

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

June 30, 2007

# CONTENTS

## Audited Financial Statements

Independent Auditors' Report.....	Page	4 - 5
Management's Discussion and Analysis .....		7 - 21
Audited Financial Statements – Primary Government		
Statement of Net Assets .....		23
Statement of Activities.....		24
Balance Sheet – Governmental Funds .....		25
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds to the Statement of Activities .....		26
Statement of Revenue, Expenditures, and Changes in Fund Balances Governmental Funds .....		27
Statement of Revenue, Expenditures and Changes in Fund Balance – General Fund Budget and Actual.....		28
Statement of Net Assets – Proprietary Funds.....		29
Statement of Revenue, Expenses and Changes in Net Assets – Proprietary Fund – J. F. Hawkins Nursing Home .....		30
Statement of Cash Flows – Proprietary Fund – J. F. Hawkins Nursing Home.....		31 - 32
Statement of Fiduciary Net Assets – Fiduciary Funds .....		33
Notes to Financial Statements.....		34 - 50

## Supplemental Information

### General Fund

Schedule of Revenues and Expenditures – Budget and Actual .....	52 - 79
---	---------

### Special Revenue Fund

Combining Balance Sheet .....	80
Combining Statement of Revenue, Expenditures and Changes in Fund Balance .....	81

### Debt Service Fund

Statement of Revenue, Expenditures and Changes in Fund Balance .....	82
--	----

CONTENTS - CONTINUED

Capital Projects Fund	
Statement of Revenue, Expenditures, and Changes in Fund Balance .....	83
Trust and Agency Fund	
Combining Balance Sheet.....	84
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 .....	86 - 87
Schedule of Expenditures of Federal Awards .....	88
Notes to the Schedule of Expenditures of Federal Awards .....	89
Schedule of Findings and Questioned Costs .....	90 - 92
Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	93
State Treasurer's Reports	
Statement of Fines, Assessments and Surcharges .....	94
Review of Accounting Controls over the Collection, Reporting and Distribution Of Fines and Assessments Collected .....	95



# RISH & ENZASTIGA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying primary government financial statements of the governmental activities, the business-type activities and each major fund of Newberry County, South Carolina, as of and for the year ended June 30, 2007. These financial statements are the responsibility of Newberry County, South Carolina's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements and cash flows, where applicable, present fairly, in all material respects, the financial position of the primary government of Newberry County, South Carolina, as of June 30, 2007 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, 2007 and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but it is supplementary information required by GASB No. 34. We have applied certain limited procedures, which consist primarily on inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2007 on our consideration of Newberry County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with the report in considering the results of our audit.

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

*Rick and Engert*

Lexington, South Carolina  
October 12, 2007

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2007**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2007. Our purpose is to inform our citizens of the effect of our County's operations and to present our financial position. The readers should also review the detail statements and the notes to the financial statements to enhance their understanding of the County's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial aspects were as follows:

- **Net Assets:** The County's Total Net Assets as of June 30, 2007, were \$38,498,490, which represented an increase of \$873,458 from the prior year end. The net assets of the governmental activities totaled \$40,155,552. The net deficit of the business-type activities was \$1,657,062.
- **Revenues and Expenditures:** Revenues and Other Financing Sources totaled \$29,488,926 and Expenditures and Other Uses totaled \$30,076,684 for all Governmental Funds at the fund level. Accordingly, expenditures and other financing uses exceeded total revenue and other sources by \$587,758. The general fund increased the fund balance of \$2,599,038, due to higher taxes to pay for services. The debt service fund balance increased \$1,799,599 on higher property tax collections. The capital projects fund balance decreased \$4,996,903 for intergovernmental capital improvements paid from the Sales Tax Bond.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$656,641 consisting of buildings and vehicles. The County updated its property listing to include roads and other buildings not previously recorded. This resulted in a net increase of capital assets of \$17,725,539.
- **Business Type Activities:** J. F. Hawkins Nursing Home is an Enterprise Fund that operates as a business enterprise. The total net deficit for the Nursing Home totaled \$1,657,062 at year-end. Charges for services totaled \$8,130,521, general revenues totaled \$513,258, and total expenses were \$8,819,825. The revenues and expenses resulted in a decrease in net assets of \$176,046.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$21,458,689 in fiscal year 2007 Revenues and Other Financing Sources (Uses), which primarily consisted of property taxes and intergovernmental sources, and \$18,859,651 in Expenditures and Other Uses leaving a surplus for the year of \$2,599,038.
- **Debt Service:** The County retired \$2,470,000 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance increased from \$4,452,361 to \$6,251,960. Bonds payable are \$24,780,000 at June 30, 2007 in governmental activities. Business type activities outstanding debt at June 30, 2007 was \$10,920,000. Principal payments of \$300,125 were made during the year.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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



**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

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

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

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

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

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

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

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$38,498,490 as of June 30, 2007.

The largest portion of the County's net assets (59 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its residents; consequently, these assets are not available for future spending.

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

The following table presents a summary of the County's net assets for the fiscal year ended June 30, 2007.

Current assets	\$ 29,356,852
Non-current assets	53,552,364
Total assets	<u>82,909,216</u>
Current liabilities	(10,450,706)
Non-current liabilities	(33,960,020)
Total liabilities	<u>(44,410,726)</u>
Net assets	<u>\$ 38,498,490</u>
Net assets -	
Invested in capital assets, net of related debt	\$ 23,032,819
Restricted	8,213,697
Unrestricted	<u>7,251,974</u>
Total net assets	<u>\$ 38,498,490</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

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

- Intergovernmental capital outlays of \$5,682,678.
- The operating gain of the General Fund totaling \$2,599,038 resulting mainly from higher property taxes.
- Increases in the Debt Service Fund totaling \$1,799,599, due to collections of sales tax and higher property taxes.

**Changes in net assets:** The County's combined governmental and business-type revenues for the fiscal year ended June 30, 2007, were \$37,996,244. The total cost of all programs and services was \$37,122,786. The following table presents a summary of the activity that resulted in changes to total net assets for the fiscal year ended June 30, 2007.

<b>REVENUES:</b>	<b>Amount</b>
Program revenues:	
Charges for services	\$ 9,284,436
Operating grants and contributions	1,658,421
General revenues:	
Property taxes	16,929,276
Intergovernmental sources	2,315,132
Fines and assessments	1,501,211
Sales tax	3,469,682
Miscellaneous	2,838,086
	<hr/>
Total revenues	37,996,244

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**EXPENSES:**

Governmental - current	( 21,587,210)
Intergovernmental - capital	
Construction & improvements	( 5,682,678)
Debt service	( 1,033,073)
J. F. Hawkins Nursing Home	( 8,819,825)
Total expenses	<u>( 37,122,786)</u>
 Increase in net assets	 <u>\$ 873,458</u>

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

	Total Expenses	Net Revenue (Expense)
Governmental - Current	\$ 21,587,210	\$(18,774,874)
Intergovernmental - capital		
Construction & improvements	5,682,678	(5,682,678)
Debt Service - interest	1,033,073	(1,033,073)
J. F. Hawkins Nursing Home	<u>8,819,825</u>	<u>(689,304)</u>
Total expenses	<u>\$ 37,122,786</u>	<u>\$(26,179,929)</u>

- The cost of all activities this year was \$37,122,786.
- Net cost of governmental activities (\$25,490,625) was financed by general revenues, which are made up of primarily property taxes (\$16,929,276), intergovernmental sources (\$2,315,132), fines and assessments (\$1,501,211), sales tax (\$3,469,682), and other revenue (\$2,202,721).
- Net cost of business-type activities (\$689,304) was financed by contributions (\$451,303) and interest income (\$61,955).

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

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

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

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

The financial performance of the County as a whole is reflected in its governmental funds. As the County completed the year, its governmental funds reported a combined fund balance of \$23,897,680 a decrease of \$587,758 since June 30, 2006. A fund balance of \$7,004,873 or 29.0 percent of total governmental fund revenues constitutes unreserved and undesignated, which is available for spending at the County's discretion.

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

- \$ 8,763,910 for future capital projects
- \$ 6,251,960 for debt service
- \$ 424,298 for special revenue
- \$ 1,452,639 for notes receivable – due from J. F. Hawkins Nursing Home

The General Fund is the principal operating fund of the County. The increase in fund balance in the General Fund for the fiscal year was \$2,599,038 was the result of increased property taxes. The Debt Service Fund balance showed an increase of \$1,799,599 from the prior year due to the collection of higher property taxes. The Capital Projects Funds showed a fund balance of \$10,131,749, which is a decrease of \$4,996,903.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**Proprietary Fund:** Proprietary Funds are used to account for operations that are financial and operated in a manner similar to private business enterprises. The J. F. Hawkins Nursing Home is the only Proprietary Fund. This Fund had a net loss of \$176,046. Total net deficit was \$1,657,062 with unrestricted net assets totaling \$710,931 as of June 30, 2007. The Nursing Home continues to try and improve the quality of resident services while managing the cash flow of the operations.

**BUDGETARY HIGHLIGHTS**

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

The County originally budgeted \$19,435,625 in General Fund Revenue with actual revenue totaling \$21,336,582 for a difference of \$1,900,957. The original budget for expenditures was estimated to be \$19,445,625 with the actual expenditures and other uses being \$18,859,651 for a difference of \$585,974. The results from revenue, expenditures and transfers caused the fund balance to increase by \$2,599,038.

**CAPITAL ASSETS**

As of June 30, 2007, the County had invested \$36,022,983 in capital assets, net of accumulated depreciation, including buildings and facilities, fire service and rescue squad vehicles, other vehicles, and other equipment. Total depreciation expense for the year was \$1,148,840 for governmental activities and \$609,302 for business-type activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2007.

	Amount
Land	\$ 7,221,065
Buildings and improvements	41,232,425
Furniture and equipment	13,822,719
Roads	11,122,462
Other improvements	<u>2,277,111</u>
Total	<u>\$ 75,675,782</u>

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**DEBT ADMINISTRATION**

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2007.

	Amount
General obligation bonds	\$ 24,780,000
Lease purchase	1,822,238
Notes payable - business-type act	10,920,000
Accrued compensated absences	<u>360,524</u>
Total	<u>\$ 37,882,762</u>

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

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

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

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

Numerous factors will be considered by County Council during the process of developing the fiscal year 2007 - 2008 budget. Some of County Council's main goals are to enhance the tax base and job opportunities for Newberry County. This will be done by continuing the refinement of the County's economic development plan. This plan will consist of industrial, commercial and tourism elements. A portion of this plan includes the development of a new industrial park. County staff is currently developing a plan to implement GIS and also developing a plan to enhance the Newberry County Airport. Further, we are studying alternative sources for revenue.

