | 4,523,656 | 5,861,674 | 18,330,912 |
| FUND BALANCE, END OF YEAR | \$ 9,973,438 | \$ 186,851 | \$ 5,119,711 | \$ 3,450,086 | \$ 18,730,086 |

STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
NEWBERRY COUNTY, SOUTH CAROLINA
Year Ended June 30, 2003

| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|--------------------|-------------------|---------------------|--|
| REVENUE | | | | |
| Property taxes | \$ 8,508,713 | \$ 8,508,713 | \$ 8,492,664 | \$ (16,049) |
| Intergovernmental | 3,229,190 | 3,229,190 | 3,309,842 | 80,652 |
| Fines and fees | 1,583,411 | 1,583,411 | 1,510,088 | (73,323) |
| Other | <u>535,088</u> | <u>906,505</u> | <u>818,315</u> | <u>(88,190)</u> |
| TOTAL REVENUE | <u>13,856,402</u> | <u>14,227,819</u> | <u>14,130,909</u> | <u>(96,910)</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| Legislative | 164,144 | 184,283 | 171,548 | 12,735 |
| Administration | 1,079,640 | 733,905 | 518,084 | 215,821 |
| Tax assessment & collection | 969,773 | 1,058,329 | 873,149 | 185,180 |
| Election & registration | 120,625 | 123,960 | 121,922 | 2,038 |
| Administration of Justice | 1,100,365 | 1,184,419 | 1,074,371 | 110,048 |
| Law enforcement | 1,932,124 | 2,170,768 | 2,162,137 | 8,631 |
| Detention | 1,210,955 | 1,231,736 | 1,039,467 | 192,269 |
| Public safety | 1,794,357 | 1,835,398 | 1,150,142 | 685,256 |
| Public works & maintenance | 2,497,699 | 2,656,770 | 2,491,260 | 165,510 |
| Planning & development | 524,598 | 465,883 | 259,677 | 206,206 |
| Education & cultural | 272,745 | 272,745 | 272,745 | - |
| Agriculture & home economics | 105,876 | 157,161 | 154,836 | 2,325 |
| Public health | 89,895 | 89,895 | 86,846 | 3,049 |
| Social services | 195,716 | 200,937 | 192,986 | 7,951 |
| Miscellaneous | 1,269,098 | 1,270,950 | 1,034,322 | 236,628 |
| Emergency telephone reporting | 192,148 | 393,036 | 389,151 | 3,885 |
| Capital outlays | | | | |
| Capital construction & improvements | 150,000 | 11,000 | 786 | 10,214 |
| 1997 - 1998 GO Bond | 84,753 | 84,753 | - | 84,753 |
| 1999 GO Bond | 101,891 | 101,891 | - | 101,891 |
| Debt service | | | | |
| Interest - Note S | <u>-</u> | <u>-</u> | <u>5,245</u> | <u>(5,245)</u> |
| TOTAL EXPENDITURES | <u>13,856,402</u> | <u>14,227,819</u> | <u>11,998,674</u> | <u>2,229,145</u> |
| Excess/(Deficiency) of Revenue Over/(Under) | | | | |
| Expenditures before Other Financing Sources | <u>-</u> | <u>-</u> | <u>2,132,235</u> | <u>2,132,235</u> |
| OTHER FINANCING SOURCES/(USES) | | | | |
| Transfer In/(Out) | <u>-</u> | <u>-</u> | <u>146,745</u> | <u>146,745</u> |
| Excess/(Deficiency) of Revenue Over/ | | | | |
| (Under) Expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>2,278,980</u> | <u>\$ 2,278,980</u> |
| Fund Balance, Beginning of Year | | | | |
| | | | <u>7,694,458</u> | |
| FUND BALANCE, END OF YEAR | | | <u>\$ 9,973,438</u> | |

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | Business-Type Activities |
|--|---------------------------------------|
| | <u>J. F. Hawkins Nursing Home</u> |
| ASSETS | |
| Current Assets | |
| Cash - Notes B & C | \$ 56,826 |
| Receivables | |
| Patient receivables, less \$6,790 allowance for doubtful accounts | <u>799,086</u> |
| Total Current Assets | <u>855,912</u> |
| Restricted cash | 65,973 |
| Bond issuance cost, less \$7,873 amortization | 117,185 |
| Capital Assets | |
| Land | 217,536 |
| Buildings | 10,829,495 |
| Improvements other than buildings | 2,210,948 |
| Equipment | 2,004,717 |
| Accumulated depreciation | <u>(4,498,762)</u> |
| TOTAL ASSETS | <u>\$ 11,803,004</u> |
| LIABILITIES AND NET ASSETS | |
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable | \$ 225,875 |
| Accrued expenses | 286,405 |
| Escrowed funds | 19,832 |
| Deferred revenue | |
| Advance billings | 199,074 |
| Due to other funds | 64,959 |
| Bonds payable, current portion | <u>249,148</u> |
| Total Current Liabilities | <u>1,045,293</u> |
| Bonds payable | <u>11,551,004</u> |
| TOTAL LIABILITIES | <u>12,596,297</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | (1,036,218) |
| Unrestricted | <u>242,925</u> |
| TOTAL NET ASSETS | <u>(793,293)</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 11,803,004</u> |

The accompanying notes are an integral part of this statement.

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

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2003

REVENUE

| | |
|--|------------------|
| Net nursing home patient service revenue (net of allowances, contractual adjustments and unbilled services of \$695,934) | \$ 5,597,688 |
| Net Springfield rent, nursing facility and entrance fees | 1,457,077 |
| Other revenue | <u>343,407</u> |
| TOTAL OPERATING REVENUE | <u>7,398,172</u> |

OPERATING EXPENSES

| | |
|--|------------------|
| Nursing | 2,564,362 |
| Restorative | 139,202 |
| Dietary | 642,609 |
| Laundry | 96,954 |
| Housekeeping | 240,724 |
| Maintenance | 255,933 |
| Administrative | 879,789 |
| Medical records | 12,570 |
| Utilities | 199,735 |
| Insurance, licenses and property taxes | 416,579 |
| Medical supplies | 5,920 |
| Interest | 910,313 |
| Depreciation | 618,560 |
| Physical therapy | 259,721 |
| Pharmacy | 111,435 |
| Other ancillary services | <u>26,374</u> |
| TOTAL OPERATING EXPENSES | <u>7,380,780</u> |

OPERATING INCOME 17,392

NON-OPERATING REVENUE

| | |
|--------------------|------------|
| Unrestricted gifts | 3,853 |
| Interest | <u>383</u> |

TOTAL NON-OPERATING-REVENUE 4,236

NET INCOME 21,628

Net Assets/(Deficit), Beginning of Year (836,921)

Prior Period Adjustments - Note L 22,000

Net Assets/(Deficit), as restated (814,921)

NET ASSETS/(DEFICIT), END OF YEAR \$ (793,293)

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2003

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|-----------------|
| Operating income | \$ 17,392 |
| Adjustments to reconcile operating loss to net cash provided by operating activities | |
| Abatement of IRS penalties - non-cash | (124,717) |
| Depreciation | 618,560 |
| Changes in operating assets and liabilities - increase/(decrease) in cash flows | |
| Accounts receivable | (126,916) |
| Accounts payable | (50,769) |
| Accrued payroll | 114,638 |
| Accrued expenses | (110,906) |
| Due to Newberry County - general fund | (4,501) |
| Advance billings | <u>(20,722)</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>312,059</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---------------------------------------|-----------------|
| Bond cushion fund - restricted assets | (26,579) |
| Property, plant, equipment purchased | <u>(58,824)</u> |
| NET CASH USED BY INVESTING ACTIVITIES | <u>(85,403)</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

| | |
|---------------------------------------|------------------|
| Note payable - principal paid | <u>(189,579)</u> |
| NET CASH USED BY FINANCING ACTIVITIES | <u>(189,579)</u> |

NET CHANGE IN CASH AND EQUIVALENTS 37,077

Cash and equivalents, Beginning of Year 19,749

CASH AND EQUIVALENTS, END OF YEAR \$ 56,826

The accompanying notes are an integral part of this statement.

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | <u>Fire Departments</u> | <u>Rescue Squads</u> | <u>Other Taxing Units</u> | <u>Total Agency Funds</u> |
|--|-----------------------------|--------------------------|-------------------------------|-------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents - Note B and C | \$ 204,291 | \$ 126,135 | \$ 7,499,342 | \$ 7,829,768 |
| Investments | <u>-</u> | <u>-</u> | <u>9,503,913</u> | <u>9,503,913</u> |
| TOTAL ASSETS | <u>\$ 204,291</u> | <u>\$ 126,135</u> | <u>\$ 17,003,255</u> | <u>\$ 17,333,681</u> |
| LIABILITIES | | | | |
| Due to general fund | \$ 25,041 | \$ - | \$ - | \$ 25,041 |
| Due to other entities | <u>179,250</u> | <u>126,135</u> | <u>17,003,255</u> | <u>17,308,640</u> |
| TOTAL LIABILITIES | <u>\$ 204,291</u> | <u>\$ 126,135</u> | <u>\$ 17,003,255</u> | <u>\$ 17,333,681</u> |

The accompanying notes are an integral part of this statement.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of PresentationGeneral

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

Reporting Entity

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

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

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

Rural Fire Control

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

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

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 which reports to County Council. 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 districts, 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 effects 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.

GOVERNMENTAL FUNDSGeneral 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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Special Revenue Fund – Major Fund

The Special Revenue Funds are used to account for the revenue collected for specific purposes. The transfer station, Sheriff's special assessments and specific grants are accounted for as special revenue funds.

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.

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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

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 repurchase agreements and 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 does not maintain a central supply or warehouse system for the purchase of supplies. Therefore, all supplies are recorded as expenditures when purchased. Any amounts not used at year-end are immaterial and not shown as inventory.

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, 2003. At June 30, 2003, the liability for accrued vacation benefits recorded in the general long-term debt account group was \$207,305.

The County does not accrue sick leave as the employees' rights to it do not vest.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

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 O – Budget.

Encumbrances

The County did not have any material encumbrances at June 30, 2003. Under encumbrance accounting, contracts, purchase orders and other commitments for expenditures are recorded in order to reserve that portion of an applicable appropriation as an extension of the formal budgetary integration in the County's general fund.

Reservations and Designations of Fund Balances

Reservations represent the portions of fund balance which are not appropriated for expenditures but have been segregated for specific future uses by legal mandate. Designations of fund balances represent tentative plans by the County for financial resource utilization in a future period as documented in the budgeting process for a succeeding year. Such plans are subject to change from original authorizations and may never result in expenditures.

Use of Estimates

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

Capital Assets

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

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. As of June 30, 2003, cost reports for Medicare and Medicaid for 2001, 2002 and 2003 have not been audited by intermediaries.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

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.

Bond issuance costs incurred in the amount of \$125,058 have been capitalized in the business- activities and amortized over a 20 year period. Amortization for the year ended June 30, 2003 was \$7,181.

Tax Status

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

NOTE B - CASH

Deposits

At June 30, 2003, the carrying amount of the County's deposits was \$18,496,955, 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 \$204,726 cash on hand at June 30, 2003.