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



**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) –  
CONTINUED  
YEAR ENDED JUNE 30, 2007**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Table I – Current vs. Prior - Statement of Net Assets – Governmental Activities – Current assets increased \$1,126,138 due to increases in cash and investments (\$1,104,322) in the County's general fund and debt service fund. Total liabilities decreased \$1,194,783 from the payment of principal on County debt and lease purchases. Table II - Current vs Prior – Statement of Net Assets – Business-type activities – Total assets decreased \$326,681 due to depreciation. Total liabilities decreased \$150,635 primarily because of principal payments. Table III – Current vs. Prior – Statement of Net Assets – Government-Wide Activities - Total net assets increased \$873,458 due mainly to the governmental activities change in net assets, a increase \$1,049,504. Table IV – Current vs. Prior – Statement of Activities – Governmental Activities – Total Revenues increased \$6,116,328 because of increases in property taxes for general and debt service. Total Expenses increased \$3,345,070 due to higher intergovernmental capital construction and improvements from the use of the Sales Tax Bond for intergovernmental projects. Table V – Current vs. Prior – Statement of Activities – Business-type activities – Total revenues increased \$517,370 due to contributions from benefactors. Expenses increased \$706,903 due to higher personnel and employee benefit costs.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2007**

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

	Governmental Activities		
	2007	2006	Variance
<b>Assets</b>			
Total Current Assets	\$ 27,734,025	\$ 26,607,887	\$ 1,126,138
Capital Assets, net of accumulated depreciation	<u>43,323,940</u>	<u>44,595,357</u>	<u>(1,271,417)</u>
Total Assets	<u>\$ 71,057,965</u>	<u>\$ 71,203,244</u>	<u>\$ (145,279)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 7,567,393	\$ 5,134,434	\$ 2,432,959
Non-Current Liabilities	<u>23,335,020</u>	<u>26,962,762</u>	<u>(3,627,742)</u>
Total Liabilities	<u>\$ 30,902,413</u>	<u>\$ 32,097,196</u>	<u>\$ (1,194,783)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 25,400,812	\$ 28,639,842	\$ (3,239,030)
Restricted	8,213,697	6,399,191	1,814,506
Unrestricted/(deficit)	<u>6,541,043</u>	<u>4,067,015</u>	<u>2,474,028</u>
Total Net Assets	<u>\$ 40,155,552</u>	<u>\$ 39,106,048</u>	<u>\$ 1,049,504</u>

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

	Business-Type Activities		
	2007	2006	Variance
<b>Assets</b>			
Total Current Assets	\$ 1,622,827	\$ 1,377,419	\$ 245,408
Other Non-current Assets	1,676,417	1,647,348	29,069
Capital Assets, net of accumulated depreciation	<u>8,552,007</u>	<u>9,153,165</u>	<u>(601,158)</u>
Total Assets	<u>\$ 11,851,251</u>	<u>\$ 12,177,932</u>	<u>\$ (326,681)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 2,883,313	\$ 2,734,424	\$ 148,889
Non-Current Liabilities	<u>10,625,000</u>	<u>10,924,524</u>	<u>(299,524)</u>
Total Liabilities	<u>\$ 13,508,313</u>	<u>\$ 13,658,948</u>	<u>\$ (150,635)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ (2,367,993)	\$ (2,066,960)	\$ (301,033)
Unrestricted/(deficit)	<u>710,931</u>	<u>585,944</u>	<u>124,987</u>
Total Net Assets	<u>\$ (1,657,062)</u>	<u>\$ (1,481,016)</u>	<u>\$ (176,046)</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2007**

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

	Total Government-Wide Activities		
	2007	2006	Variance
<b>Assets</b>			
Total Current Assets	\$ 29,356,852	\$ 27,985,306	\$ 1,371,546
Other Non-current Assets	1,676,417	1,647,348	29,069
Capital Assets, net of accumulated depreciation	<u>51,875,947</u>	<u>53,748,522</u>	<u>(1,872,575)</u>
Total Assets	<u>\$ 82,909,216</u>	<u>\$ 83,381,176</u>	<u>(471,960)</u>
Total Current Liabilities	\$ 10,450,706	\$ 7,868,858	\$ 2,581,848
Non-Current Liabilities	<u>33,960,020</u>	<u>37,887,286</u>	<u>(3,927,266)</u>
Total Liabilities	<u>\$ 44,410,726</u>	<u>\$ 45,756,144</u>	<u>\$ (1,345,418)</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	\$ 23,032,819	\$ 26,572,882	\$ (3,540,063)
Restricted	8,213,697	6,399,191	1,814,506
Unrestricted/(deficit)	<u>7,251,974</u>	<u>4,652,959</u>	<u>2,599,015</u>
Total Net Assets	<u>\$ 38,498,490</u>	<u>\$ 37,625,032</u>	<u>\$ 873,458</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2007**

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

	Governmental Activities		
	2007	2006	Variance
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 1,153,915	\$ 940,233	\$ 213,682
Operating Grants	1,658,421	1,109,818	548,603
Capital Grants	-	-	-
<b>General Revenue:</b>			
Property Taxes	16,929,276	11,742,999	5,186,277
Intergovernmental Sources	2,315,132	2,237,919	77,213
Fines and Assessments	1,501,211	1,543,744	(42,533)
Sales Tax - Debt Service	3,469,682	3,754,749	(285,067)
Other	2,324,828	1,906,675	418,153
<b>Total Revenues</b>	<b>\$ 29,352,465</b>	<b>\$ 23,236,137</b>	<b>\$ 6,116,328</b>
<b>Expenses</b>			
Current	\$ 21,587,210	\$ 20,527,286	\$ 1,059,924
Capital Construction & Improvements - Intergovernmental	5,682,678	3,507,116	2,175,562
Interest and Fees	1,033,073	923,489	109,584
<b>Total Expenses</b>	<b>\$ 28,302,961</b>	<b>\$ 24,957,891</b>	<b>\$ 3,345,070</b>

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

	Business-Type Activities		
	2007	2006	Variance
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 8,130,521	\$ 8,095,656	\$ 34,865
Other	513,258	30,753	482,505
<b>Total Revenues</b>	<b>\$ 8,643,779</b>	<b>\$ 8,126,409</b>	<b>\$ 517,370</b>
<b>Expenses</b>			
J. F. Hawkins Nursing Home	\$ 8,819,825	\$ 8,112,922	\$ 706,903

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2007**

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

	Total Government-Wide Activities		
	<u>2007</u>	<u>2006</u>	<u>Variance</u>
<b>Revenues</b>			
<b>Program Revenues:</b>			
Charges for Services	\$ 9,284,436	\$ 9,035,889	\$ 248,547
Operating Grants	1,658,421	1,109,818	548,603
Capital Grants	-	-	-
<b>General Revenue:</b>			
Property Taxes	16,929,276	11,742,999	5,186,277
Intergovernmental Sources	2,315,132	2,237,919	77,213
Fines and Assessments	1,501,211	1,543,744	(42,533)
Sales Tax - Debt Service	3,469,682	3,754,749	(285,067)
Other	<u>2,838,086</u>	<u>1,937,428</u>	<u>900,658</u>
<b>Total Revenues</b>	<b>\$ 37,996,244</b>	<b>\$ 31,362,546</b>	<b>\$ 6,633,698</b>
<b>Expenses</b>			
Current	\$ 21,587,210	\$ 20,527,286	\$ 1,059,924
Capital Construction & Improvements - Intergovernmental	5,682,678	3,507,116	2,175,562
Interest and Fees	1,033,073	923,489	109,584
J. F. Hawkins Nursing Home	<u>8,819,825</u>	<u>8,112,922</u>	<u>706,903</u>
<b>Total Expenses</b>	<b>\$ 37,122,786</b>	<b>\$ 33,070,813</b>	<b>\$ 4,051,973</b>

**BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT**

STATEMENT OF NET ASSETS  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash - Notes B & C	\$ 10,938,214	\$ 722,258	\$ 11,660,472
Investments - Note C	12,549,809	-	12,549,809
Receivables			
Property taxes - delinquent - Note E	415,437	-	415,437
Fines and fees	57,703	-	57,703
Patient receivables, less allowance for doubtful accounts	-	880,072	880,072
Other	98,629	-	98,629
Due from other governments			
State shared revenue	576,304	-	576,304
Sales tax	882,590	-	882,590
Grant revenue	620,178	-	620,178
Prepaid Items	-	20,497	20,497
Due from business-type activities - Note D	1,595,161	-	1,595,161
<b>Total Current Assets</b>	<b>27,734,025</b>	<b>1,622,827</b>	<b>29,356,852</b>
Restricted cash - Note F	-	1,131,293	1,131,293
Bond issuance cost, less \$16,109 accumulated amortization	-	545,124	545,124
Capital Assets - Note P			
Land	7,003,529	217,536	7,221,065
Buildings	30,402,930	10,829,495	41,232,425
Improvements other than buildings	-	2,277,111	2,277,111
Roads	11,122,462	-	11,122,462
Equipment	11,658,886	2,163,833	13,822,719
Accumulated depreciation	(16,863,867)	(6,935,968)	(23,799,835)
<b>TOTAL ASSETS</b>	<b>\$ 71,057,965</b>	<b>\$ 11,851,251</b>	<b>\$ 82,909,216</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued expenses	\$ 1,713,523	\$ 702,077	\$ 2,415,600
Escrowed funds	-	25,856	25,856
Deferred revenue			
Advance billings	-	265,219	265,219
Grant revenue	174,767	-	174,767
Due to other taxing units and others	1,776,625	-	1,776,625
Due to governmental activities	-	1,595,161	1,595,161
Accrued interest	274,736	-	274,736
Lease payable, current portion	577,742	-	577,742
Bonds payable, current portion	3,050,000	295,000	3,345,000
<b>Total Current Liabilities</b>	<b>7,567,393</b>	<b>2,883,313</b>	<b>10,450,706</b>
Bonds payable, less current portion	21,730,000	10,625,000	32,355,000
Compensated absences	360,524	-	360,524
Lease purchase, less current portion	1,244,496	-	1,244,496
<b>TOTAL LIABILITIES</b>	<b>30,902,413</b>	<b>13,508,313</b>	<b>44,410,726</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	25,400,812	(2,367,993)	23,032,819
Restricted for:			
notes receivable	1,452,639	-	1,452,639
special projects	424,298	-	424,298
debt service	6,251,960	-	6,251,960
capital projects, net of related debt	84,800	-	84,800
Unrestricted	6,541,043	710,931	7,251,974
<b>TOTAL NET ASSETS</b>	<b>40,155,552</b>	<b>(1,657,062)</b>	<b>38,498,490</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 71,057,965</b>	<b>\$ 11,851,251</b>	<b>\$ 82,909,216</b>

The accompanying notes are an integral part of this statement.