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 certificate of deposit including interest.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE C -- INVESTMENTS -- continued

The County's investments are categorized below to indicate the level of risk assumed by the entity at June 30, 2003. Category I includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

| | Category | | | Carrying Amount | Market Value |
|-----------------------------------|----------------------|---------------------|--------------|----------------------|----------------------|
| | 1 | 2 | 3 | | |
| Bank deposit accounts | \$ 14,525,985 | \$ -- | \$ -- | \$ 14,525,985 | \$ 14,525,985 |
| Repurchase agreements | -- | 3,484,068 | -- | 3,484,068 | 3,484,068 |
| Total | <u>\$ 14,525,985</u> | <u>\$ 3,484,068</u> | <u>\$ --</u> | 18,010,053 | 18,010,053 |
| State treasurer's investment pool | | | | <u>17,750,106</u> | <u>17,750,106</u> |
| Total Investments and Deposits | | | | <u>\$ 35,760,159</u> | <u>\$ 35,760,159</u> |

The County has investments in the S. C. Local Government Investment Pool at June 30, 2003 of \$17,750,106 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.

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-----------------|-------------------|
| General | Special Revenue | \$ 109,774 |
| General | Agency | 25,041 |
| Enterprise | General | <u>64,959</u> |
| | Total | <u>\$ 199,774</u> |

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

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, 2003, 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. Property taxes receivable as of June 30, 2003 are net of an allowance for uncollectible taxes in the amount of \$406,276.

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

NOTE F - RESTRICTED CASH

At June 30, 2003, the Nursing Home had restricted cash in the amounts of:

| | | |
|--------------------|----|--------|
| Resident funds | \$ | 19,832 |
| Bond cushion funds | | 46,141 |

Resident funds represent amounts held for patient personal needs. Bond cushion funds are amounts held to pay the monthly installments of notes payable.

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2003:

| | Balance, <u>July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | Balance, <u>June 30, 2003</u> |
|--------------------------|---------------------------------|------------------|---------------------|----------------------------------|
| Bonds payable | \$ 13,085,000 | \$ -- | \$ 1,835,000 | \$ 11,250,000 |
| Landfill Post Closure | 900,000 | -- | 10,000 | 890,000 |
| Lease purchase agreement | 665,621 | -- | 175,697 | 489,924 |
| Accrued vacation | 202,978 | 4,327 | -- | 207,305 |
| Total Long Term Debt | <u>\$14,853,599</u> | <u>\$ 4,327</u> | <u>\$ 2,020,697</u> | <u>\$ 12,837,229</u> |

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE G - LONG-TERM DEBT -- continued

Bonds payable at June 30, 2003, are composed of the following:

| | |
|--|----------------------|
| \$800,000 General Obligation Bonds, Series 1995, due in annual installments of \$25,000 to \$75,000 through September 1, 2010; interest rate varies from 5.2% to 7.2%. | \$ 550,000 |
| \$4,000,000 General Obligation Bonds of 2001, due in annual installments of \$130,000 to \$345,000 through March 2021; interest rate varies from 4.50% to 6.5%. | 4,000,000 |
| \$11,000,000 Sales Tax Bond, due in annual installments of \$1,375,000 to \$1,775,000 through September 2006; interest rate varies from 4.4% to 4.6%. | <u>6,700,000</u> |
| Total bonds payable | <u>\$ 11,250,000</u> |

Outstanding bonds payable are due as follows at June 30, 2003:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|----------------------|---------------------|----------------------|
| Year Ending June 30, | | | |
| 2004 | 1,755,000 | 556,875 | 2,311,875 |
| 2005 | 1,845,000 | 473,975 | 2,318,975 |
| 2006 | 1,920,000 | 385,763 | 2,305,763 |
| 2007 | 2,005,000 | 288,063 | 2,293,063 |
| 2008 | 245,000 | 237,963 | 482,963 |
| 2009 – 2013 | 1,205,000 | 780,610 | 1,985,610 |
| 2014 – 2019 | 1,300,000 | 428,536 | 1,728,536 |
| 2019 – 2021 | <u>975,000</u> | <u>93,812</u> | <u>1,068,812</u> |
| Totals | <u>\$ 11,250,000</u> | <u>\$ 3,245,597</u> | <u>\$ 14,495,597</u> |

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in the amount sufficient to pay the principal and interest due each year.

The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. Based on the December 31, 2002 assessed property valuation of \$91,304,650 (unaudited), the legal debt limit is \$7,304,372 leaving a legal debt margin as of June 30, 2003 of \$2,754,372.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE G - LONG-TERM DEBT - Continued

The Sales Tax Bond Payable, listed below, was not passed through referendum. The County does not currently apply the debt from the Sales Tax Bond to its legal debt limit. The County's legal counsel did not feel the County has violated any limitations of bond indebtedness since no protests of the amount were held in a timely manner. If the Sales Tax Bond Payable, \$6,700,000 remaining, were included in the calculation of the legal debt limit, the County would exceed the limit of 8%.

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. The County did not pass this bond by referendum.

Lease Purchase Agreements

The County entered into two lease purchase agreements during the fiscal year 2002. Lease Purchase A for \$400,000 was used to purchase eleven vehicles for the County. The annual interest rate for this agreement is 3.91% with semi-annual payments of \$71,302 for three years. Lease Purchase B for \$332,488 was used to purchase E-911 Equipment. The annual interest rate for this agreement is 4.42% with monthly payments of \$4,609 for seven years (84 payments).

Outstanding lease purchase agreements are due as follows at June 30, 2003:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------|-------------------|------------------|-------------------|
| Year Ending June 30, | | | |
| 2004 | \$ 179,350 | \$ 18,565 | \$ 197,915 |
| 2005 | 115,374 | 11,240 | 126,614 |
| 2006 | 47,488 | 7,823 | 55,311 |
| 2007 | 49,630 | 5,681 | 55,311 |
| 2008 | 51,869 | 3,442 | 55,311 |
| 2009 | <u>46,213</u> | <u>1,103</u> | <u>47,316</u> |
| Totals | <u>\$ 489,924</u> | <u>\$ 47,854</u> | <u>\$ 537,778</u> |

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE G - LONG-TERM DEBT - Continued

Landfill Post-Closure Costs

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. The estimated post-closure care liability remaining is \$890,000. The County has spent \$169,046 to monitor and maintain the landfill site. Future maturities are supposed to be presented for five year increments through maturity, however to limit the schedule size, the County has presented the following schedule. The County estimates \$10,000 will be needed each year, so for a five year period, \$50,000 would be required. Future estimated maturities are as follows:

| | | |
|-------------|----|----------------|
| 2004 | \$ | 10,000 |
| 2005 | | 10,000 |
| 2006 | | 10,000 |
| 2007 | | 10,000 |
| 2008 | | 10,000 |
| 2009 - 2013 | | 50,000 |
| 2014 - 2018 | | 50,000 |
| 2019 - 2023 | | 50,000 |
| After 2023 | | <u>690,000</u> |
| Total | \$ | <u>890,000</u> |

Accrued Vacation

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

J. F. Hawkins - Notes Payable

The following is a summary of note payable transactions for the year ended June 30, 2003:

| | Balance, <u>July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | Balance, <u>June 30, 2003</u> |
|------------------|---------------------------------|------------------|-------------------|----------------------------------|
| Phase I | \$ 4,893,801 | \$ -- | \$ 74,612 | \$ 4,819,189 |
| Phase II | 2,448,177 | -- | 26,846 | 2,421,331 |
| Phase III | 2,753,273 | -- | 20,307 | 2,732,966 |
| Revenue bond | 1,498,295 | -- | 48,317 | 1,449,978 |
| Newberry Federal | 375,814 | -- | 8,378 | 367,436 |
| Bank of Newberry | <u>20,371</u> | -- | <u>11,119</u> | <u>9,252</u> |
| Total | <u>\$11,989,731</u> | <u>\$ --</u> | <u>\$ 189,579</u> | <u>\$ 11,800,152</u> |

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE G - LONG-TERM DEBT - Continued

J. F. Hawkins -- continued

Notes payable at June 30, 2003, are composed of the following:

| | |
|---|----------------------|
| Phase I - \$5,141,000 Carolina First, due in monthly installments of \$42,285 including interest, collateralized by Springfield property and revenue, interest rate of 8.75%, 80% of the loan is guaranteed by USDA. <i>refinanced @ 6.95</i> | \$ 4,819,189 |
| Phase II - \$2,500,000 USDA, due in monthly installments of \$12,125 including interest of 4.875% through October 2037; collateralized by Springfield property and revenue. | 2,421,331 |
| Phase III - \$2,800,000 due in monthly installments of \$22,278 including interest at 8.875% through 2029; collateralized by Springfield property and revenue, 80% of the loan is guaranteed by the USDA. <i>refinanced @ 6.75</i> | 2,732,966 |
| Revenue Bond - \$1,500,000 due in monthly installments of \$9,705 including interest at 4.75% maturing June 2022, collateralized by patient revenues. | 1,449,978 |
| Note due Newberry Federal Savings with monthly payments Of \$3,317 including interest of 7.75%, maturing December 2009 Collateralized by Springfield property | 367,436 |
| Note due The Bank of Newberry County with monthly Payments of \$1,070 including interest at 8% maturing March 15, 2004, collateralized by computer equipment <i>of</i> With a cost of \$52,609 | <u>9,252</u> |
| Total Notes Payable | <u>\$ 11,800,152</u> |

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE G - LONG-TERM DEBT – Continued

J. F. Hawkins – continued

The principal amount of notes payable outstanding at June 30, 2003 due in each of the next five fiscal years is as follows:

| Year Ending June 30, | <u>Principal</u> |
|----------------------|----------------------|
| 2004 | \$ 249,148 |
| 2005 | 258,252 |
| 2006 | 278,324 |
| 2007 | 300,055 |
| 2008 | 323,445 |
| After 2008 | <u>10,390,928</u> |
| Total | <u>\$ 11,800,152</u> |

The Nursing Home had interest expenses of \$432,808, \$118,654, \$252,969, \$62,143, \$31,732 and \$1,014 for the notes payable of Phase I, Phase II, Phase III, Revenue Bond, Newberry Federal Savings and The Bank of Newberry County, respectively. The Nursing Home's debt is not presented in accordance with GASB No. 34 which requires debt to be shown in five year increments until maturity. An amortization schedule for maturities after 2008 can be obtained from the Nursing Home by contacting the Nursing Home directly.

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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

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 - 7.55%, Local government - 6.7%; PORS - Class II - 10.3%, 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, 2003, 2002, and 2001 was \$2,347,445, \$2,127,820, and \$1,892,132 respectively for SCRS - Local Government and \$1,950,180, \$1,707,140, and \$1,542,296, respectively for PORS - Class II. The employer contribution requirements for SCRS at 6.7% and PORS - Class II at 10.3% for the past three fiscal years were \$157,279, \$142,564, and \$126,773 and \$200,869, \$175,835 and \$158,856, respectively.

The County also paid group life contributions for the past three fiscal years of \$3,521, \$3,192, and \$2,838, for SCRS participants and \$3,900, \$3,414, and \$3,085 to the PORS - Class II. Additionally, accidental death contributions for PORS - Class II were \$3,900, \$3,414, and \$3,085 for the years ended June 30, 2003, 2002 and 2001, respectively.

The Nursing Home participates in the SCRS as listed above. The Nursing Home's covered payroll for the fiscal year ended June 30, 2003 was \$3,114,190 for SCRS - Local Government. The employer contribution requirements for SCRS at 6.7% were \$208,651. The Nursing Home incurred \$4,671 for group life contributions for the fiscal year ended June 30, 2003. The Nursing Home's covered payroll for the years ended June 30, 2002 and 2001 were \$2,677,300 and \$2,346,956, respectively. Employer contributions for those years were \$179,379 and \$157,246, respectively.

NOTE I - POST EMPLOYMENT HEALTH CARE BENEFITS

The County does not sponsor any post-retirement benefits, nor are any material post-employment benefits provided. Therefore, the requirements of GASB 26, Post-employment Healthcare Plans Administered By Defined Benefit Pension Plans, do not have any material effect on the financial position of the County.

NOTES TO FINANCIAL STATEMENTS
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE J - 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.

Management Fees

The Nursing Home has entered into a management agreement with Generations, Inc. to manage the operations of the facilities. Future management fees are estimated to be \$12,000 per month or \$144,000 per year.

NOTE K - 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 L - SPECIAL SOURCE REVENUE ANTICIPATION NOTE

The County borrowed \$ 1,085,000 from a commercial banking institution on December 30, 1997. The annual interest rate for this note is 6.50%. Interest for the year ended June 30, 2003 was \$5,245. The County paid \$150,000 to extinguish the remaining debt during the fiscal year 2003.

NOTE M - 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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE N – FUND BALANCE RESERVATIONS

The following amounts are shown as reserved:

| | | |
|-------------------------------|----|-----------|
| Reserved for notes receivable | \$ | 11,305 |
| Reserved for special revenue | | 186,851 |
| Reserved for debt service | | 5,119,711 |
| Reserved for capital projects | | 3,450,086 |

Reserved for notes receivable represents the amounts due from Newberry Water and Sewer Authority. Reserved for special revenue is the amount available for special revenue purposes. Reserved for debt service is the amount available in the debt service fund to pay future maturities of notes payable. Reserved for capital projects is the amount available to spend on future capital projects in the County from GO Bond and Sales Tax Bond issuance.

NOTE O – 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.

1. 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 statements on pages 10 - 11. 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.
2. The County budgeted \$84,753 from the 1997 – 1998 GO Bond and \$101,891 from the 1999 GO Bond which was not spent in the prior years.
3. The County budgeted notes receivable repayments of \$68,213 and \$16,000 as a revenue source in fiscal year 2003. Repayments of notes receivable are only a reduction in notes receivable and not a revenue source.

NOTE P – 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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE Q – CHANGES IN ACCOUNTING PRINCIPLE

The County adopted the provisions of GASB No. 34 in fiscal 2003, effective July 1, 2002. GASB No. 34 establishes financial reporting for all state and local governments and related entities. The impact of this statement primarily relates to presentation and disclosure requirements. The presentation was affected by the statement of net assets, with assets and liabilities classified as current and non-current and restricted and unrestricted net assets, the inclusion of management discussion and analysis, the recording of depreciation expense on the County’s government-wide financial statements for capital assets and disclosing the final and original legally adopted budgets.

The County began presenting J. F. Hawkins Nursing Home as a proprietary fund of the County’s primary government. The County reclassified the transfer station from an enterprise fund that primarily collected user fees to a special revenue fund that relies on tax collections. The County reclassified the fire/rescue squads to fiduciary funds from special revenue funds since the funds for each department/squad is custodial in nature to be used for each department’s purpose/needs and not for the benefit of the County’s daily operations.

NOTE R – CAPITAL ASSETS

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

| | Balance, <u>July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | Balance, <u>June 30, 2003</u> |
|--------------------------|---------------------------------|-------------------|------------------|----------------------------------|
| Buildings and land | \$ 7,500,000 | \$ -- | \$ -- | \$ 7,500,000 |
| Construction in Progress | -- | 1,117,186 | -- | 1,117,186 |
| Vehicles and equipment | 6,570,077 | 437,831 | -- | 7,007,908 |
| Accumulated Depreciation | <u>(5,450,579)</u> | <u>(751,540)</u> | <u>--</u> | <u>(6,202,119)</u> |
| Total | <u>\$ 8,619,498</u> | <u>\$ 803,477</u> | <u>\$ --</u> | <u>\$ 9,422,975</u> |

The original costs of the buildings and land have been estimated as the original purchase documents are not readily available.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

NOTE R – CAPITAL ASSETS - Continued

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

| | Balance, <u>July 1, 2002</u> | <u>Additions</u> | <u>Deletions</u> | Balance, <u>June 30, 2003</u> |
|-----------------------------|---------------------------------|---------------------|------------------|----------------------------------|
| Land | \$ 533,287 | \$ 43,010 | \$ -- | \$ 576,297 |
| Land | | | | |
| Improvements | 1,293,595 | 2,500 | -- | 1,296,095 |
| Buildings | 10,829,495 | -- | -- | 10,829,495 |
| Building | | | | |
| Improvements | 909,313 | 5,840 | (300) | 914,853 |
| Equipment | 1,995,034 | 50,484 | (40,801) | 2,004,717 |
| Accumulated depreciation | <u>(3,920,657)</u> | <u>(618,560)</u> | <u>40,455</u> | <u>(4,498,762)</u> |
| | <u>\$ 11,324,316</u> | <u>\$ (559,736)</u> | <u>\$ (646)</u> | <u>\$ 10,763,934</u> |

The County recorded depreciation expense of \$751,540 shown in current expenses on the statement of activities – governmental activities and the Nursing Home recorded \$618,560 in depreciation expense for business-type activities.

The County has elected not to capitalize the costs of paving the County's roads and classified roads as infrastructure. The estimated amount needed to keep the roads in a reasonable condition is between \$500,000 - \$1,000,000 annually. The County receives a portion of road maintenance funds from the State of South Carolina through the C-Funds reimbursements.

NOTE S – SUPPLEMENTAL CASH FLOW STATEMENT INFORMATION

In fiscal year 2002, the Nursing Home was assessed \$124,717 in penalties and interest for outstanding payroll taxes. The Internal Revenue Service subsequently reduced these penalties and interest in fiscal year 2003, due to the financial status of the Nursing Home. This resulted in a non-cash charge – abatement of IRS penalties and interest of \$124,717.

NOTE T – GOING CONCERN

The Nursing Home had a net deficit of \$793,293 at June 30, 2003. This was due to operating losses in current and prior periods. At the present occupancy, the Nursing Home had a positive operating cash flow. Currently, the Nursing Home is trying to reduce the interest rates on the notes payable to improve cash flow and operating income.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUE

SET AND ACTUAL

NEWBE

A

| | | Actual | Variance Favorable (Unfavorable) |
|---------------------------------|------------------|------------------|--|
| Revenue | | | |
| Taxes | | | |
| Property taxes, current | | \$ 8,129,784 | \$ (38,929) |
| Fee in lieu of taxes | 120,000 | 330,229 | 210,229 |
| Delinquent taxes | 130,000 | 118,074 | (11,926) |
| Delinquent tax cost | 90,000 | 94,306 | 4,306 |
| Total Taxes | 8,508,713 | 8,672,393 | 163,680 |
| Intergovernmental | | | |
| Local government | 1,695,412 | 1,604,465 | (90,947) |
| Merchant inventory tax | 86,536 | 86,536 | - |
| Salary supplements | 4,725 | 4,725 | - |
| Accomodations tax | 29,400 | 67,349 | 37,949 |
| National forestry fund | 271,900 | 295,860 | 23,960 |
| C-Fund revenue | 850,000 | 811,385 | (38,615) |
| FAA grant for Airport | 242,017 | 221,035 | (20,982) |
| Disaster preparedness | 49,200 | 38,758 | (10,442) |
| Total Intergovernmental | 3,229,190 | 3,130,113 | (99,077) |
| Fines and fees | | | |
| Clerk of Court - fees | 154,757 | 205,212 | 50,455 |
| Clerk of Court - fines | 70,413 | 66,912 | (3,501) |
| CCCP fees | 59,603 | 115,110 | 55,507 |
| Clerk of Court - copies | 8,068 | 10,884 | 2,816 |
| Central Court | 750,000 | 446,983 | (303,017) |
| Magistrates | 4,000 | 4,016 | 16 |
| Registration and election | 16,038 | 29,607 | 13,569 |
| Vending machines | 300 | 110 | (190) |
| Probate Judge - fees | 54,681 | 82,683 | 28,002 |
| Probate Judge - copies | 1,011 | 3,324 | 2,313 |
| Sheriff - fees | 14,278 | 10,020 | (4,258) |
| Forfeit land commission | - | 11,567 | 11,567 |
| Emergency 911 | 192,148 | 391,305 | 199,157 |
| Marriage license fee/ceremonies | 950 | 100 | (850) |
| Building Permits | - | 1,581 | 1,581 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------------|-----------------|---------------|--|
| Fines and fees - continued | | | |
| Building Inspection | | | |
| FFP | | | |
| Zoning fee | 162,164 | 50,377 | (111,787) |
| Cable/phone franchise | 65,000 | 40,903 | (24,097) |
| Total Fines and fees | 30,000 | 26,100 | 26,100 |
| Other | 1,583,411 | 1,510,088 | (73,323) |
| Interest | | | |
| Veterans affairs | 100,000 | 114,025 | 14,025 |
| Returned checks | 8,146 | 6,895 | (1,251) |
| Health department | 1,000 | 1,250 | 250 |
| Zoning permits | 10,000 | 11,805 | 1,805 |
| Assessor's maps | 10,700 | 26,100 | 15,400 |
| Rent & utilities | 3,000 | 2,285 | (715) |
| Sale of pipe | 5,400 | 11,737 | 6,337 |
| Assessor - copies | 600 | 1,054 | 454 |
| Motor vehicle credit | 1,500 | 1,214 | (286) |
| Council on aging | 60,000 | 97,622 | 37,622 |
| EOC | 20,500 | 22,737 | 2,237 |
| Soil and Water Conservation | 10,000 | - | (10,000) |
| School resource officer | 23,091 | 12,894 | (10,197) |
| Surplus property sale | 188,651 | 146,191 | (42,460) |
| Insurance proceeds | 20,000 | 47,018 | 27,018 |
| Miscellaneous | 25,000 | 21,015 | (3,985) |
| Total Other | 423,884 | 294,473 | (129,411) |
| TOTAL REVENUE | 911,472 | 818,315 | (93,157) |
| | \$ 14,232,786 | \$ 14,130,909 | \$ (101,877) |
| | | - 26,100 | |
| | | 14,104,809 | |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--------------------------|-------------------------|----------------|--|
| Expenditures | | | |
| LEGISLATIVE | | | |
| County Council | | | |
| Personnel | 74,755 | 74,755 | - |
| Social security | 5,334 | 5,334 | - |
| Retirement | 5,070 | 5,070 | - |
| Travel - council | 24,000 | 17,573 | 6,427 |
| Insurance | 30,681 | 30,681 | - |
| Workers compensation | 122 | 122 | - |
| Advertising | 4,500 | 3,367 | 1,133 |
| Audit | 25,000 | 20,675 | 4,325 |
| Office expenses | 1,850 | 1,265 | 585 |
| Postage | 500 | 235 | 265 |
| Accrued payroll | <u>12,471</u> | <u>12,471</u> | <u>-</u> |
| TOTAL LEGISLATIVE | <u>184,283</u> | <u>171,548</u> | <u>12,735</u> |
| ADMINISTRATION | | | |
| County Administrator | | | |
| Personnel | 222,172 | 203,914 | 18,258 |
| Social security | 14,330 | 14,330 | - |
| Retirement | 13,797 | 13,797 | - |
| Insurance | 17,030 | 17,030 | - |
| Workers compensation | 385 | 385 | - |
| Consulting | 2,755 | 2,755 | - |
| Vehicle insurance | 610 | 296 | 314 |
| Payroll services | 14,783 | 14,783 | - |
| Advertising | 6,519 | 6,455 | 64 |
| Maintenance | 8,500 | 1,945 | 6,555 |
| Copier machine | 2,070 | 1,131 | 939 |
| Memberships & Dues | 1,640 | 1,454 | 186 |
| Office expense | 4,550 | 3,888 | 662 |
| Postage | 4,871 | 4,745 | 126 |
| Printing | 3,500 | 3,435 | 65 |
| Telephone | 4,100 | 2,782 | 1,318 |
| Repairs to telephone | 150 | - | 150 |
| Training | 2,182 | 1,852 | 330 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|-----------------|----------------|--|
| County Administrator - continued | | | |
| Travel | 2,557 | 2,489 | 68 |
| Gas, oil and grease | 750 | 8 | 742 |
| Subsistence | <u>4,858</u> | <u>3,396</u> | <u>1,462</u> |
| Total County Administrator | <u>332,109</u> | <u>300,870</u> | <u>31,239</u> |
| Miscellaneous Operating | | | |
| Salary increase | 28,419 | 28,419 | - |
| Contracted maintenance | 56,983 | 19,436 | 37,547 |
| Consulting and technology | 20,000 | 20,000 | - |
| Insurance | 11,666 | 3,164 | 8,502 |
| Tort insurance | 50,000 | 50,000 | - |
| Unemployment insurance | 14,089 | 14,089 | - |
| Vehicle insurance | 1,000 | - | 1,000 |
| Bonds | 5,000 | 2,347 | 2,653 |
| Insurance - buildings | 38,561 | 35,450 | 3,111 |
| Subsistence | 12,800 | 6,852 | 5,948 |
| Capital outlays | 3,000 | 993 | 2,007 |
| Blood borne | 2,000 | 52 | 1,948 |
| Telephone | 89,000 | - | 89,000 |
| Chamber dues | 175 | 125 | 50 |
| Legals | <u>69,103</u> | <u>36,287</u> | <u>32,816</u> |
| Total Miscellaneous Operating | <u>401,796</u> | <u>217,214</u> | <u>184,582</u> |
| TOTAL ADMINISTRATION | <u>733,905</u> | <u>518,084</u> | <u>215,821</u> |
| TAX ASSESSMENT & COLLECTION | | | |
| Treasurer's Office | | | |
| Personnel | 138,075 | 137,388 | 687 |
| Overtime | 1,379 | 752 | 627 |
| Social security | 9,966 | 9,966 | - |
| Retirement | 9,338 | 9,338 | - |
| Insurance | 16,436 | 16,436 | - |
| Workers compensation | 928 | 928 | - |
| Advertising | 300 | 128 | 172 |
| Contracted maintenance | 20,290 | 20,090 | 200 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------------------|-----------------|----------------|--|
| Treasurer's Office - continued | | | |
| Repairs - equipment | 2,367 | 2,341 | 26 |
| Copiers & printer | 400 | 202 | 198 |
| Membership & dues | 70 | 70 | - |
| Office expense | 2,000 | 2,000 | - |
| Postage | 30,661 | 30,661 | - |
| Printing | 500 | 260 | 240 |
| Telephone | 2,810 | 1,818 | 992 |
| Repairs to telephone | 100 | - | 100 |
| Training | 1,058 | 1,043 | 15 |
| Travel | 1,041 | 974 | 67 |
| Subsistence | 1,168 | 1,168 | - |
| Smith Data | 43,316 | 40,629 | 2,687 |
| Capital outlay | <u>7,000</u> | <u>7,000</u> | <u>-</u> |
| Total Treasurer's Office | <u>289,203</u> | <u>283,192</u> | <u>6,011</u> |
| Auditor's Office | | | |
| Personnel | 111,597 | 111,597 | - |
| Social security | 8,141 | 8,141 | - |
| Retirement | 7,622 | 7,622 | - |
| Insurance | 10,096 | 10,096 | - |
| Workers compensation | 187 | 187 | - |
| Advertising | 515 | 311 | 204 |
| Contracted maintenance | 20,290 | 20,273 | 17 |
| Repairs to equipment | 359 | 359 | - |
| Copier | 200 | 10 | 190 |
| Memberships & dues | 155 | 155 | - |
| Office expense | 1,196 | 1,171 | 25 |
| Postage | 500 | 432 | 68 |
| Printing | 700 | 637 | 63 |
| Subscriptions & books | 650 | 586 | 64 |
| Telephone | 2,250 | 2,109 | 141 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|------------------------------|------------------------|----------------|---|
| Auditor's Office - continued | | | |
| Training | 605 | 590 | 15 |
| Travel | 904 | 898 | 6 |
| Smith Data | 44,590 | 40,629 | 3,961 |
| Subsistence | 75 | 44 | 31 |
| Capital outlay | <u>7,000</u> | <u>7,000</u> | <u>-</u> |
| Total Auditor's Office | <u>217,632</u> | <u>212,847</u> | <u>4,785</u> |
| Assessor's Office | | | |
| Personnel | 153,208 | 151,807 | 1,401 |
| Overtime | 7,781 | 7,781 | - |
| Social security | 10,314 | 10,314 | - |
| Retirement | 8,964 | 8,964 | - |
| Insurance | 21,463 | 21,463 | - |
| Workers compensation | 271 | 271 | - |
| Advertising | 1,200 | 914 | 286 |
| Contracted maintenance | 164,128 | 53,404 | 110,724 |
| Memberships & dues | 1,035 | 20 | 1,015 |
| Office expense | 2,503 | 2,314 | 189 |
| Copier supplies | 600 | 501 | 99 |
| Postage | 2,103 | 2,103 | - |
| Printing | 900 | 900 | - |
| Subscription & books | 550 | 148 | 402 |
| Telephone | 2,250 | 1,844 | 406 |
| Repairs to telephone | 200 | 60 | 140 |
| Training | 2,550 | 2,366 | 184 |
| Travel | 200 | 171 | 29 |
| Gas, oil, grease | 2,500 | 942 | 1,558 |
| Smith Data | 8,067 | 4,889 | 3,178 |
| Subsistence | 1,110 | 798 | 312 |
| Vehicle insurance | 1,760 | 606 | 1,154 |
| Capital outlay | <u>31,533</u> | <u>20,424</u> | <u>11,109</u> |
| Total Assessor's Office | <u>425,190</u> | <u>293,004</u> | <u>132,186</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|--|------------------------|----------------|--|
| Tax Review & Appeals Board | | | |
| Personnel | 3,000 | - | 3,000 |
| Total Tax Review & Appeals Board | <u>3,000</u> | <u>-</u> | <u>3,000</u> |
| Tax Collector | | | |
| Personnel | 21,417 | 21,417 | - |
| Social security | 1,634 | 1,634 | - |
| Retirement | 1,467 | 1,467 | - |
| Insurance | 3,393 | 3,393 | - |
| Workers compensation | 38 | 38 | - |
| Advertising | 12,490 | 5,629 | 6,861 |
| Contracted maintenance | 1,625 | 1,353 | 272 |
| Consulting | 12,600 | 11,550 | 1,050 |
| Professional services | 5,000 | 1,070 | 3,930 |
| Memberships & dues | 80 | 50 | 30 |
| Office expense | 750 | 598 | 152 |
| Postage | 44,000 | 25,640 | 18,360 |
| Printing | 410 | 410 | - |
| Supplies - posting | 950 | 938 | 12 |
| Telephone | 1,385 | 793 | 592 |
| Repairs to telephone | 2,500 | 724 | 1,776 |
| Training | 800 | 440 | 360 |
| Travel | 495 | 146 | 349 |