STATEMENT OF ACTIVITIES  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Program Revenues			Net Revenue & Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Current	\$ 21,587,210	\$ 1,153,915	\$ 1,658,421	\$ -	\$ (18,774,874)	\$ -	\$ (18,774,874)
Capital construction & improvements - intergovernmental	5,682,678	-	-	-	(5,682,678)	-	(5,682,678)
Debt service	1,033,073	-	-	-	(1,033,073)	-	(1,033,073)
Interest & other bond costs							
Total Governmental Activities	28,302,961	1,153,915	1,658,421	-	(25,490,625)	-	(25,490,625)
Business-Type Activities							
J. F. Hawkins Nursing Home	8,819,825	8,130,521	-	-	(689,304)	-	(689,304)
TOTAL	37,122,786	9,284,436	1,658,421	\$ -	(25,490,625)	(689,304)	(26,179,929)
General Revenues							
Property Taxes Levied For:							
General Purposes					15,849,826	-	15,849,826
Debt Service					1,079,450	-	1,079,450
Intergovernmental sources					2,315,132	-	2,315,132
Fines and assessments					1,501,211	-	1,501,211
Sales tax - debt service					3,469,682	-	3,469,682
Other					2,202,721	513,258	2,715,979
Surplus property sale					122,107	-	122,107
Total General Revenues and Transfers					26,540,129	513,258	27,053,387
Change in Net Assets					1,049,504	(176,046)	873,458
Net Assets, Beginning of Year					21,380,509	(1,481,016)	19,899,493
Prior period adjustment - See Note R					17,725,539	-	17,725,539
NET ASSETS, END OF YEAR					\$ 40,155,552	\$ (1,657,062)	\$ 38,498,490

The accompanying notes are an integral part of this statement.



BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	General	Special Revenue	Debt Service	Capital Projects	Totals
<b>ASSETS</b>					
Cash - Notes B & C	\$ 2,188,069	\$ 728,190	\$ 177,363	\$ 7,844,592	\$ 10,938,214
Investments - Note C	7,400,021	-	5,149,788	-	12,549,809
Receivables					
Property taxes - delinquent - Note E	1,122,242	-	42,219	-	1,164,461
Fines and fees	57,703	-	-	-	57,703
Other	98,629	-	-	-	98,629
Due from other governments					
State shared revenue	576,304	-	-	-	576,304
Sales tax	-	-	882,590	-	882,590
Grant revenue	-	620,178	-	-	620,178
Due from other funds - Note D	891,825	15,063	-	2,287,157	3,194,045
	<u>\$ 12,334,793</u>	<u>\$ 1,363,431</u>	<u>\$ 6,251,960</u>	<u>\$ 10,131,749</u>	<u>\$ 30,081,933</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 1,713,523	\$ -	\$ -	\$ -	\$ 1,713,523
Deferred revenue					
Property taxes	920,454	-	-	-	920,454
Grant revenue	-	174,767	-	-	174,767
Due to taxing units and others	1,776,625	-	-	-	1,776,625
Due to other funds - Note D	834,518	764,366	-	-	1,598,884
	<u>5,245,120</u>	<u>939,133</u>	<u>-</u>	<u>-</u>	<u>6,184,253</u>
<b>FUND BALANCES</b>					
Reserved:					
Reserved for notes receivable	-	-	-	1,452,639	1,452,639
Reserved for capital projects	84,800	-	-	8,679,110	8,763,910
Reserved for debt service	-	-	6,251,960	-	6,251,960
Reserved for special revenue	-	424,298	-	-	424,298
Unreserved:					
Undesignated	7,004,873	-	-	-	7,004,873
	<u>7,089,673</u>	<u>424,298</u>	<u>6,251,960</u>	<u>10,131,749</u>	<u>23,897,680</u>
<b>TOTAL FUND BALANCES</b>	<u>7,089,673</u>	<u>424,298</u>	<u>6,251,960</u>	<u>10,131,749</u>	<u>23,897,680</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 12,334,793</u>	<u>\$ 1,363,431</u>	<u>\$ 6,251,960</u>	<u>\$ 10,131,749</u>	<u>\$ 30,081,933</u>

Reconciliation of governmental fund balances to statement of net assets:

Total Fund Balances - Governmental Funds	\$ 23,897,680
Capital assets, net of accumulated depreciation	43,323,940
Bonds payable	(24,780,000)
Leases payable	(1,822,238)
Compensated absences	(360,324)
Accrued interest	(274,736)
Recognition of deferred taxes	171,430
<b>Total Net Assets - Governmental Activities</b>	<u>\$ 40,155,552</u>

The accompanying notes are an integral part of this statement.

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, 2007

Net change in fund balances - total governmental funds \$ (587,758)

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	656,641	
Depreciation expense	<u>(1,928,058)</u>	(1,271,417)

Repayment/(Issuance) of bond principal is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities

	<u>2,470,000</u>	2,470,000
--	------------------	-----------

Repayment/(Issuance) of lease purchase/(lease purchase proceeds) is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net assets and does not affect the statement of activities.

Repayment of principal	<u>559,290</u>	559,290
------------------------	----------------	---------

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

Interest on bonds and lease purchase increased by:		25,870
--	--	--------

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.

		<u>(146,481)</u>
--	--	------------------

Change in net assets - governmental activities		<u>\$ 1,049,504</u>
--	--	---------------------

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2007

	General	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUE</b>					
Property taxes	\$ 15,262,975	\$ -	\$ 1,079,450	\$ 733,332	\$ 17,075,757
Intergovernmental	2,378,690	1,543,701	-	-	3,922,391
Fines and fees	2,312,310	384,249	-	-	2,696,559
Sales tax	-	-	3,469,682	-	3,469,682
Other	1,382,607	37,285	308,759	473,779	2,202,430
<b>TOTAL REVENUE</b>	<b>21,336,582</b>	<b>1,965,235</b>	<b>4,857,891</b>	<b>1,207,111</b>	<b>29,366,819</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Legislative	382,655	-	-	-	382,655
Administration	788,880	-	-	-	788,880
Tax assessment & collection	1,449,335	-	-	-	1,449,335
Election & registration	114,356	-	-	-	114,356
Administration of Justice	1,374,846	18,428	-	-	1,393,274
Law enforcement	2,829,608	293,226	-	-	3,122,834
Detention	1,423,556	-	-	-	1,423,556
Public safety	2,858,888	-	-	-	2,858,888
Public works & maintenance	4,265,920	699,857	-	-	4,965,777
Planning & development	416,023	-	-	-	416,023
Agriculture & home economics	68,047	-	-	-	68,047
Public health	85,170	-	-	-	85,170
Social services	291,208	-	-	-	291,208
Intergovernmental	-	752,993	-	-	752,993
Miscellaneous	1,727,934	80,396	-	-	1,808,330
Emergency telephone reporting	-	287,096	-	-	287,096
<b>Capital outlays</b>					
Capital construction & improvements	146,955	647,446	-	5,544,918	6,339,319
<b>Debt service</b>					
Principal retirement - Note G	-	-	2,275,000	195,000	2,470,000
Interest	-	-	780,673	275,651	1,056,324
Fees & other bond service costs	-	-	2,619	-	2,619
<b>TOTAL EXPENDITURES</b>	<b>18,223,381</b>	<b>2,779,442</b>	<b>3,058,292</b>	<b>6,015,569</b>	<b>30,076,684</b>
<b>Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources</b>					
	<b>3,113,201</b>	<b>(814,207)</b>	<b>1,799,599</b>	<b>(4,808,458)</b>	<b>(709,865)</b>
<b>OTHER FINANCING SOURCES</b>					
Surplus property sale	122,107	-	-	-	122,107
Transfer In/(Out)	(636,270)	824,715	-	(188,445)	-
<b>Excess/(Deficiency) of Revenue Over/(Under) Expenditures</b>					
	<b>2,599,038</b>	<b>10,508</b>	<b>1,799,599</b>	<b>(4,996,903)</b>	<b>(587,758)</b>
Fund Balance, Beginning of Year,	4,490,635	413,790	4,452,361	15,128,652	24,485,438
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 7,089,673</b>	<b>\$ 424,298</b>	<b>\$ 6,251,960</b>	<b>\$ 10,131,749</b>	<b>\$ 23,897,680</b>

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Property taxes	\$ 14,213,703	\$ 14,213,703	\$ 15,262,975	\$ 1,049,272
Intergovernmental	2,343,508	2,343,508	2,378,690	35,182
Fines and fees	2,378,700	2,378,700	2,312,310	(66,390)
Other	<u>499,714</u>	<u>633,419</u>	<u>1,382,607</u>	<u>749,188</u>
<b>TOTAL REVENUE</b>	<u>19,435,625</u>	<u>19,569,330</u>	<u>21,336,582</u>	<u>1,767,252</u>
<b>EXPENDITURES</b>				
<b>Current</b>				
Legislative	402,430	414,090	382,655	31,435
Administration	1,172,330	1,024,328	788,880	235,448
Tax assessment & collection	1,496,861	1,540,748	1,449,335	91,413
Election & registration	134,032	127,197	114,356	12,841
Administration of Justice	1,431,717	1,384,368	1,374,846	9,522
Law enforcement	3,071,418	2,910,407	2,829,608	80,799
Detention	1,685,035	1,597,439	1,423,556	173,883
Public safety	3,014,309	2,905,388	2,858,888	46,500
Public works & maintenance	4,892,453	4,688,155	4,265,920	422,235
Planning & development	755,291	793,127	416,023	377,104
Agriculture & home economics	72,152	71,728	68,047	3,681
Public health	110,573	88,232	85,170	3,062
Social services	333,363	311,853	291,208	20,645
Miscellaneous	550,357	1,526,279	1,727,934	(201,655)
<b>Capital outlays</b>				
Capital construction & improvements	<u>323,304</u>	<u>195,991</u>	<u>146,955</u>	<u>49,036</u>
<b>TOTAL EXPENDITURES</b>	<u>19,445,625</u>	<u>19,579,330</u>	<u>18,223,381</u>	<u>1,355,949</u>
<b>Excess/(Deficiency) of Revenue Over/(Under)</b>				
Expenditures before Other Financing Sources	<u>(10,000)</u>	<u>(10,000)</u>	<u>3,113,201</u>	<u>3,123,201</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Surplus property sale	10,000	10,000	122,107	112,107
Transfer In/(Out)	<u>-</u>	<u>-</u>	<u>(636,270)</u>	<u>(636,270)</u>
<b>Excess/(Deficiency) of Revenue Over/ (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,599,038</u>	<u>2,599,038</u>
<b>Fund Balance, Beginning of Year</b>			<u>4,490,635</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 7,089,673</u>	

The accompanying notes are an integral part of this statement.