| Vehicle insurance | 260 | 222 | 38 |
| Gas, oil, grease | 700 | 67 | 633 |
| Smith Data | 8,000 | 5,953 | 2,047 |
| Subsistence | 725 | 574 | 151 |
| Capital outlay | 2,585 | - | 2,585 |
| Total Tax Collector | <u>123,304</u> | <u>84,106</u> | <u>39,198</u> |
| TOTAL TAX ASSESSMENT & COLLECTION | <u>1,058,329</u> | <u>873,149</u> | <u>185,180</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|----------------|--|
| REGISTRATION & ELECTION BOARD | | | |
| Personnel | 37,827 | 37,827 | - |
| Precinct personnel | 10,225 | 10,225 | - |
| Board members | 18,005 | 17,648 | 357 |
| Social security | 2,875 | 2,875 | - |
| Retirement | 2,591 | 2,591 | - |
| Insurance | 8,059 | 8,059 | - |
| Workers compensaton | 67 | 67 | - |
| Advertising | 1,202 | 1,202 | - |
| Contracted maintenance | 7,177 | 7,177 | - |
| Memberships & dues | 180 | 180 | - |
| Office expense | 1,500 | 1,492 | 8 |
| Postage | 2,000 | 1,692 | 308 |
| Printing | 3,220 | 3,220 | - |
| Batteries, parts | 1,620 | 1,465 | 155 |
| Telephone | 4,100 | 4,100 | - |
| Repairs to telephone | 1,200 | 1,084 | 116 |
| Training | 1,088 | 936 | 152 |
| Travel | 1,600 | 1,597 | 3 |
| Subsitence | 2,424 | 1,529 | 895 |
| Office furniture | 17,000 | 16,956 | 44 |
| | <u>123,960</u> | <u>121,922</u> | <u>2,038</u> |
| TOTAL REGISTRATION & ELECTION BOARD | | | |
| | <u>123,960</u> | <u>121,922</u> | <u>2,038</u> |
| ADMINISTRATION OF JUSTICE | | | |
| Criminal & Civil Court | | | |
| Personnel | 86,000 | 86,000 | - |
| Personnel - bailiff | 15,000 | 9,600 | 5,400 |
| Jury fees | 60,000 | 46,769 | 13,231 |
| Court expense | 2,000 | 1,321 | 679 |
| Telephone | 2,600 | 733 | 1,867 |
| Telephone - family court | 2,040 | 1,347 | 693 |
| Repairs to telephone | 100 | 100 | - |
| DJJ | 3,000 | 802 | 2,198 |
| | <u>170,740</u> | <u>146,672</u> | <u>24,068</u> |
| Total Criminal & Civil Court | <u>170,740</u> | <u>146,672</u> | <u>24,068</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|--------------------------------------|-------------------------|----------------|---|
| Clerk of Court | | | |
| Personnel | 116,699 | 116,611 | 88 |
| Social security | 8,927 | 8,799 | 128 |
| Retirement | 7,994 | 7,988 | 6 |
| Insurance | 10,951 | 10,951 | - |
| Workers compensation | 209 | 205 | 4 |
| Advertising | 450 | 230 | 220 |
| Contracted maintenance | 78,497 | 65,255 | 13,242 |
| Repairs to equipment | 8,500 | 2,068 | 6,432 |
| Copier | 1,500 | 611 | 889 |
| Memberships & dues | 50 | 50 | - |
| Office expense | 5,047 | 5,047 | - |
| Postage | 20,000 | 20,000 | - |
| Printing | 1,000 | 636 | 364 |
| Telephone | 3,500 | 1,551 | 1,949 |
| Repairs to telephone | 100 | - | 100 |
| Training | 355 | 225 | 130 |
| Subsistence | 650 | 439 | 211 |
| Travel | 500 | 474 | 26 |
| Capital outlay | 17,900 | - | 17,900 |
| | <u>282,829</u> | <u>241,140</u> | <u>41,689</u> |
| Total Clerk of Court | | | |
| Family Court - Clerk of Court | | | |
| Personnel | 80,491 | 80,491 | - |
| Social security | 5,713 | 5,713 | - |
| Retirement | 5,514 | 5,514 | - |
| Insurance | 14,067 | 14,067 | - |
| Workers compensation | 136 | 136 | - |
| Contracted maintenance | 3,825 | 3,825 | - |
| Repairs to equipment | 3,040 | - | 3,040 |
| Office expense | 1,700 | 1,000 | 700 |
| Postage | 10,000 | 2,984 | 7,016 |
| Printing | 10,000 | 6,575 | 3,425 |
| Telephone | 3,500 | 2,510 | 990 |
| Repairs to telephone | 100 | - | 100 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|---|------------------------|----------------|---|
| Family Court - Clerk of Court - continued | | | |
| Subsistence | 1,050 | 765 | 285 |
| Training | 275 | - | 275 |
| Travel | 400 | 145 | 255 |
| Capital outlay | <u>17,450</u> | <u>-</u> | <u>17,450</u> |
| Total Family Court - Clerk of Court | <u>157,261</u> | <u>123,725</u> | <u>33,536</u> |
| Probate Judge | | | |
| Personnel | 109,462 | 109,381 | 81 |
| Social security | 7,765 | 7,765 | - |
| Retirement | 9,402 | 9,402 | - |
| Insurance | 17,384 | 17,384 | - |
| Workers compensation | 191 | 191 | - |
| Advertising | 205 | 183 | 22 |
| Contracted maintenance | 1,320 | 1,320 | - |
| Repairs to equipment | 1,500 | 1,366 | 134 |
| Membership & dues | 300 | 218 | 82 |
| Office expense | 3,745 | 3,717 | 28 |
| Postage | 865 | 763 | 102 |
| Printing | 800 | 655 | 145 |
| Telephone | 4,000 | 1,445 | 2,555 |
| Education & training | 1,025 | 1,002 | 23 |
| Travel | 1,331 | 1,186 | 145 |
| Record books | 3,200 | 2,500 | 700 |
| Capital outlay | <u>3,460</u> | <u>3,434</u> | <u>26</u> |
| Total Probate Judge | <u>165,955</u> | <u>161,912</u> | <u>4,043</u> |
| Probation & Parole Office | | | |
| P.O. Box rent | 49 | 38 | 11 |
| Telephone | <u>2,600</u> | <u>1,275</u> | <u>1,325</u> |
| Total Probation & Parole Office | <u>2,649</u> | <u>1,313</u> | <u>1,336</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|------------------------------|-------------------------|---------------|--|
| Public Defender | | | |
| Personnel | 37,364 | 37,364 | - |
| Social security | 2,856 | 2,856 | - |
| Retirement | 2,715 | 2,715 | - |
| Insurance | 3,056 | 3,056 | - |
| Workers compensation | 61 | 61 | - |
| Office expense | 600 | 600 | - |
| Postage | 900 | 900 | - |
| Training | 500 | 500 | - |
| | <u>48,052</u> | <u>48,052</u> | <u>-</u> |
| Total Public Defender | | | |
| Coroner | | | |
| Personnel | 20,063 | 20,063 | - |
| Social security | 1,440 | 1,440 | - |
| Retirement | 1,858 | 1,858 | - |
| Insurance | 3,114 | 3,114 | - |
| Workers compensation | 33 | 33 | - |
| Contracted maintenance | 450 | 214 | 236 |
| Memberships & dues | 400 | 325 | 75 |
| Office expense | 300 | 58 | 242 |
| Postage | 132 | 132 | - |
| Subsistence | 115 | 102 | 13 |
| Telephone | 1,700 | 1,538 | 162 |
| Training | 300 | 250 | 50 |
| Travel | 3,289 | 3,246 | 43 |
| Film & gloves | 750 | 750 | - |
| Post Mortems & BA | 19,675 | 19,535 | 140 |
| Supplies | 1,600 | 1,600 | - |
| | <u>55,219</u> | <u>54,258</u> | <u>961</u> |
| Total Coroner | | | |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|------------------------------------|-------------------------|------------------|--|
| Magistrate District 2 | | | |
| Personnel | 166,130 | 166,130 | - |
| Social security | 12,135 | 12,135 | - |
| Retirement | 14,783 | 14,783 | - |
| Insurance | 29,943 | 29,943 | - |
| Workers compensation | 293 | 293 | - |
| Advertising | - | 18 | (18) |
| Contracted maintenance | 4,300 | 3,827 | 473 |
| Repairs to equipment | 600 | 545 | 55 |
| Consulting & tech fees | 500 | 417 | 83 |
| Office expense | 4,425 | 4,416 | 9 |
| Postage | 2,800 | 2,758 | 42 |
| Printing | 2,482 | 2,312 | 170 |
| Telephone | 4,500 | 2,502 | 1,998 |
| Repairs to telephone | 400 | 60 | 340 |
| Training | 955 | 881 | 74 |
| Travel | 2,548 | 2,410 | 138 |
| Capital outlay | <u>37,516</u> | <u>36,600</u> | <u>916</u> |
| Total Magistrate District 2 | <u>284,310</u> | <u>280,030</u> | <u>4,280</u> |
| Magistrate District 6 | | | |
| Personnel | 9,937 | 9,929 | 8 |
| Social security | 760 | 760 | - |
| Retirement | 1,062 | 1,062 | - |
| Insurance | 3,389 | 3,389 | - |
| Membership | 50 | 50 | - |
| Office expense | 1,121 | 1,121 | - |
| Postage | 110 | 110 | - |
| Rent | 300 | 300 | - |
| Training | 100 | 40 | 60 |
| Travel | 300 | 233 | 67 |
| Telephone | <u>275</u> | <u>275</u> | <u>-</u> |
| Total Magistrate District 6 | <u>17,404</u> | <u>17,269</u> | <u>135</u> |
| TOTAL ADMINISTRATION OF JUSTICE | <u>1,184,419</u> | <u>1,074,371</u> | <u>110,048</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final</u> <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) |
|---|-------------------------------|---------------|--|
| LAW ENFORCEMENT | | | |
| Sheriff's Department | | | |
| Personnel | 1,057,511 | 1,057,511 | - |
| Overtime | 61,168 | 61,168 | - |
| School resource officer - salary and benefits | 190,394 | 190,394 | - |
| School safety officer | 5,000 | 4,919 | 81 |
| Social security | 81,093 | 81,093 | - |
| Retirement | 116,558 | 116,558 | - |
| Insurance | 132,830 | 132,830 | - |
| Workers compensation | 19,454 | 19,454 | - |
| Advertising | 200 | 127 | 73 |
| Contracted maintenance | 17,500 | 17,146 | 354 |
| Consulting & tech fees | 500 | 300 | 200 |
| Copier | 1,050 | 1,029 | 21 |
| Professional services | 1,000 | 370 | 630 |
| Vehicle insurance | 41,344 | 41,344 | - |
| Bonds - employees | 2,050 | 2,050 | - |
| Membership & dues | 3,425 | 3,419 | 6 |
| Office expense | 1,950 | 1,883 | 67 |
| Postage | 1,000 | 1,000 | - |
| Printing | 3,980 | 3,767 | 213 |
| Transportation of prisoners | 2,500 | 1,131 | 1,369 |
| Lease purchase - Building | 154,008 | 154,008 | - |
| Repairs to radio | 1,000 | 945 | 55 |
| Telephone | 5,745 | 5,745 | - |
| Repairs to telephone | 100 | - | 100 |
| Training | 1,910 | 1,175 | 735 |
| Travel | 550 | 57 | 493 |
| Subsistence | 5,610 | 4,926 | 684 |
| Ammo & guns | 6,327 | 6,327 | - |
| Cleaning supplies | 517 | 517 | - |
| Gas, oil, grease | 84,462 | 83,548 | 914 |
| Medicals | 2,500 | 2,249 | 251 |
| Police supplies | 3,783 | 3,687 | 96 |
| Photo supplies | 1,300 | 1,300 | - |
| Books | 474 | 447 | 27 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|------------------|------------------|--|
| Sheriff's Department - continued | | | |
| Supplies | 2,500 | 2,488 | 12 |
| Air patrols | 800 | - | 800 |
| Uniforms | 20,159 | 20,130 | 29 |
| Grant match | 3,750 | 3,750 | - |
| Special law enforcement | 1,275 | 1,089 | 186 |
| Capital outlay | 43,000 | 42,816 | 184 |
| Bloodhounds | 3,900 | 3,880 | 20 |
| Office furniture | 42,100 | 41,277 | 823 |
| Other equipment | 42,691 | 42,515 | 176 |
| Crime prevention | 1,000 | 968 | 32 |
| Project near | 800 | 800 | - |
| | <u>2,170,768</u> | <u>2,162,137</u> | <u>8,631</u> |
| Total Sheriff's Department | | | |
| | <u>2,170,768</u> | <u>2,162,137</u> | <u>8,631</u> |
| TOTAL LAW ENFORCEMENT | | | |
| | <u>2,170,768</u> | <u>2,162,137</u> | <u>8,631</u> |
| DETENTION | | | |
| Corrections | | | |
| Personnel | 543,541 | 449,796 | 93,745 |
| Overtime | 57,281 | 46,580 | 10,701 |
| Social security | 41,581 | 35,278 | 6,303 |
| Retirement | 57,803 | 51,512 | 6,291 |
| Insurance | 64,438 | 64,054 | 384 |
| Workers compensation | 10,260 | 10,260 | - |
| Advertising | 800 | 266 | 534 |
| Contracted maintenance | 6,925 | 6,573 | 352 |
| Repairs to equipment | 1,600 | 1,600 | - |
| Copier machine | 700 | 665 | 35 |
| Utilities | 85,000 | 61,793 | 23,207 |
| Vehicle insurance | 2,250 | 961 | 1,289 |
| Memberships & dues | 110 | 99 | 11 |
| Office expense | 3,250 | 3,044 | 206 |
| Postage | 136 | 136 | - |
| Printing | 1,500 | 1,385 | 115 |
| Repairs to radio | 500 | - | 500 |
| Telephone | 3,300 | 2,377 | 923 |
| Repairs to telephone | 100 | 100 | - |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Favorable (Unfavorable)</u> |
|-------------------------|-------------------------|------------------|---|
| Corrections - continued | | | |
| Training | 2,460 | 2,003 | 457 |
| Training - medical | 1,100 | 1,086 | 14 |
| Travel | 1,062 | 401 | 661 |
| Subsistence | 6,000 | 1,558 | 4,442 |
| Bedding | 6,000 | 5,586 | 414 |
| Chemicals | 2,560 | 2,552 | 8 |
| Cleaning materials | 3,000 | 2,982 | 18 |
| Food | 126,200 | 118,976 | 7,224 |
| Gas, oil, grease | 1,700 | 1,529 | 171 |
| Medical | 82,000 | 62,346 | 19,654 |
| Drugs | 35,000 | 22,291 | 12,709 |
| Police supplies | 1,500 | 1,430 | 70 |
| Books | 700 | 556 | 144 |
| Clothing | 7,500 | 7,422 | 78 |
| Uniforms | 13,055 | 13,055 | - |
| DYS Juvenile | 4,650 | 4,075 | 575 |
| Kitchen supplies | 1,500 | 1,406 | 94 |
| Capital outlay | 16,200 | 16,143 | 57 |
| Photo ID equipment | 1,350 | 941 | 409 |
| Other equipment | 37,124 | 36,650 | 474 |
| | <u>1,231,736</u> | <u>1,039,467</u> | <u>192,269</u> |
| Total Corrections | | | |
| | <u>1,231,736</u> | <u>1,039,467</u> | <u>192,269</u> |
| TOTAL DETENTION | | | |
| | <u>1,231,736</u> | <u>1,039,467</u> | <u>192,269</u> |
| PUBLIC SAFETY | | | |
| Public Safety | | | |
| Personnel | 65,631 | 62,458 | 3,173 |
| Social security | 4,737 | 4,737 | - |
| Retirement | 3,928 | 3,928 | - |
| Insurance | 6,767 | 6,767 | - |
| Workers compensation | 127 | 127 | - |
| Contracted maintenance | 6,964 | 5,672 | 1,292 |
| Repairs to equipment | 200 | 200 | - |
| Copier machine | 300 | 256 | 44 |
| Vehicle insurance | 670 | 599 | 71 |
| Office expense | 2,560 | 2,241 | 319 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|-----------------|---------------|--|
| Public Safety - continued | | | |
| Postage | 160 | 160 | - |
| Telephone | 1,500 | 1,461 | 39 |
| Training | 1,000 | 82 | 918 |
| Gas, oil, grease | 1,000 | 870 | 130 |
| Photo supplies | 500 | 373 | 127 |
| Safety supplies | 700 | 662 | 38 |
| Other equipment | 2,000 | 485 | 1,515 |
| Travel | 450 | - | 450 |
| Total Public Safety | <u>99,194</u> | <u>91,078</u> | <u>8,116</u> |
| Public Safety Grant | | | |
| Contracted maintenance | 3,482 | 1,218 | 2,264 |
| Telephone | 3,500 | 3,355 | 145 |
| Repairs to telephone | 600 | 10 | 590 |
| Travel | 4,000 | 251 | 3,749 |
| Capital outlay | 6,918 | 6,884 | 34 |
| Total Public Safety Grant | <u>18,500</u> | <u>11,718</u> | <u>6,782</u> |
| Animal Control | | | |
| Personnel | 75,086 | 73,147 | 1,939 |
| Emergency call | 3,650 | 3,499 | 151 |
| Social security | 5,583 | 5,583 | - |
| Retirement | 4,785 | 4,785 | - |
| Insurance | 12,119 | 12,119 | - |
| Workers compensation | 2,022 | 2,022 | - |
| Advertising | 150 | 66 | 84 |
| Utilities | 3,827 | 3,593 | 234 |
| Insurance vehicles | 1,560 | 1,220 | 340 |
| Memberships and dues | 195 | 185 | 10 |
| Office expense | 2,400 | 2,400 | - |
| Postage | 150 | 111 | 39 |
| Repairs to equipment | 975 | 349 | 626 |
| Telephone | 3,436 | 1,698 | 1,738 |
| Training | 500 | 500 | - |
| Travel | 300 | 163 | 137 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|----------------------------|-------------------------|----------------|---|
| Animal Control - continued | | | |
| Subsistence | 430 | 345 | 85 |
| Cleaning supplies | 1,622 | 1,412 | 210 |
| Dog food | 1,300 | 1,056 | 244 |
| Gas, oil and grease | 5,447 | 2,906 | 2,541 |
| Medical and surgical | 3,200 | 2,780 | 420 |
| Medication | 4,876 | 3,997 | 879 |
| Capital outlay | <u>47,400</u> | <u>47,400</u> | <u>-</u> |
| Total Animal Control | <u>181,013</u> | <u>171,336</u> | <u>9,677</u> |
| Communications | | | |
| Personnel | 269,649 | 260,215 | 9,434 |
| Overtime | 28,174 | 28,174 | - |
| Social security | 21,557 | 20,139 | 1,418 |
| Retirement | 19,302 | 19,137 | 165 |
| Insurance | 46,672 | 46,672 | - |
| Workers compensation | 598 | 598 | - |
| Advertising | 200 | - | 200 |
| Contracted maintenance | 30,660 | 24,450 | 6,210 |
| Copier expense | 300 | 282 | 18 |
| Memberships & dues | 120 | - | 120 |
| Office expense | 2,000 | 2,000 | - |
| Postage | 37 | 37 | - |
| Printing | 140 | 137 | 3 |
| Repairs to equipment | 1,100 | 73 | 1,027 |
| Subsistence | 720 | 342 | 378 |
| Telephone | 3,250 | 2,621 | 629 |
| Training | 800 | 537 | 263 |
| Travel | <u>320</u> | <u>298</u> | <u>22</u> |
| Total Communications | <u>425,599</u> | <u>405,712</u> | <u>19,887</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|------------------------------------|-----------------|----------------|--|
| Board of Rescue Squads | | | |
| Utilities | 12,000 | 9,750 | 2,250 |
| Workers compensation | 7,878 | 7,878 | - |
| Vehicle insurance | 14,360 | 14,360 | - |
| EMS grant match | 22,000 | 18,518 | 3,482 |
| Repairs to equipment | 4,200 | 280 | 3,920 |
| Repairs to radio | 3,500 | 2,551 | 949 |
| Training | 15,000 | 14,345 | 655 |
| Gas, oil, grease | 5,528 | 3,966 | 1,562 |
| Medical supplies | 15,000 | 15,000 | - |
| Rescue supplies | 12,472 | 12,472 | - |
| Capital outlay | <u>107,900</u> | <u>20,924</u> | <u>86,976</u> |
| Total Board of Rescue Squads | <u>219,838</u> | <u>120,044</u> | <u>99,794</u> |
| Hazardous Materials | | | |
| Contracted maintenance | 2,700 | 2,115 | 585 |
| Office expenses | 425 | 200 | 225 |
| Medical | 5,875 | 3,119 | 2,756 |
| Supplies | <u>18,750</u> | <u>18,325</u> | <u>425</u> |
| Total Hazardous Materials | <u>27,750</u> | <u>23,759</u> | <u>3,991</u> |
| Board of Rural Fire Control | | | |
| Workers compensation | 11,791 | 11,791 | - |
| Shared revenue | 86,216 | 86,216 | - |
| Contracted maintenance | 2,500 | 1,650 | 850 |
| Utilities | 20,800 | 20,800 | - |
| Vehicle insurance | 26,926 | 26,926 | - |
| Office expense | 300 | 144 | 156 |
| Postage | 200 | 200 | - |
| Repairs to equipment | 4,055 | 1,091 | 2,964 |
| Repairs to auto | 3,500 | 3,392 | 108 |
| Repairs to radio | 3,500 | 3,459 | 41 |
| Telephone | 500 | 199 | 301 |
| Repairs to telephone | 100 | - | 100 |
| Training | 2,500 | 555 | 1,945 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|------------------|------------------|--|
| Board of Rural Fire Control - continued | | | |
| Gas, oil, grease | 12,000 | 8,516 | 3,484 |
| Fire supplies | 1,445 | 1,104 | 341 |
| Capital outlay | <u>582,424</u> | <u>107,596</u> | <u>474,828</u> |
| Total Board of Rural Fire Control | <u>758,757</u> | <u>273,639</u> | <u>485,118</u> |
| Building Inspections | | | |
| Personnel | 79,919 | 28,285 | 51,634 |
| Social security | 2,103 | 2,103 | - |
| Retirement | 1,937 | 1,937 | - |
| Insurance | 1,341 | 1,341 | - |
| Workers compensation | 1,050 | 1,050 | - |
| Advertising | 305 | 305 | - |
| Memberships | 160 | 160 | - |
| Office | 732 | 732 | - |
| Printing | 709 | 709 | - |
| Subscriptions | 404 | 404 | - |
| Telephone | 472 | 472 | - |
| Capital outlays | <u>46,147</u> | <u>39,117</u> | <u>7,030</u> |
| Total Building Inspections | <u>135,279</u> | <u>76,615</u> | <u>58,664</u> |
| TOTAL PUBLIC SAFETY | <u>1,838,180</u> | <u>1,150,142</u> | <u>688,038</u> |
| PUBLIC WORKS & MAINTENANCE | | | |
| Public Works | | | |
| Personnel | 396,276 | 390,013 | 6,263 |
| Overtime | 6,665 | 6,665 | - |
| Social security | 29,245 | 29,245 | - |
| Retirement | 27,173 | 27,173 | - |
| Insurance | 61,338 | 61,338 | - |
| Workers compensation | 20,785 | 20,785 | - |
| Advertising | 200 | 71 | 129 |
| Consulting fees | 25,000 | 22,571 | 2,429 |
| Utilities | 4,000 | 3,993 | 7 |
| Vehicle insurance | 14,890 | 14,890 | - |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------------|------------------|------------------|--|
| Public Works - continued | | | |
| Memberships & dues | 400 | 280 | 120 |
| Office expense | 540 | 500 | 40 |
| Postage | 250 | 212 | 38 |
| Printing | 400 | 40 | 360 |
| Supplies | 790 | 205 | 585 |
| Repairs to radio | 1,050 | 770 | 280 |
| Telephone | 4,400 | 4,400 | - |
| Repairs to telephone | 150 | - | 150 |
| Training | 2,065 | 1,110 | 955 |
| Travel | 1,485 | 589 | 896 |
| Bridge materials | 15,000 | 14,674 | 326 |
| Cleaning materials | 400 | 104 | 296 |
| Fertilizer, plants, seeds | 500 | - | 500 |
| Gas, oil, grease | 22,700 | 22,647 | 53 |
| Diesel fuel | 25,800 | 24,691 | 1,109 |
| Safety supplies | 500 | 154 | 346 |
| Gravel | 167,815 | 162,890 | 4,925 |
| Asphalt | 13,888 | 12,257 | 1,631 |
| CTC Consulting | 24,000 | 24,000 | - |
| Pipe | 14,700 | 10,957 | 3,743 |
| Tools | 4,910 | 3,932 | 978 |
| Road signs | 11,000 | 9,785 | 1,215 |
| CTC Reimbursement | 950,000 | 866,009 | 83,991 |
| Land improvements | 44,393 | 44,393 | - |
| Capital outlay | 39,890 | 39,890 | - |
| | <u>1,932,598</u> | <u>1,821,233</u> | <u>111,365</u> |
| Total Public Works | | | |
| Central Maintenance | | | |
| Personnel | 358,289 | 358,289 | - |
| Tools | 5,112 | 5,108 | 4 |
| | <u>363,401</u> | <u>363,397</u> | <u>4</u> |
| Total Central Maintenance | | | |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------------|-----------------|----------------|--|
| Building Maintenance | | | |
| Personnel | 28,463 | 28,442 | 21 |
| Social security | 2,068 | 2,068 | - |