## STATEMENT OF NET ASSETS

## PROPRIETARY FUNDS

## NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	Business-Type Activities
	<u>J. F. Hawkins Nursing Home</u>
<b>ASSETS</b>	
Current Assets	
Cash - Notes B & C	\$ 722,258
Receivables	
Patient receivables, less allowance for doubtful accounts	880,072
Prepaid items	<u>20,497</u>
Total Current Assets	<u>1,622,827</u>
Restricted cash - Note F	1,131,293
Bond issuance cost, less \$16,109 amortization	545,124
Capital Assets - Note P	
Land	217,536
Buildings	10,829,495
Improvements other than buildings	2,277,111
Equipment	2,163,833
Accumulated depreciation	<u>(6,935,968)</u>
TOTAL ASSETS	<u>\$ 11,851,251</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES</b>	
Current Liabilities	
Accrued expenses	\$ 702,077
Escrowed funds	25,856
Deferred revenue	
Advance billings	265,219
Due to general fund - operating	246,013
Bonds payable, current portion	<u>295,000</u>
Total Current Liabilities	<u>1,534,165</u>
Due to general fund - long term	1,349,148
Bonds payable	<u>10,625,000</u>
TOTAL LIABILITIES	<u>13,508,313</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	(2,367,993)
Unrestricted	<u>710,931</u>
TOTAL NET ASSETS	<u>(1,657,062)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,851,251</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, 2007

REVENUE

Net nursing home patient service revenue (net of allowances, contractual adjustments and unbilled services of \$1,024,779)	\$ 6,380,978
Net Springfield rent, nursing facility and entrance fees	1,684,882
Other revenue	<u>64,661</u>
<b>TOTAL OPERATING REVENUE</b>	<b><u>8,130,521</u></b>

OPERATING EXPENSES

Nursing	3,363,680
Restorative	168,487
Dietary	1,055,182
Laundry	87,382
Housekeeping	285,971
Maintenance	300,748
Administrative	1,086,453
Medical records	49,151
Utilities	300,222
Insurance, licenses and property taxes	555,385
Medical supplies	32,525
Interest	522,210
Depreciation and amortization	615,468
Physical therapy	199,469
Pharmacy	162,574
Other ancillary services	<u>34,918</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>8,819,825</u></b>

**OPERATING INCOME** (689,304)

NON-OPERATING ITEMS

Interest	61,955
Contributions	<u>451,303</u>
<b>TOTAL NON-OPERATING ITEMS</b>	<b><u>513,258</u></b>

**CHANGE IN NET ASSETS** (176,046)

Net Assets/(Deficit), Beginning of Year (1,481,016)

**NET ASSETS/(DEFICIT), END OF YEAR** \$ (1,657,062)

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and patients	8,316,709
Payments to employees	(4,454,832)
Payments to vendors	<u>(3,722,248)</u>

NET CASH PROVIDED BY OPERATING ACTIVITIES 139,629

CASH FLOWS FROM INVESTING ACTIVITIES

Bond cushion fund - restricted assets	(35,571)
Interest earned	61,955
Property, plant, equipment purchased	<u>(8,144)</u>

NET CASH USED BY INVESTING ACTIVITIES 18,240

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Note payable - issued	-
Note payable - principal paid	(10,125)
Bond payable - principal paid	<u>(290,000)</u>

NET CASH USED BY FINANCING ACTIVITIES (300,125)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Contributions	<u>451,303</u>
---------------	----------------

NET CASH PROVIDED BY NONCAPITAL  
FINANCING ACTIVITIES 451,303

NET CHANGE IN CASH AND EQUIVALENTS 309,047

Cash and equivalents, Beginning of Year 413,211

CASH AND EQUIVALENTS, END OF YEAR \$ 722,258

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS

J. F. HAWKINS NURSING HOME

For the Year Ended June 30, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income	\$ (689,304)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	615,468
Changes in operating assets and liabilities - increase/(decrease) in cash flows	
Accounts receivable	84,136
Prepaid items	(20,497)
Accrued expenses	74,275
Due to Newberry County - general fund	46,641
Advance billings	<u>28,910</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>139,629</u>

*Supplemental Information*

Cash payments of interest	<u>\$ 497,135</u>
---------------------------	-------------------

The accompanying notes are an integral part of this statement.



## STATEMENT OF FIDUCIARY NET ASSETS

## FIDUCIARY FUNDS

## NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	Fire Departments/ Rescue Squads	Newberry County School District	Total Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents - Note B and C	\$ 359,121	\$ 1,090,422	\$ 1,449,543
Investments	-	<u>11,950,911</u>	<u>11,950,911</u>
<b>TOTAL ASSETS</b>	<u>\$ 359,121</u>	<u>\$ 13,041,333</u>	<u>\$ 13,400,454</u>
<b>LIABILITIES</b>			
Due to other entities	<u>\$ 359,121</u>	<u>\$ 13,041,333</u>	<u>\$ 13,400,454</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 359,121</u>	<u>\$ 13,041,333</u>	<u>\$ 13,400,454</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

General

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

Reporting Entity

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

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

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

Rural Fire Control

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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 Countys, 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.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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

##### **GOVERNMENTAL FUNDS**

###### General Fund

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

###### Special Revenue Fund – Major Fund

The Special Revenue Funds are used to account for the revenue collected for specific purposes. The 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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

**FIDUCIARY FUND TYPE – AGENCY FUND**

Fiduciary Fund Type – Agency Fund - This fund accounts for assets held by the County as an agent for other governmental units. Property taxes and other revenue are collected, temporarily retained and distributed by the County Treasurer in accordance with Acts of the General Assembly of South Carolina.

Basis of Accounting- Government-wide and Governmental Funds

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

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

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

Cash and Cash Equivalents

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

Investments

Investments, consisting primarily of 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.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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

##### Compensated Absences

Accumulated unpaid vacation benefits are not accrued in governmental funds, as the County intends to fund such costs from future operations; i.e., from assets not representing expendable available resources at June 30, 2007. At June 30, 2007, the liability for accrued vacation benefits recorded in the governmental activities was \$360,524.

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

##### Budget

County Council adopts an annual appropriated budget prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department.

Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the appropriated budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments and any additional appropriations and transfers between departments are approved by County Council.

The budget is prepared on a basis other than the one prescribed by GAAP. Adjustments are made to present the amounts properly in the general-purpose financial statements. See Note N – Budget.

##### Encumbrances

The County did not have any material encumbrances at June 30, 2007. 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.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Accounts Receivable

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

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

Bond Issuance Costs

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

Bond issuance costs incurred in the amount of \$561,233 have been capitalized in the business- activities and amortized over a 25 year period. Amortization expense for the year ended June 30, 2007 was \$6,166.

Tax Status

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

NOTE B - CASH

Deposits

At June 30, 2007, the carrying amount of the County's deposits was \$14,241,308 (\$11,660,472 for the primary government, \$1,131,293 for primary government restricted cash and \$1,449,543 for the Agency Funds), which were covered by federal depository insurance, federal savings and loan insurance or by collateral held in the pledging banks' trust departments in the County's name or by their agents in the County's name. The carrying amount of the County's deposits also included \$107,379 cash on hand at June 30, 2007.

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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE C – INVESTMENTS – continued

The County's investments are categorized below to indicate the level of risk assumed by the entity at June 30, 2007. Category 1 includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Bank deposit accounts	\$ 14,241,308	\$ --	\$ --	\$ 14,241,308	\$ 14,241,308
Total	\$ 14,241,308	\$ --	\$ --		
State treasurer's investment pool				12,549,809	12,549,809
State treasurer's investment pool – Agency funds				<u>11,950,911</u>	<u>11,950,911</u>
Total Investments and Deposits				<u>\$ 38,742,028</u>	<u>\$ 38,742,028</u>

The County has investments in the S. C. Local Government Investment Pool at June 30, 2007 of \$24,500,720 (\$12,549,809 for the primary government and \$11,950,911 for the Agency Funds) which are not categorized because they are not evidenced by securities that exist in physical or book entry form. The investment pool is managed by the State Treasurer and the fair value of the County's position equals the value of the pool's shares.

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 15,063
Special Revenue	General	764,366
Capital Projects	General	834,518
Enterprise	General	127,459
Enterprise	Capital Projects	<u>1,452,639</u>
	Total	<u>\$ 3,194,045</u>



NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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, 2007, 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, 2007 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, 2007, the Nursing Home had restricted cash in the amounts of:

Resident funds	\$	25,856
Bond cushion funds		1,105,437

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

NOTE G - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2007:

	Balance, <u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2007</u>
Bonds payable	\$ 27,250,000	\$ --	\$ (2,470,000)	\$ 24,780,000
Lease purchase agreement	2,381,528	--	(559,290)	1,822,238
Accrued vacation	<u>360,524</u>	<u>—</u>	<u>—</u>	<u>360,524</u>
Total Long Term Debt	<u>\$ 29,992,052</u>	<u>\$ —</u>	<u>\$ (3,029,290)</u>	<u>\$ 26,962,762</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE G - LONG-TERM DEBT -- continued

Bonds payable at June 30, 2007, are composed of the following:

\$800,000 General Obligation Bonds, Series 1995, due in annual installments of \$25,000 to \$75,000 through September 1, 2010; interest rate varies from 5.2% to 7.2%. Current amount due \$75,000	\$ 300,000
\$4,000,000 General Obligation Bonds of 2001, due in annual installments of \$130,000 to \$345,000 through March 2021; interest rate varies from 4.50% to 6.5%. Current amount due \$170,000	3,425,000
Special Source Revenue Bond – 2007 - due in annual installments of \$195,000 - \$455,000 through April 2026; interest rate 3.99%. Current amount due \$225,000	6,215,000
\$15,150,000 - 2005 A Bonds, due in annual installments of \$1,500,000 to \$2,650,000 through April 2013; interest rate varies from 3.00% to 3.50%. Current amount due \$2,000,000	13,650,000
\$2,000,000 General Obligation Bonds, Series 2005, due in annual installments of \$265,000 to \$610,000 through March 2009; interest rate varies from 4.40% to 4.80%. Current amount due \$580,000	<u>1,190,000</u>
<b>Total bonds payable</b>	<b><u>\$ 24,780,000</u></b>

Outstanding bonds payable are due as follows at June 30, 2007:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 3,050,000	\$ 964,864	\$ 4,014,864
2009	3,195,000	869,506	4,064,506
2010	2,705,000	729,613	3,434,613
2011	2,825,000	609,850	3,434,850
2012	2,865,000	504,987	3,369,987
2013 – 2017	5,360,000	1,441,934	6,801,934
2018 – 2022	3,065,000	733,064	3,798,064
2023 – 2026	<u>1,715,000</u>	<u>174,363</u>	<u>1,889,363</u>
<b>Totals</b>	<b><u>\$ 24,780,000</u></b>	<b><u>\$ 6,028,181</u></b>	<b><u>\$ 30,808,181</u></b>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE G - LONG-TERM DEBT – Continued

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, 2006 assessed property valuation, the County is below its legal debt limit. Currently, \$4,195,000 is applied to the legal debt limit.

Special Source Revenue Bond

The Special Source Revenue Bond was used to purchase land for an industrial park to attract new business and investment in the County. The Revenue Bond is going to be paid for using the County's fee-in-lieu payments received.

Sales Tax Bond Payable

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

Lease Purchase Agreements

Lease Purchase 2002 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 through May 2009 (84 payments). Lease Purchase 2005 was used to purchase County Capital Assets in the amount of \$2,500,000. Five annual principal and interest payments of \$548,070 are due annually in December from 2007 to 2009. The annual interest rate is 3.14%. Lease Purchase 2007 was used to buy equipment for \$200,000. The annual interest rate is 3.97%. Annual payments of \$33,285 of principal and interest are due in October from 2007 – 2012.