| Retirement | 1,986 | 1,986 | - |
| Insurance | 4,043 | 4,043 | - |
| Workers compensation | 128 | 128 | - |
| Contracted maintenance | 18,791 | 17,724 | 1,067 |
| Repairs to radio | 500 | 491 | 9 |
| Utilities | 172,043 | 130,909 | 41,134 |
| Vehicle insurance | 625 | 609 | 16 |
| Supplies | 50,000 | 45,098 | 4,902 |
| Telephone | 900 | 866 | 34 |
| Gas, oil, grease | 929 | 929 | - |
| Tools | 979 | 952 | 27 |
| Total Building Maintenance | <u>281,455</u> | <u>234,245</u> | <u>47,210</u> |
| Special Projects | | | |
| Recycling | 9,850 | 7,462 | 2,388 |
| Total Special Projects | <u>9,850</u> | <u>7,462</u> | <u>2,388</u> |
| Community Hall | | | |
| Personnel | 7,165 | 7,160 | 5 |
| Social security | 542 | 542 | - |
| Retirement | 453 | 453 | - |
| Insurance | 3,393 | 3,393 | - |
| Workers compensation | 32 | 32 | - |
| Contracted maintenance | 2,280 | 240 | 2,040 |
| Telephone | 950 | 815 | 135 |
| Total Community Hall | <u>14,815</u> | <u>12,635</u> | <u>2,180</u> |
| Custodian Services | | | |
| Personnel | 20,463 | 20,438 | 25 |
| Social security | 1,565 | 1,438 | 127 |
| Retirement | 1,402 | 1,400 | 2 |
| Insurance | 4,610 | 4,610 | - |
| Workers compensation | 91 | 91 | - |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|------------------|------------------|--|
| Custodian Services - continued | | | |
| Vehicle insurance | 520 | 429 | 91 |
| Repairs to equipment | 387 | 352 | 35 |
| Repairs to radio | 51 | 51 | - |
| Cleaning supplies | 17,000 | 15,416 | 1,584 |
| Fertilizer, feed, seed | 350 | 322 | 28 |
| Gas, oil, grease | 1,430 | 1,132 | 298 |
| Tools | 770 | 597 | 173 |
| Capital outlay | <u>6,012</u> | <u>6,012</u> | <u>-</u> |
| Total Custodian Services | <u>54,651</u> | <u>52,288</u> | <u>2,363</u> |
| TOTAL PUBLIC WORKS & MAINTENANCE | <u>2,656,770</u> | <u>2,491,260</u> | <u>165,510</u> |
| PLANNING & DEVELOPMENT | | | |
| Development Board | <u>159,885</u> | <u>35,542</u> | <u>124,343</u> |
| Central Midlands Regional PC | <u>16,973</u> | <u>16,973</u> | <u>-</u> |
| Comprehensive Planning | | | |
| Personnel | 75,024 | 68,034 | 6,990 |
| Contracted personnel | 6,712 | 5,616 | 1,096 |
| Social security | 6,712 | 4,616 | 2,096 |
| Retirement | 4,819 | 4,177 | 642 |
| Insurance | 6,491 | 5,361 | 1,130 |
| Workers compensation | 142 | 128 | 14 |
| Advertising | 3,773 | 3,331 | 442 |
| Consulting and tech fees | 1,450 | - | 1,450 |
| Legals | 12,848 | 10,061 | 2,787 |
| Memberships and dues | 500 | 236 | 264 |
| Office expense | 4,970 | 4,777 | 193 |
| Postage | 1,850 | 396 | 1,454 |
| Printing | 2,125 | 1,751 | 374 |
| Books | 550 | 531 | 19 |
| Telephone | 4,337 | 4,333 | 4 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|---|-------------------------|----------------|---|
| Comprehensive Planning - continued | | | |
| Training | 5,400 | 1,720 | 3,680 |
| Travel | 6,602 | 1,814 | 4,788 |
| Gas, oil, and grease | 2,350 | 1,520 | 830 |
| Subsistence | 1,050 | - | 1,050 |
| Economic incentives | 50,000 | - | 50,000 |
| Capital outlay | <u>19,320</u> | <u>16,760</u> | <u>2,560</u> |
| Total Comprehensive Planning | <u>217,025</u> | <u>135,162</u> | <u>81,863</u> |
| Central Carolina Economic Development Alliance | <u>72,000</u> | <u>72,000</u> | <u>-</u> |
| TOTAL PLANNING & DEVELOPMENT | <u>465,883</u> | <u>259,677</u> | <u>206,206</u> |
| EDUCATION & CULTURE | | | |
| Newberry/Saluda Regional Library Quarterly - payment | <u>272,745</u> | <u>272,745</u> | <u>-</u> |
| TOTAL EDUCATION & CULTURE | <u>272,745</u> | <u>272,745</u> | <u>-</u> |
| AGRICULTURE & HOME ECONOMICS | | | |
| Clemson Extension | <u>119,070</u> | <u>115,822</u> | <u>3,248</u> |
| Newberry Soil & Water Conservation | <u>38,091</u> | <u>39,014</u> | <u>(923)</u> |
| TOTAL AGRICULTURE & HOME ECONOMICS | <u>157,161</u> | <u>154,836</u> | <u>2,325</u> |
| PUBLIC HEALTH | | | |
| Health Department | | | |
| Personnel | 22,679 | 22,679 | - |
| Telephone | 4,664 | 2,203 | 2,461 |
| Medical supplies | <u>3,000</u> | <u>3,000</u> | <u>-</u> |
| Total Health Department | <u>30,343</u> | <u>27,882</u> | <u>2,461</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|---------------|--|
| Beckman Mental Health | 15,000 | 15,000 | - |
| Westview Behavioral | 22,052 | 21,464 | 588 |
| Agency for the Developmentally Disabled | 22,500 | 22,500 | - |
| TOTAL PUBLIC HEALTH | 89,895 | 86,846 | 3,049 |
| SOCIAL SERVICES | | | |
| Department of Social Services | | | |
| Personnel | 2,160 | 2,070 | 90 |
| P.O. Box rent | 68 | 68 | - |
| Telephone | 11,000 | 6,283 | 4,717 |
| Emergency | 4,000 | 4,000 | - |
| Paupers funeral | 6,000 | 5,250 | 750 |
| Total Department of Social Services | 23,228 | 17,671 | 5,557 |
| Veteran's Affairs | | | |
| Personnel | 71,771 | 71,771 | - |
| Social security | 5,364 | 5,190 | 174 |
| Retirement | 4,802 | 4,515 | 287 |
| Insurance | 11,382 | 11,382 | - |
| Workers compensation | 326 | 318 | 8 |
| Advertising | 30 | 30 | - |
| Contracted maintenance | 600 | 600 | - |
| Membership fees | 85 | 65 | 20 |
| Office expense | 2,791 | 2,791 | - |
| Postage | 579 | 579 | - |
| Printing | 150 | 88 | 62 |
| Subscriptions | 150 | 39 | 111 |
| Telephone | 3,685 | 3,567 | 118 |
| Repairs to telephone | 601 | 601 | - |
| Training | 50 | 35 | 15 |
| Travel | 848 | 617 | 231 |
| Subsistence | 310 | 227 | 83 |
| Copier expenses | 750 | 744 | 6 |
| Total Veteran's Affairs | 104,274 | 103,159 | 1,115 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|-------------------------------------|-----------------|----------------|--|
| Council on Aging | | | |
| Quarterly appropriation | 32,300 | 32,300 | - |
| Gas, Oil and Grease | <u>28,000</u> | <u>26,721</u> | <u>1,279</u> |
| Total Council on Aging | <u>60,300</u> | <u>59,021</u> | <u>1,279</u> |
| | | | |
| Rape Crisis Network | <u>5,000</u> | <u>5,000</u> | <u>-</u> |
| | | | |
| Sistercare, Inc. | <u>2,700</u> | <u>2,700</u> | <u>-</u> |
| | | | |
| Newberry County Literacy | <u>5,435</u> | <u>5,435</u> | <u>-</u> |
| | | | |
| TOTAL SOCIAL SERVICES | <u>200,937</u> | <u>192,986</u> | <u>7,951</u> |
| | | | |
| MISCELLANEOUS | | | |
| Airport | | | |
| Contracted maintenance | 2,000 | 1,420 | 580 |
| Maintenance & supplies | 940 | 231 | 709 |
| Consulting | 30,000 | - | 30,000 |
| Utilities | 3,500 | 2,845 | 655 |
| Office expense | 50 | - | 50 |
| Telephone | 1,600 | 1,540 | 60 |
| Training | 500 | - | 500 |
| Travel | 860 | 375 | 485 |
| Chemicals | 1,160 | 1,160 | - |
| Capital outlay | 20,000 | - | 20,000 |
| Airport grant | <u>242,017</u> | <u>242,017</u> | <u>-</u> |
| Total Airport | <u>302,627</u> | <u>249,588</u> | <u>53,039</u> |
| | | | |
| Government Association | <u>380</u> | <u>165</u> | <u>215</u> |
| | | | |
| S.C. Association of Counties | <u>9,152</u> | <u>9,146</u> | <u>6</u> |
| | | | |
| National Association of Counties | <u>625</u> | <u>643</u> | <u>(18)</u> |
| | | | |
| Medically indigent Appropriation | <u>103,246</u> | <u>103,246</u> | <u>-</u> |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|------------------|------------------|--|
| Hospital Emergency Room Appropriation | <u>181,376</u> | <u>-</u> | <u>181,376</u> |
| Piedmont Tech Appropriation | <u>235,418</u> | <u>235,418</u> | <u>-</u> |
| Ambulance | | | |
| Appropriation | 216,578 | 216,568 | 10 |
| Repairs to radio | 1,500 | 1,438 | 62 |
| Uniforms | 7,200 | 6,804 | 396 |
| Diesel fuel | <u>13,352</u> | <u>13,352</u> | <u>-</u> |
| Total Ambulance | <u>238,630</u> | <u>238,162</u> | <u>468</u> |
| Recreation | | | |
| Recreation appropriation | <u>120,000</u> | <u>120,000</u> | <u>-</u> |
| Total Recreation | <u>120,000</u> | <u>120,000</u> | <u>-</u> |
| Accomodations tax | <u>79,496</u> | <u>77,954</u> | <u>1,542</u> |
| TOTAL MISCELLANEOUS | <u>1,270,950</u> | <u>1,034,322</u> | <u>236,628</u> |
| EMERGENCY 911 | | | |
| Personnel - Admin Assist | 44,919 | 44,919 | - |
| Social security | 3,314 | 2,916 | 398 |
| Retirement | 2,967 | 2,822 | 145 |
| Insurance | 7,768 | 7,768 | - |
| Workers compensation | 74 | 74 | - |
| Advertising | 2,750 | 2,685 | 65 |
| Copier | 250 | 231 | 19 |
| Vehicle insurance | 600 | 520 | 80 |
| Membership and dues | 450 | 180 | 270 |
| Office expenses | 2,195 | 2,192 | 3 |
| Postage | 1,000 | 225 | 775 |
| Printing | 1,500 | 805 | 695 |
| Vehicle maintenance | 400 | 168 | 232 |
| Training | 4,975 | 2,488 | 2,487 |
| Subsistence | 695 | 166 | 529 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final <u>Budget</u> | Actual | Variance Favorable (Unfavorable) |
|--|------------------------|-------------------|--|
| Emergency 911 - continued | | | |
| Gas, oil and grease | 500 | 165 | 335 |
| Publications | 200 | 168 | 32 |
| Coordinator telephone | 1,073 | 1,073 | - |
| 911 phone charges - BellSouth | 64,280 | 64,275 | 5 |
| Capital outlay | <u>255,311</u> | <u>255,311</u> | <u>-</u> |
| TOTAL EMERGENCY 911 | <u>395,221</u> | <u>389,151</u> | <u>6,070</u> |
| CAPITAL CONSTRUCTION & IMPROVEMENTS | | | |
| Capital improvement | <u>11,000</u> | <u>786</u> | <u>10,214</u> |
| TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS | <u>11,000</u> | <u>786</u> | <u>10,214</u> |
| 1997 - 1998 GO BOND | | | |
| Collection Centers | <u>84,753</u> | <u>-</u> | <u>84,753</u> |
| TOTAL 1997 - 1998 GO BOND | <u>84,753</u> | <u>-</u> | <u>84,753</u> |
| 1999 GO BOND | | | |
| Rescue Truck | 180 | - | 180 |
| Collections | 64,393 | - | 64,393 |
| Fees | <u>37,318</u> | <u>-</u> | <u>37,318</u> |
| TOTAL 1999 GO BOND | <u>101,891</u> | <u>-</u> | <u>101,891</u> |
| DEBT SERVICE | | | |
| Interest | | | |
| Special Source Revenue Anticipation Note | <u>-</u> | <u>5,245</u> | <u>(5,245)</u> |
| TOTAL DEBT SERVICE | <u>-</u> | <u>5,245</u> | <u>(5,245)</u> |
| TOTAL EXPENDITURES | <u>14,232,786</u> | <u>11,998,674</u> | <u>2,234,112</u> |
| Excess/(Deficiency) of Revenue over Expenditures | - | 2,132,235 | 2,132,235 |