Outstanding lease purchase agreements are due as follows at June 30, 2007:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 577,742	\$ 58,924	\$ 636,666
2009	592,204	39,854	632,058
2010	559,870	21,486	581,356
2011	29,616	3,669	33,285
2012	30,792	2,493	33,285
2013	<u>32,014</u>	<u>1,271</u>	<u>33,285</u>
Totals	<u>\$ 1,822,238</u>	<u>\$ 127,697</u>	<u>\$ 1,949,935</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE G - LONG-TERM DEBT – Continued

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 – Bonds and Notes Payable

The following is a summary of note payable transactions for the year ended June 30, 2007:

	<u>Balance, July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2007</u>
Revenue Refunding				
Bonds Series 2007	\$ 11,210,000	\$ —	\$ (290,000)	\$ 10,920,000
Note Payable	<u>10,125</u>	<u>—</u>	<u>(10,125)</u>	<u>—</u>
Total	<u>\$ 11,220,125</u>	<u>\$ —</u>	<u>\$ (300,125)</u>	<u>\$ 10,920,000</u>

J. F. Hawkins – continued

Bonds payable at June 30, 2007, are composed of the following:

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

Total Bonds Payable \$ 10,920,000

Notes payable at June 30, 2007, are composed of the following:

Amount due for the purchase of a security system. Twenty-four monthly principal payments of \$521 are due beginning in April 2007 through March 2008. Annual interest rate is 8.50%. The note was paid off in FY 2007.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE G - LONG-TERM DEBT – Continued

The principal amount of notes payable outstanding at June 30, 2007 due in each of the next five fiscal years is as follows:

2008	\$ 295,000
2009	305,000
2008	315,000
2011	325,000
2012	340,000
2013 – 2017	1,905,000
2018 – 2022	2,350,000
2023 – 2027	2,945,000
2028 - 2030	<u>2,140,000</u>
Total	<u>\$ 10,920,000</u>

The Nursing Home had interest expenses of \$522,210 for the Special Source Refunding Revenue Bond.

Other Political Subdivisions (Overlapping Debt)

Various governing bodies within Newberry County have issued bonds for educational and other programs. The full faith and taxing power of each individual district is pledged to secure the outstanding debt of the District and the Treasurer of Newberry County collects taxes levied on property of each district for the purpose of paying the debt as it matures. The bonds mature serially and are subject to early redemption in accordance with the terms and conditions of the bond agreements.

Tax Anticipation Note - TAN

The County borrowed \$3 million in the Fall 2006 and repaid the TAN in March 2007. The County used the funds to provide for current operations until property tax revenues were received in December 2006 and January 2007. The County incurred interest expense of \$33,695 on this borrowing. The expenditure is reflected in the County's general fund.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

#### NOTE H - PENSION PLAN

##### Plan Description

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

##### Funding Policy

Both employees and employers are required to contribute to the Plans under authority of Title 9 of the SC Code of Laws. Employee required contributions to the Plans are as follows: SCRS - 6% of salary; PORS Class II - 6.5% of salary; PORS Class I - \$21 per month. Employers are required to contribute at the following actuarially determined rates: SCRS - State Agencies & Public Schools - 8.05%, Local government - 8.05%; 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, 2007, 2006, and 2005 was \$3,741,238, \$3,690,992, and \$3,153,268 respectively for SCRS - Local Government and \$2,727,665, \$2,759,323, and \$2,312,989, respectively for PORS - Class II. The employer contribution requirements for SCRS at 8.05% and PORS - Class II at 10.3% for the past three fiscal years were \$301,170, \$278,670, and \$211,269 and \$280,950, \$284,210 and \$238,238, respectively. The County also paid group life contributions for the past three fiscal years of \$5,612, \$5,536, and \$4,730 for SCRS participants and \$5,455, \$5,519, and \$4,625 to the PORS - Class II. Additionally, accidental death contributions for PORS - Class II were \$5,455, \$5,519 and \$4,625 for the years ended June 30, 2007, 2006 and 2005, respectively.

The Nursing Home participates in the SCRS as listed above. The Nursing Home's covered payroll for the fiscal year ended June 30, 2007 was \$4,117,754 for SCRS - Local Government. The employer contribution requirements for SCRS at 8.05% were \$333,131. The Nursing Home incurred \$6,207 for group life contributions for the fiscal year ended June 30, 2007. The Nursing Home's covered payroll for the years ended June 30, 2006 and 2005 were \$3,634,469 and \$3,635,394, respectively. Employer contributions for those years were \$274,402 and \$243,571, respectively.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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, Post-employment Healthcare Plans Administered By Defined Benefit Pension Plans, do not have any material effect on the financial position of the County.

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.

Property Tax Relief

See Note S – Property Tax Relief

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 - RISK MANAGEMENT

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

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

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE M – FUND BALANCE RESERVATIONS

The following amounts are shown as reserved:

Reserved for notes receivable	\$ 1,452,639
Reserved for special revenue	424,298
Reserved for debt service	6,251,960
Reserved for capital projects	8,763,910

Reserved for notes receivable represents the amounts due from JF Hawkins Nursing Home, an enterprise fund of the County, that are not expected to be repaid within the next fiscal year. Reserved for special revenue is the amount available for special revenue purposes. Reserved for debt service is the amount available in the debt service fund to pay future maturities of bonds and notes payable. Reserved for capital projects is the amount available to spend on future capital projects in the County from gifts (general fund for the Community Hall), GO Bond issuance and Sales Tax Bond issuance.

NOTE N – BUDGET

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

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



NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE O – ENVIRONMENTAL REMEDIATION OBLIGATIONS AND CONTINGENCIES

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

NOTE P – CAPITAL ASSETS

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

	Balance, July 1, 2006	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, 2007
Buildings and Land *	\$ 36,956,771	\$ 449,688	\$ --	\$ 37,406,459
Vehicles and equipment	11,614,775	206,953	(162,842)	11,658,886
Roads	11,122,462	--	--	11,122,462
Accumulated Depreciation	<u>(15,098,651)</u>	<u>(1,928,058)</u>	<u>162,842</u>	<u>(16,863,867)</u>
Total	<u>\$ 44,595,357</u>	<u>\$ (1,271,417)</u>	<u>\$ --</u>	<u>\$ 43,323,940</u>

\* Land of \$7,003,529 is a non-depreciable asset

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

	Balance, July 1, 2006	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, 2007
Land **	\$ 217,536	\$ --	\$ --	\$ 217,536
Land Improvements	1,319,995	--	--	1,319,995
Buildings	10,829,495	--	--	10,829,495
Building Improvements	957,116	--	--	957,116
Equipment	2,155,689	8,144	--	2,163,833
Accumulated depreciation	<u>(6,326,666)</u>	<u>(609,302)</u>	<u>--</u>	<u>(6,935,968)</u>
	<u>\$ 9,153,165</u>	<u>\$ (601,158)</u>	<u>\$ --</u>	<u>\$ 8,552,007</u>

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

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

NOTE P – CAPITAL ASSETS - Continued

The County recorded depreciation expense of \$1,928,058 shown in current expenses on the statement of activities – governmental activities and the Nursing Home recorded \$609,302 in depreciation expense for business-type activities.

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

NOTE Q – NET DEFICIT – BUSINESS-TYPE ACTIVITIES

The Nursing Home had a net deficit of \$1,657,062 at June 30, 2007. This was due to operating losses in current and prior periods. Currently the Nursing Home refinanced its long-term liabilities to improve cash flow and has worked actively to increase occupancy in the facility. The Nursing Home had improved cash flow over the previous year and needs to sustain this trend.

NOTE R – PRIOR PERIOD ADJUSTMENT

The County recorded additional property and equipment to comply with the requirements of GASB 34. The County recorded \$9,383,693 in additional buildings and \$11,122,462 in roads less \$2,780,616 in accumulated depreciation for a net adjustment of \$17,725,539.

NOTE S – PROPERTY TAX RELIEF

On May 16, 2007, County Council granted property tax relief to residences qualifying for the homestead exemption and for the owners of residences which qualified for the 4% assessment ratio. The authority of County Council to grant this tax relief to homeowners qualifying for the 4% assessment ratio and to those entitled to the homestead exemption is not clearly set forth in State statutes, and may be against the weight of recent opinions of the South Carolina Supreme Court limiting the ability of governmental entities to grant tax relief to homeowners as a class, without granting the same relief to all taxpayers. The County's cost of tax relief in the current fiscal year was \$1,286,099, shown as an expenditure in the County's general fund.

Since South Carolina law requires that the rate of taxation be uniform across all classes of taxable property, the County may be liable for future claims of those classes excluded from the property tax relief. Management considers the probability of unfavorable outcome to be remote and that an estimate of liability cannot be presented at this time.

**SUPPLEMENTAL INFORMATION**

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
<b>Taxes</b>			
Property taxes, current	\$ 13,443,703	\$ 14,746,446	\$ 1,302,743
Fee in lieu of taxes	-	163,167	163,167
Delinquent taxes	675,000	237,749	(437,251)
Delinquent tax cost	95,000	115,613	20,613
<b>Total Taxes</b>	<u>14,213,703</u>	<u>15,262,975</u>	<u>1,049,272</u>
<b>Intergovernmental</b>			
Local government	1,867,904	1,804,677	(63,227)
Merchant inventory tax	87,000	86,536	(464)
Salary supplements	6,300	6,300	-
Accommodations tax	3,000	77,450	74,450
National forestry fund	324,304	330,440	6,136
Solid waste - state grant	15,000	27,568	12,568
Disaster preparedness	40,000	45,719	5,719
<b>Total Intergovernmental</b>	<u>2,343,508</u>	<u>2,378,690</u>	<u>35,182</u>
<b>Fines and fees</b>			
Clerk of Court - fines and fees	166,500	189,912	23,412
CCCP fees	122,500	213,602	91,102
Clerk of Court - copies	-	12,704	12,704
Central Court	663,000	482,450	(180,550)
Magistrates	-	11,500	11,500
Registration and election	25,000	17,753	(7,247)
Animal control	35,000	39,942	4,942
Probate Judge - fees	81,200	76,125	(5,075)
Probate Judge - copies	-	1,428	1,428
Sheriff - fees	15,000	13,364	(1,636)
Forfeit land commission	2,500	4,386	1,886
Marriage license fee/ceremonies	-	(368)	(368)
Building Inspection	150,000	197,960	47,960
FFP	6,000	41,433	35,433

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
Fines and fees - continued			
Tipping fees	1,030,000	877,945	(152,055)
Recycle revenue	40,000	78,010	38,010
Zoning fee	28,000	21,123	(6,877)
Cable/phone franchise	14,000	33,041	19,041
	<u>2,378,700</u>	<u>2,312,310</u>	<u>(66,390)</u>
Total Fines and fees			
Other			
Interest	125,000	486,236	361,236
Veterans affairs	5,800	6,194	394
Returned checks	1,200	1,091	(109)
Health department	15,000	18,553	3,553
Mobile home licenses	1,400	175	(1,225)
Assessor's maps	2,000	2,083	83
Rent & utilities	10,400	30,510	20,110
Sale of pipe	300	520	220
Sale of gas - airport	-	10,605	10,605
Assessor - copies	500	2,421	1,921
Council on aging	-	62,136	62,136
Soil and Water Conservation	27,652	28,492	840
School resource officer	281,667	271,889	(9,778)
Miscellaneous	162,500	461,702	299,202
	<u>633,419</u>	<u>1,382,607</u>	<u>749,188</u>
Total Other			
	<u>\$ 19,569,330</u>	<u>\$ 21,336,582</u>	<u>\$ 1,767,252</u>
TOTAL REVENUE			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
LEGISLATIVE			
County Council			
Personnel	127,501	125,411	2,090
Overtime	3,000	1,087	1,913
Social security	9,983	9,189	794
Retirement	10,505	7,948	2,557
Travel - council	24,896	19,742	5,154
Insurance	45,591	41,559	4,032
Workers compensation	2,229	2,228	1
Advertising	1,749	-	1,749
Audit	35,000	22,900	12,100
Bookbinding	5,000	4,848	152
Office expenses	2,000	1,471	529
Postage	300	177	123
Telephone	2,160	1,920	240
Subsistence	142	141	1
Accrued payroll	144,034	144,034	-
<b>TOTAL LEGISLATIVE</b>	<u>414,090</u>	<u>382,655</u>	<u>31,435</u>
ADMINISTRATION			
County Administrator			
Personnel	262,778	264,197	(1,419)
Social security	20,179	19,675	504
Retirement	21,234	21,341	(107)
Insurance	24,855	23,120	1,735
Workers compensation	3,237	3,169	68
Payroll services	26,000	20,111	5,889
Advertising	2,500	3,034	(534)
Maintenance	5,000	4,836	164
Copier machine	1,000	907	93
Memberships & Dues	550	485	65
Office expense	3,997	3,996	1
Postage	4,000	3,709	291

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
County Administrator - continued			
Printing	1,830	1,974	(144)
Telephone	6,000	6,825	(825)
Training	1,729	1,315	414
Travel	8,525	9,095	(570)
Subsistence	<u>2,000</u>	<u>617</u>	<u>1,383</u>
Total County Administrator	<u>395,414</u>	<u>388,406</u>	<u>7,008</u>
Miscellaneous Operating			
Salary increase	233,410	-	233,410
Contracted maintenance	16,000	13,407	2,593
Insurance	-	(14,386)	14,386
Tort insurance	101,489	101,916	(427)
Unemployment insurance	5,000	6,216	(1,216)
Bonds	-	750	(750)
Insurance - buildings	52,067	56,421	(4,354)
Subsistence	13,500	11,033	2,467
Professional fees	128,871	76,471	52,400
Legals	<u>78,577</u>	<u>148,646</u>	<u>(70,069)</u>
Total Miscellaneous Operating	<u>628,914</u>	<u>400,474</u>	<u>228,440</u>
TOTAL ADMINISTRATION	<u>1,024,328</u>	<u>788,880</u>	<u>235,448</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	180,853	175,909	4,944
Overtime	4,582	2,300	2,282
Social security	14,186	13,426	760
Retirement	14,916	14,613	303
Insurance	24,650	22,937	1,713
Workers compensation	2,059	2,048	11
Advertising	90	90	-
Contracted maintenance	17,415	14,449	2,966
Membership & dues	155	155	-

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Treasurer's Office - continued</b>			
Office expense	3,930	3,652	278
Postage	43,124	39,253	3,871
Printing	13,000	9,191	3,809
Telephone	2,200	1,600	600
Training	675	590	85
Travel	1,180	753	427
Subsistence	1,310	895	415
Smith Data	38,300	39,010	(710)
Capital outlay	<u>6,641</u>	<u>6,641</u>	<u>-</u>
Total Treasurer's Office	<u>369,266</u>	<u>347,512</u>	<u>21,754</u>
<b>Auditor's Office</b>			
Personnel	200,805	203,617	(2,812)
Social security	15,362	14,517	845
Retirement	16,165	16,697	(532)
Insurance	34,174	33,195	979
Workers compensation	1,953	1,952	1
Advertising	1,750	241	1,509
Contracted maintenance	12,461	10,406	2,055
Memberships & dues	100	80	20
Office expense	3,300	2,216	1,084
Postage	550	550	-
Printing	11,152	7,805	3,347
Subscriptions & books	1,000	928	72
Telephone	2,760	2,737	23
Training	1,225	765	460
Travel	1,963	529	1,434
Smith Data	38,844	39,463	(619)
Subsistence	3,200	1,442	1,758
Office furniture	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Auditor's Office	<u>351,764</u>	<u>337,140</u>	<u>14,624</u>



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel	241,263	244,355	(3,092)
Social security	16,750	16,273	477
Retirement	19,421	18,867	554
Insurance	45,561	45,702	(141)
Workers compensation	3,130	3,132	(2)
Advertising	2,026	2,002	24
Contracted maintenance	257,403	218,276	39,127
Memberships & dues	1,135	730	405
Office expense	3,947	3,857	90
Postage	3,000	2,390	610
Printing	2,950	2,950	-
Subscriptions	324	324	-
Telephone	3,000	2,034	966
Training	2,357	2,431	(74)
Travel	740	687	53
Gas, oil, grease	1,815	3,216	(1,401)
Subsistence	3,330	3,133	197
Vehicle insurance	1,500	1,252	248
Appeals	71,575	87,780	(16,205)
	<u>681,227</u>	<u>659,391</u>	<u>21,836</u>
Total Assessor's Office			
Tax Collector			
Personnel	51,776	40,758	11,018
Social security	4,129	3,108	1,021
Retirement	3,924	3,614	310
Insurance	9,835	7,152	2,683
Workers compensation	1,536	1,536	-
Advertising	7,393	7,363	30
Contracted maintenance	3,188	3,158	30
Consulting	14,500	4,073	10,427
Memberships & dues	40	30	10
Office expense	1,200	591	609
Postage	18,602	18,602	-
Printing	531	531	-
Supplies - posting	1,000	389	611

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Tax Collector - continued</b>			
Telephone	1,800	1,559	241
Training	700	290	410
Travel	600	-	600
Vehicle insurance	1,000	681	319
Gas, oil, grease	420	460	(40)
Smith Data	5,004	5,004	-
Subscriptions	150	52	98
Review board and appeals	5,800	2,165	3,635
Subsistence	1,200	13	1,187
Office furniture	4,163	4,163	-
	<u>138,491</u>	<u>105,292</u>	<u>33,199</u>
<b>Total Tax Collector</b>			
	<u>138,491</u>	<u>105,292</u>	<u>33,199</u>
<b>TOTAL TAX ASSESSMENT &amp; COLLECTION</b>	<u>1,540,748</u>	<u>1,449,335</u>	<u>91,413</u>
<b>REGISTRATION &amp; ELECTION BOARD</b>			
Personnel	60,703	59,754	949
Board members	18,034	17,130	904
Social security	3,955	4,171	(216)
Retirement	4,162	4,411	(249)
Insurance	4,848	4,725	123
Workers compensaton	250	252	(2)
Advertising	1,500	843	657
Contracted maintenance	10,064	5,704	4,360
Office expense	3,048	2,419	629
Postage	5,200	5,234	(34)
Printing	4,374	3,621	753
Telephone	4,000	3,327	673
Supplies	1,699	664	1,035
Training	1,550	520	1,030
Travel	2,260	754	1,506
Subsistence	1,550	827	723
	<u>127,197</u>	<u>114,356</u>	<u>12,841</u>
<b>TOTAL REGISTRATION &amp; ELECTION BOARD</b>			
	<u>127,197</u>	<u>114,356</u>	<u>12,841</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>ADMINISTRATION OF JUSTICE</b>			
<b>Criminal &amp; Civil Court</b>			
Personnel	81,700	81,700	-
Personnel - bailiff	25,031	22,224	2,807
Jury fees	35,000	35,000	-
Court expense	2,990	2,649	341
Postage	2,000	2,000	-
Printing	500	-	500
Telephone	2,600	2,205	395
DJJ	<u>1,500</u>	<u>1,683</u>	<u>(183)</u>
<b>Total Criminal &amp; Civil Court</b>	<u>151,321</u>	<u>147,461</u>	<u>3,860</u>
<b>Clerk of Court</b>			
Personnel	165,136	166,303	(1,167)
Social security	12,633	12,120	513
Retirement	13,293	13,637	(344)
Insurance	24,239	26,432	(2,193)
Workers compensation	2,766	2,768	(2)
Advertising	900	138	762
Bookbinding	5,000	5,000	-
Contracted maintenance	64,219	57,337	6,882
Memberships & dues	50	50	-
Office expense	5,099	4,277	822
Postage	15,392	15,535	(143)
Printing	3,217	2,779	438
Telephone	3,000	2,758	242
Training	1,000	755	245
Subsistence	100	-	100
Travel	<u>2,500</u>	<u>2,203</u>	<u>297</u>
<b>Total Clerk of Court</b>	<u>318,544</u>	<u>312,092</u>	<u>6,452</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Family Court - Clerk of Court			
Personnel	107,572	108,424	(852)
Social security	8,229	8,009	220
Retirement	8,660	8,891	(231)
Insurance	22,830	25,633	(2,803)
Workers compensation	395	396	(1)
Contracted maintenance	12,390	4,577	7,813
Office expense	3,000	2,967	33
Postage	5,391	5,390	1
Printing	10,000	9,674	326
Telephone	3,500	2,543	957
Training	600	-	600
	<u>182,567</u>	<u>176,504</u>	<u>6,063</u>
Total Family Court - Clerk of Court			
Probate Judge			
Personnel	151,376	152,251	(875)
Social security	11,701	10,862	839
Retirement	14,119	14,199	(80)
Insurance	26,291	24,281	2,010
Workers compensation	2,687	2,688	(1)
Advertising	300	284	16
Contracted maintenance	4,404	4,404	-
Membership & dues	215	215	-
Office expense	6,016	5,403	613
Postage	1,725	1,856	(131)
Printing	602	602	-
Telephone	2,700	2,631	69
Education & training	530	530	-
Travel	943	943	-
	<u>223,609</u>	<u>221,149</u>	<u>2,460</u>
Total Probate Judge			
Probation & Parole Office			
P.O. Box rent	-	40	(40)
Telephone	1,947	2,482	(535)
	<u>1,947</u>	<u>2,522</u>	<u>(575)</u>
Total Probation & Parole Office			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Defender			
Personnel	43,602	44,004	(402)
Social security	3,336	3,056	280
Retirement	3,510	3,608	(98)
Insurance	8,699	8,297	402
Workers compensation	200	200	-
Office expense	265	265	-
Postage	250	250	-
Training	1,350	1,350	-
Copier	250	250	-
	<u>61,462</u>	<u>61,280</u>	<u>182</u>
Total Public Defender			
Coroner			
Personnel	34,508	34,682	(174)
Social security	2,163	2,176	(13)
Retirement	3,025	3,233	(208)
Insurance	4,848	4,725	123
Workers compensation	907	908	(1)
Contracted maintenance	1,541	1,251	290
Memberships & dues	350	300	50
Office expense	100	100	-
Postage	132	74	58
Subsistence	1,050	479	571
Supplies	2,046	750	1,296
Telephone	1,405	1,460	(55)
Training	300	300	-
Travel	3,075	2,236	839
Post Mortems & BA	30,110	32,345	(2,235)
	<u>85,560</u>	<u>85,019</u>	<u>541</u>
Total Coroner			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Magistrate District 2</b>			
Personnel	170,498	176,464	(5,966)
Social security	13,043	12,728	315
Retirement	15,625	16,407	(782)
Insurance	38,259	39,168	(909)
Workers compensation	3,875	3,876	(1)
Contracted maintenance	1,671	1,671	-
Consulting & tech fees	1,665	1,665	-
Jury	15,000	18,851	(3,851)
Memberships	160	160	-
Office expense	12,257	12,013	244
Postage	8,000	8,000	-
Printing	1,554	1,561	(7)
Telephone	2,500	2,079	421
Training	722	370	352
Travel	607	207	400
Subsistence	4,368	3,876	492
	<u>289,804</u>	<u>299,096</u>	<u>(9,292)</u>
<b>Total Magistrate District 2</b>			
<b>Magistrate District 1</b>			
Personnel	9,822	10,373	(551)
Social security	751	794	(43)
Retirement	1,051	1,110	(59)
Insurance	4,848	4,725	123
Workers compensation	102	104	(2)
Maintenance	151	-	151
Office expense	549	549	-
Postage	225	139	86
Printing	450	321	129
Travel	2,706	1,045	1,661
Telephone	2,200	1,284	916
	<u>22,855</u>	<u>20,444</u>	<u>2,411</u>
<b>Total Magistrate District 1</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Magistrate District 4			
Personnel	7,831	8,553	(722)
Social security	1,198	644	554
Retirement	838	915	(77)
Insurance	4,580	4,477	103
Workers compensation	68	68	-
Membership	150	90	60
Office expense	800	691	109
Postage	150	150	-
Training	1,251	1,251	-
Travel	300	275	25
Telephone	1,769	1,769	-
Total Magistrate District 4	<u>18,935</u>	<u>18,883</u>	<u>52</u>
Magistrate District 6			
Personnel	15,559	17,887	(2,328)
Social security	1,190	1,368	(178)
Retirement	1,665	1,914	(249)
Insurance	4,848	4,725	123
Workers compensation	52	52	-
Office expense	2,621	2,621	-
Postage	116	116	-
Rent	300	300	-
Training	195	195	-
Travel	868	868	-
Telephone	350	350	-
Total Magistrate District 6	<u>27,764</u>	<u>30,396</u>	<u>(2,632)</u>
TOTAL ADMINISTRATION OF JUSTICE	<u>1,384,368</u>	<u>1,374,846</u>	<u>9,522</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>LAW ENFORCEMENT</b>			
<b>Sheriff's Department</b>			
Personnel	1,521,620	1,482,612	39,008
Overtime	67,197	71,089	(3,892)
School resource officer - salary and benefits	281,667	271,889	9,778
Grant match	3,750	-	3,750
Social security	121,255	123,538	(2,283)
Retirement	167,532	165,962	1,570
Insurance	224,204	212,504	11,700
Workers compensation	62,006	59,085	2,921
Contracted maintenance	33,627	33,730	(103)
Consulting & tech fees	500	485	15
Professional services	1,000	983	17
Vehicle insurance	49,316	42,306	7,010
Bonds - employees	3,800	3,800	-
Membership & dues	3,765	3,765	-
Office expense	6,000	5,990	10
Postage	1,000	999	1
Printing	1,980	1,977	3
Transportation of prisoners	2,499	2,449	50
Telephone	5,175	4,926	249
Training	1,720	1,720	-
Travel	600	598	2
Subsistence	2,773	2,750	23
Ammo & guns	3,642	3,634	8
Cleaning supplies	500	490	10
Gas, oil, grease	214,000	203,408	10,592
Medicals	500	500	-
Photo supplies	1,554	1,477	77
Books	474	451	23
Supplies	11,325	11,286	39
Uniforms	12,675	12,604	71
Special law enforcement	1,250	1,246	4
Capital outlay	85,000	84,960	40
Other equipment	10,501	10,497	4