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|--------------|--|
| OTHER FINANCING SOURCES/ (USES) | | | |
| Transfers from special revenue | - | 146,745 | 146,745 |
| TOTAL OTHER FINANCING SOURCES/(USES) | - | 146,745 | 146,745 |
| Excess of Revenue over Expenditures after other financing sources | \$ - | \$ 2,278,980 | \$ 2,278,980 |

COMBINING BALANCE SHEET

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | Sheriff's Funds | Sheriff's Grants | Victim's Rights | DSS Clerk of Court | Transfer Station | CDBG Grants | Total |
|---|--------------------|---------------------|--------------------|--------------------------|---------------------|-----------------|-------------------|
| ASSETS | | | | | | | |
| Cash | \$ 63,954 | \$ 188,808 | \$ 89,866 | \$ 33,031 | \$ - | \$ 4,535 | \$ 380,194 |
| Taxes receivable, net | - | - | - | - | 9,957 | - | 9,957 |
| TOTAL ASSETS | <u>\$ 63,954</u> | <u>\$ 188,808</u> | <u>\$ 89,866</u> | <u>\$ 33,031</u> | <u>\$ 9,957</u> | <u>\$ 4,535</u> | <u>\$ 390,151</u> |
| LIABILITIES | | | | | | | |
| Deferred revenue | \$ - | \$ 88,991 | \$ - | \$ - | \$ - | \$ 4,535 | \$ 93,526 |
| Due to general fund | - | 34,171 | 65,646 | - | 9,957 | - | 109,774 |
| TOTAL LIABILITIES | - | <u>123,162</u> | <u>65,646</u> | - | <u>9,957</u> | <u>4,535</u> | <u>203,300</u> |
| FUND BALANCE | | | | | | | |
| Reserved for special revenue | 63,954 | 65,646 | 24,220 | 33,031 | - | - | 186,851 |
| TOTAL FUND BALANCE | <u>63,954</u> | <u>65,646</u> | <u>24,220</u> | <u>33,031</u> | <u>-</u> | <u>-</u> | <u>186,851</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 63,954</u> | <u>\$ 188,808</u> | <u>\$ 89,866</u> | <u>\$ 33,031</u> | <u>\$ 9,957</u> | <u>\$ 4,535</u> | <u>\$ 390,151</u> |

COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| | Sheriff's Funds | Sheriff Block Grant | Victim's Rights | DSS Clerk of Court | Transfer Station | Miscellaneous Grants | Total |
|---|--------------------|---------------------------|--------------------|--------------------------|---------------------|-------------------------|-------------------|
| Revenue | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 1,217,120 | \$ - | \$ 1,217,120 |
| Intergovernmental | | | | | | | |
| Federal grants | 22,374 | 31,475 | - | 172,633 | - | 41,473 | 267,955 |
| State grants | 8,500 | - | - | - | 17,185 | 400,000 | 425,685 |
| Other | | | | | | | |
| Assessments | 4,504 | - | 123,997 | - | 118,398 | - | 246,899 |
| Tipping fees | - | - | - | - | 763,670 | - | 763,670 |
| Interest | 291 | 818 | - | 1,292 | - | - | 2,401 |
| Miscellaneous | 16,657 | - | - | - | - | 84,500 | 101,157 |
| Total Revenue | <u>52,326</u> | <u>32,293</u> | <u>123,997</u> | <u>173,925</u> | <u>2,116,373</u> | <u>525,973</u> | <u>3,024,887</u> |
| Expenditures | | | | | | | |
| Personnel | - | 32,264 | - | - | 62,726 | - | 94,990 |
| Operating | 48,940 | - | 92,484 | 156,187 | 2,023,812 | - | 2,321,423 |
| Intergovernmental | - | - | - | - | - | 525,973 | 525,973 |
| Miscellaneous | - | 29 | - | - | - | - | 29 |
| Total Expenditures | <u>48,940</u> | <u>32,293</u> | <u>92,484</u> | <u>156,187</u> | <u>2,086,538</u> | <u>525,973</u> | <u>2,942,415</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | 3,386 | - | 31,513 | 17,738 | 29,835 | - | 82,472 |
| Other financing sources | | | | | | | |
| Transfer in/(out) | 9,451 | 65,646 | (115,154) | (76,853) | (29,835) | - | (146,745) |
| Fund balance, beginning of year | <u>51,117</u> | <u>-</u> | <u>107,861</u> | <u>92,146</u> | <u>-</u> | <u>-</u> | <u>251,124</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 63,954</u> | <u>\$ 65,646</u> | <u>\$ 24,220</u> | <u>\$ 33,031</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 186,851</u> |

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2003

REVENUE

| | |
|----------------|---------------|
| Property Taxes | |
| 1995 GO Bond | 68,202 |
| 1998 GO Bond | 34,366 |
| 2001 GO Bond | 414,677 |
| Sales Taxes | 2,465,501 |
| Interest | <u>29,363</u> |

TOTAL REVENUE 3,012,109

EXPENDITURES

| | |
|----------------|------------|
| Principal | |
| 1995 GO Bond | 50,000 |
| 1998 GO Bond | 285,000 |
| Sales Tax Bond | 1,500,000 |
| Interest | |
| 1995 GO Bond | 32,450 |
| 1998 GO Bond | 6,128 |
| 2001 GO Bond | 205,242 |
| Sales Tax Bond | 334,700 |
| Fees | |
| 1995 GO Bond | 963 |
| 1998 GO Bond | 780 |
| 2001 GO Bond | 198 |
| Sales Tax Bond | <u>593</u> |

TOTAL EXPENDITURES 2,416,054

EXCESS/(DEFICIENCY) OF REVENUE
OVER EXPENDITURES 596,055

Fund balance, beginning of year 4,523,656

FUND BALANCE, END OF YEAR \$ 5,119,711

STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2003

REVENUE

| | |
|---------------------|----------------|
| VOTIS Grant | \$ 267,300 |
| CDBG - DSS Building | 432,193 |
| Interest | <u>160,367</u> |
| TOTAL REVENUE | <u>859,860</u> |

EXPENDITURES

| | |
|---------------------------|------------------|
| Capital Outlays | |
| Sales Tax Bond outlays | 185,477 |
| 2001 GO Bond outlays | 2,653,778 |
| CDBG Grant - DSS Building | <u>432,193</u> |
| TOTAL EXPENDITURES | <u>3,271,448</u> |

EXCESS OF REVENUE
OVER EXPENDITURES (2,411,588)

Fund balance, beginning of year 5,861,674

FUND BALANCE, END OF YEAR \$ 3,450,086

COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2003

| | Newberry County Schools Construction | Newberry County Schools Operations | Newberry Schools Sinking Funds | Fire/Rescue Squads | Parks Commission | Total |
|--------------------------------|---|---|---|-----------------------|---------------------|----------------------|
| ASSETS | | | | | | |
| Cash | \$ 6,433,207 | \$ 921,421 | \$ 115 | \$ 330,426 | \$ 144,599 | \$ 7,829,768 |
| Investments | <u>-</u> | <u>3,955,341</u> | <u>5,548,572</u> | <u>-</u> | <u>-</u> | <u>9,503,913</u> |
| TOTAL ASSETS | <u>\$ 6,433,207</u> | <u>\$ 4,876,762</u> | <u>\$ 5,548,687</u> | <u>\$ 330,426</u> | <u>\$ 144,599</u> | <u>\$ 17,333,681</u> |
| LIABILITIES | | | | | | |
| Due to general fund | \$ - | \$ - | \$ - | \$ 25,041 | \$ - | \$ 25,041 |
| Due to taxing units and others | <u>6,433,207</u> | <u>4,876,762</u> | <u>5,548,687</u> | <u>305,385</u> | <u>144,599</u> | <u>17,308,640</u> |
| TOTAL LIABILITIES | <u>\$ 6,433,207</u> | <u>\$ 4,876,762</u> | <u>\$ 5,548,687</u> | <u>\$ 330,426</u> | <u>\$ 144,599</u> | <u>\$ 17,333,681</u> |

SINGLE AUDIT SECTION

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

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

Compliance

We have audited the compliance of Newberry County, South Carolina (the County) 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, 2003. The County's major federal programs are identified in the summary of auditor's results 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, 2003.

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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the 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 parties.

Risk and Engstiga

Lexington, South Carolina
October 3, 2003

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

| 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-P-00-004 | 41,473 |
| Community Development Block Grant | 14.228 | 4L-01-039 | <u>432,193</u> |
| Total U.S. Department of Housing and Urban Development | | | <u>473,666</u> |
| U.S. Department of Health and Human Services | | | |
| Thru SC Department of Social Services Health and Human Services | 93.563 | G-04SC4004 | 172,633 |
| Thru SC Department of Social Services Health and Human Services | 93.558 | G01SCTANF | 22,374 |
| Thru SC Department of Social Services County Administrative Expense FFP | Multiple | | <u>40,903</u> |
| Total U.S. Department of Health and Human Services | | | <u>235,910</u> |
| U.S. Department of Justice | | | |
| VOTIS - Violent Crime Control | 16.586 | V9809 | 267,300 |
| Law Enforcement Block Grant | 16.592 | 2002-LB-BX-1538 | <u>31,475</u> |
| Total U.S. Department of Justice | | | <u>298,775</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | <u><u>\$ 1,008,351</u></u> |

NEWBERRY COUNTY, SOUTH CAROLINA

Year ended June 30, 2003

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 Type A programs as defined by circular A-133. The Community Development Block Grant – 14.228 – 4L-01-039 was tested as a major program

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2003

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:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|--|
| 14.228 | Community Development Block Grant - 4L-01-039 |

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

Low-Risk Auditee Yes X No

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

Section II – Financial Statement Findings

REPORTABLE CONDITIONS

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

Condition: The general ledger used by the County needs to utilize proper fund accounting between the finance department and the Treasurer's office. Entries are made between funds, which result in individual funds being out of balance.

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.

Effect: Because entries are made across funds resulting in individual funds being out of balance, errors can occur and not be detected in a timely manner.

Recommendation: A self-balancing fund accounting should be maintained by training accounting staff in the proper methodology of fund accounting.

Response: Both offices are working together to create and implement a solution to alleviate this problem. These procedures will be reviewed by the independent auditor once they have been completed.

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 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.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2003

3. Clerk of Court – Years Ended June 30, 1995 - Present

Condition: The Clerk of Court's bank account for the County has not been reconciled since April 2003.

Criteria: Internal controls should be in place to ensure that bank reconciliations are performed in a timely manner.

Effect: Because of the failure to reconcile bank accounts in a timely manner bank errors and employee irregularities may occur and not be detected.

Recommendation: Procedures should be implemented requiring the reconciliation of all bank accounts as soon as possible after the bank statement is received from the bank.

Response:

Section III – Federal Award Findings and Questioned Costs

No federal awards findings and questioned costs.

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, 2003, and have issued my report thereon dated October 8, 2003. 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 tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs, pages 74 – 75 as items 1 through 3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 1 through 3 in the Schedule of Findings and Questioned Costs, pages 74 – 75, to be material weaknesses.

This report is intended solely for the information of the 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 parties.

Lexington, South Carolina
October 3, 2003

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