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Sheriff's Department - continued			
Crime prevention	5,000	4,917	83
Project Near	<u>1,000</u>	<u>981</u>	<u>19</u>
Total Sheriff's Department	<u>2,910,407</u>	<u>2,829,608</u>	<u>80,799</u>
<b>TOTAL LAW ENFORCEMENT</b>	<u>2,910,407</u>	<u>2,829,608</u>	<u>80,799</u>
DETENTION			
Corrections			
Personnel	781,660	651,925	129,735
Overtime	69,167	68,566	601
Social security	65,088	52,400	12,688
Retirement	91,038	76,998	14,040
Insurance	163,509	163,036	473
Workers compensation	33,879	33,880	(1)
Contracted maintenance	21,441	21,421	20
Utilities	68,284	57,638	10,646
Vehicle insurance	2,500	1,327	1,173
Memberships & dues	252	248	4
Office expense	2,826	2,826	-
Postage	136	133	3
Telephone	3,300	2,711	589
Training	440	440	-
Training - medical	82	82	-
Travel	1,065	966	99
Subsistence	2,400	2,336	64
Chemicals	2,554	2,542	12
Cleaning materials	4,646	4,638	8
Food	114,700	118,553	(3,853)
Gas, oil, grease	2,528	-	2,528
Medical	144,843	140,961	3,882
Books	1,000	245	755
Clothing	4,654	4,654	-

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Corrections - continued			
Uniforms	5,025	4,988	37
DYS Juvenile	5,650	5,650	-
Kitchen supplies	1,500	1,488	12
Other equipment	3,272	2,904	368
	<u>1,597,439</u>	<u>1,423,556</u>	<u>173,883</u>
Total Corrections			
TOTAL DETENTION	<u>1,597,439</u>	<u>1,423,556</u>	<u>173,883</u>
<b>PUBLIC SAFETY</b>			
Public Safety			
Personnel	79,377	76,943	2,434
Social security	6,072	5,762	310
Retirement	6,390	6,560	(170)
Insurance	9,696	9,450	246
Workers compensation	2,007	2,008	(1)
Contracted maintenance	6,970	3,729	3,241
Vehicle insurance	763	763	-
Membership and dues	100	100	-
Office expense	2,000	1,920	80
Postage	177	164	13
Printing	100	-	100
Telephone	2,556	3,137	(581)
Training	1,000	568	432
Gas, oil, grease	1,300	-	1,300
Photo supplies	100	100	-
Travel	450	39	411
	<u>119,058</u>	<u>111,243</u>	<u>7,815</u>
Total Public Safety			
Animal Control			
Personnel	125,686	122,696	2,990
Overtime	11,000	8,935	2,065
Social security	11,419	9,489	1,930
Retirement	12,016	10,794	1,222
Insurance	32,699	29,289	3,410

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Animal Control - continued</b>			
Workers compensation	3,688	3,572	116
Advertising	300	239	61
Utilities	8,100	9,102	(1,002)
Insurance vehicles	1,856	1,856	-
Memberships and dues	311	311	-
Office expense	4,762	4,185	577
Postage	240	266	(26)
Repairs to equipment	1,180	915	265
Telephone	4,500	2,550	1,950
Tools	700	594	106
Training	600	412	188
Travel	150	-	150
Subsistence	500	369	131
Cleaning supplies	1,000	717	283
Dog food	200	41	159
Gas, oil and grease	12,588	11,038	1,550
Medical and surgical	17,500	17,183	317
Medication	15,344	14,622	722
Uniforms	406	406	-
Capital outlay	14,504	14,520	(16)
	<hr/>	<hr/>	<hr/>
Total Animal Control	281,249	264,101	17,148
<b>Communications</b>			
Personnel	376,125	337,241	38,884
Overtime	32,132	28,161	3,971
Social security	31,232	27,213	4,019
Retirement	32,864	30,042	2,822
Insurance	68,915	76,453	(7,538)
Workers compensation	1,568	1,568	-
Contracted maintenance	25,800	25,787	13
Memberships & dues	150	150	-
Office expense	2,500	2,477	23
Postage	37	-	37
Printing	140	-	140
Subsistence	995	970	25

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
<b>Communications - continued</b>			
Telephone	3,700	3,819	(119)
Training	900	857	43
Travel	<u>465</u>	<u>460</u>	<u>5</u>
<b>Total Communications</b>	<u><b>577,523</b></u>	<u><b>535,198</b></u>	<u><b>42,325</b></u>
<b>Board of Rescue Squads</b>			
Utilities	18,000	18,750	(750)
Workers compensation	20,164	20,164	-
Vehicle insurance	14,360	17,362	(3,002)
Repairs to equipment	4,000	2,487	1,513
Training	9,500	8,617	883
Gas, oil, grease	10,500	10,053	447
Medical supplies	13,000	12,185	815
Rescue supplies	29,116	26,226	2,890
Capital outlay	<u>23,019</u>	<u>23,019</u>	<u>-</u>
<b>Total Board of Rescue Squads</b>	<u><b>141,659</b></u>	<u><b>138,863</b></u>	<u><b>2,796</b></u>
<b>Hazardous Materials</b>			
Contracted maintenance	1,825	69	1,756
Office expenses	1,070	23	1,047
Medical	3,861	3,474	387
Telephone	225	194	31
Training	2,100	522	1,578
Supplies	<u>11,333</u>	<u>7,305</u>	<u>4,028</u>
<b>Total Hazardous Materials</b>	<u><b>20,414</b></u>	<u><b>11,587</b></u>	<u><b>8,827</b></u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Board of Rural Fire Control</b>			
Personnel	44,178	44,324	(146)
Social security	3,380	3,391	(11)
Retirement	3,556	3,635	(79)
Workers compensation	17,376	17,376	-
Shared revenue	136,370	151,472	(15,102)
Contracted maintenance	2,800	2,100	700
Utilities	42,000	40,500	1,500
Vehicle insurance	44,320	49,043	(4,723)
Office expense	849	823	26
Repairs to equipment	2,500	2,518	(18)
Repairs to radio	5,000	4,509	491
Repairs to building	25,786	25,786	-
Training	2,500	480	2,020
Gas, oil, grease	15,000	20,117	(5,117)
Fire supplies	10,251	9,327	924
Lease purchase payment	512,375	517,138	(4,763)
<b>Total Board of Rural Fire Control</b>	<b>868,241</b>	<b>892,539</b>	<b>(24,298)</b>
<b>Building Inspections</b>			
Personnel	96,917	97,834	(917)
Social security	7,414	6,997	417
Retirement	7,802	8,314	(512)
Insurance	18,251	14,773	3,478
Workers compensation	2,239	2,240	(1)
Memberships	250	55	195
Office	4,953	3,496	1,457
Postage	300	300	-
Subsistence	500	-	500
Subscriptions	500	83	417
Telephone	2,000	2,123	(123)
Training	900	360	540
Travel	250	-	250
Vehicle insurance	1,300	1,240	60
Gas, oil, grease	4,567	4,057	510
<b>Total Building Inspections</b>	<b>148,143</b>	<b>141,872</b>	<b>6,271</b>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	Actual	Variance Favorable <u>(Unfavorable)</u>
Ambulance Substation			
Vehicle insurance	10,000	9,843	157
Training	5,400	2,180	3,220
Uniforms	14,098	12,377	1,721
Contracted personnel	<u>729,317</u>	<u>729,317</u>	<u>-</u>
Total Ambulance Substation	<u>758,815</u>	<u>753,717</u>	<u>5,098</u>
Lake Murray Public Safety			
Utilities	10,000	9,027	973
Telephone	<u>700</u>	<u>741</u>	<u>(41)</u>
Total Lake Murray Public Safety	<u>10,700</u>	<u>9,768</u>	<u>932</u>
TOTAL PUBLIC SAFETY	<u>2,905,388</u>	<u>2,858,888</u>	<u>58,087</u>
<b>PUBLIC WORKS &amp; MAINTENANCE</b>			
Public Works			
Personnel	581,624	531,410	50,214
Overtime	5,565	2,217	3,348
Social security	44,494	38,389	6,105
Retirement	46,821	43,485	3,336
Insurance	111,937	128,740	(16,803)
Workers compensation	62,288	52,646	9,642
Advertising	68	67	1
Consulting fees	23,320	22,837	483
Utilities	4,600	2,877	1,723
Vehicle insurance	22,638	22,638	-
Memberships & dues	250	129	121
Office expense	3,500	3,269	231
Postage	1,000	1,036	(36)
Printing	300	94	206
Supplies	700	525	175
Repairs to radio	500	492	8
Telephone	5,000	4,913	87
Training	1,700	398	1,302
Bridge materials	9,597	9,580	17

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final <u>Budget</u>	Actual	Variance Favorable (Unfavorable)
Public Works - continued			
Cleaning materials	200	139	61
Fertilizer, plants, seeds	1,000	943	57
Gas, oil, grease	30,571	9,331	21,240
Diesel fuel	70,198	81,701	(11,503)
Safety supplies	3,000	2,484	516
Gravel	113,229	113,229	-
Asphalt	14,000	10,170	3,830
Pipe	10,658	7,134	3,524
Tools	3,974	2,657	1,317
Road signs	10,931	9,043	1,888
Uniforms	7,150	7,482	(332)
Subsistence	900	794	106
Capital outlay	82,741	82,441	300
Total Public Works	<u>1,274,454</u>	<u>1,193,290</u>	<u>81,164</u>
Central Maintenance			
Contracted maintenance	414,716	418,349	(3,633)
Utilities	9,870	9,363	507
Fuel	2,571	3,971	(1,400)
Tools	3,916	-	3,916
Total Central Maintenance	<u>431,073</u>	<u>431,683</u>	<u>(610)</u>
Building Maintenance			
Personnel	59,787	60,090	(303)
Social security	4,574	4,172	402
Retirement	4,813	4,927	(114)
Insurance	13,798	13,465	333
Workers compensation	2,697	2,696	1
Contracted maintenance	17,000	11,268	5,732
Utilities	165,000	166,324	(1,324)
Vehicle insurance	1,529	1,281	248
Supplies	54,419	27,768	26,651
Telephone	1,983	1,830	153
Gas, oil, grease	3,890	2,464	1,426

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Building Maintenance - continued</b>			
Film and gloves	240	167	73
Uniforms	1,010	989	21
Tools	<u>700</u>	<u>686</u>	<u>14</u>
<b>Total Building Maintenance</b>	<u>331,440</u>	<u>298,127</u>	<u>33,313</u>
<b>Community Hall</b>			
Personnel	10,729	10,729	-
Social security	816	812	4
Retirement	781	812	(31)
Insurance	3,728	4,320	(592)
Workers compensation	99	100	(1)
Telephone	<u>850</u>	<u>923</u>	<u>(73)</u>
<b>Total Community Hall</b>	<u>17,003</u>	<u>17,696</u>	<u>(693)</u>
<b>Collections</b>			
Personnel	57,892	39,967	17,925
Overtime	750	837	(87)
Social security	4,526	3,120	1,406
Retirement	4,762	3,426	1,336
Insurance	9,283	8,323	960
Workers compensation	11,183	11,184	(1)
Contracted personnel	260,000	206,095	53,905
Contracted maintenance	452,511	416,075	36,436
Fuel	5,000	3,957	1,043
Utilities	22,500	20,560	1,940
Vehicle insurance	4,000	1,391	2,609
Office	2,640	1,908	732
Repairs	5,000	518	4,482
Supplies	2,500	1,884	616
Telephone	8,300	6,692	1,608
Capital outlay	3,837	3,837	-
Tools and other equipment	<u>1,000</u>	<u>766</u>	<u>234</u>
<b>Total Collections</b>	<u>855,684</u>	<u>730,540</u>	<u>125,144</u>



SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Transfer Station</b>			
Contracted personnel	1,687,342	1,509,532	177,810
Repairs to equipment	15,000	13,235	1,765
Utilities	9,800	9,713	87
Sewer disposal	4,000	2,590	1,410
Supplies	<u>1,001</u>	<u>704</u>	<u>297</u>
<b>Total Transfer Station</b>	<u>1,717,143</u>	<u>1,535,774</u>	<u>181,369</u>
<b>Custodian Services</b>			
Personnel	26,383	26,375	8
Social security	2,018	1,940	78
Retirement	2,124	2,230	(106)
Insurance	7,751	7,531	220
Workers compensation	435	436	(1)
Vehicle insurance	650	620	30
Cleaning supplies	18,500	17,267	1,233
Gas, oil, grease	2,051	1,734	317
Film and gloves	200	101	99
Tools	15	15	-
Telephone	660	540	120
Chemicals	<u>571</u>	<u>21</u>	<u>550</u>
<b>Total Custodian Services</b>	<u>61,358</u>	<u>58,810</u>	<u>2,548</u>
<b>TOTAL PUBLIC WORKS &amp; MAINTENANCE</b>	<u>4,688,155</u>	<u>4,265,920</u>	<u>422,235</u>
<b>PLANNING &amp; DEVELOPMENT</b>			
<b>Central Midlands Regional PC</b>	<u>19,146</u>	<u>19,146</u>	<u>-</u>
<b>Economic Development</b>			
Personnel	78,257	66,911	11,346
Social Security	5,987	4,885	1,102
Retirement	6,300	5,470	830
Insurance	4,848	4,725	123

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Economic Development - continued</b>			
Workers compensation	2,031	2,032	(1)
Appropriations	422,606	94,044	328,562
Memberships	3,225	1,885	1,340
Office	2,531	2,531	-
Postage	581	130	451
Printing	1,825	1,822	3
Subscriptions	127	127	-
Subsistence	1,716	898	818
Telephone	2,504	2,504	-
Training	1,475	1,275	200
Travel	4,401	4,400	1
	<u>538,414</u>	<u>193,639</u>	<u>344,775</u>
<b>Total Economic Development</b>			
<b>Comprehensive Planning</b>			
Personnel	102,378	83,073	19,305
Social security	7,832	6,006	1,826
Retirement	8,242	6,812	1,430
Insurance	20,674	17,929	2,745
Workers compensation	4,162	4,164	(2)
Advertising	1,260	774	486
Consulting	5,000	2,941	2,059
Memberships and dues	615	330	285
Office expense	3,200	3,200	-
Postage	2,000	336	1,664
Printing	100	57	43
Books	800	439	361
Telephone	3,200	2,879	321
Training	855	370	485
Gas, oil, and grease	1,034	1,311	(277)
Subsistence	415	-	415
Vehicle insurance	1,800	617	1,183
	<u>163,567</u>	<u>131,238</u>	<u>32,329</u>
<b>Total Comprehensive Planning</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Central Carolina Economic Development Alliance	<u>72,000</u>	<u>72,000</u>	<u>-</u>
<b>TOTAL PLANNING &amp; DEVELOPMENT</b>	<u>793,127</u>	<u>416,023</u>	<u>377,104</u>
<b>AGRICULTURE &amp; HOME ECONOMICS</b>			
Clemson Extension	<u>15,675</u>	<u>12,198</u>	<u>3,477</u>
Newberry Soil & Water Conservation	<u>56,053</u>	<u>55,849</u>	<u>204</u>
<b>TOTAL AGRICULTURE &amp; HOME ECONOMICS</b>	<u>71,728</u>	<u>68,047</u>	<u>3,681</u>
<b>PUBLIC HEALTH</b>			
Health Department			
Personnel	49,819	46,819	3,000
Telephone	<u>2,000</u>	<u>1,986</u>	<u>14</u>
Total Health Department	<u>51,819</u>	<u>48,805</u>	<u>3,014</u>
Beckman Mental Health	<u>14,250</u>	<u>14,250</u>	<u>-</u>
Westview Behavioral	<u>22,163</u>	<u>22,115</u>	<u>48</u>
<b>TOTAL PUBLIC HEALTH</b>	<u>88,232</u>	<u>85,170</u>	<u>3,062</u>
<b>SOCIAL SERVICES</b>			
Department of Social Services			
Personnel	2,160	900	1,260
P.O. Box rent	-	68	(68)
Telephone	6,000	4,735	1,265
Emergency	3,000	3,000	-
Paupers funeral	4,000	4,000	-
Utilities	<u>48,707</u>	<u>49,665</u>	<u>(958)</u>
Total Department of Social Services	<u>63,867</u>	<u>62,368</u>	<u>1,499</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Veteran's Affairs</b>			
Personnel	82,533	82,533	-
Social security	6,111	6,111	-
Retirement	6,768	6,768	-
Insurance	12,515	12,515	-
Workers compensation	1,744	1,744	-
Advertising	90	90	-
Contracted maintenance	700	700	-
Membership fees	65	65	-
Office expense	1,575	1,575	-
Postage	758	758	-
Printing	52	52	-
Subscriptions	39	39	-
Telephone	2,314	2,314	-
Training	75	75	-
Travel	788	788	-
Subsistence	865	865	-
	<u>116,992</u>	<u>116,992</u>	<u>-</u>
<b>Total Veteran's Affairs</b>			
<b>Council on Aging</b>			
Quarterly appropriation	33,818	33,818	-
Gas, Oil and Grease	83,643	64,287	19,356
	<u>117,461</u>	<u>98,105</u>	<u>19,356</u>
<b>Total Council on Aging</b>			
Rape Crisis Network	8,250	8,460	(210)
Sistercare, Inc.	2,565	2,565	-
Newberry County Literacy	2,718	2,718	-
<b>TOTAL SOCIAL SERVICES</b>	<u>311,853</u>	<u>291,208</u>	<u>20,645</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>MISCELLANEOUS</b>			
Airport			
Contracted maintenance	2,600	2,500	100
Professional fees	18,912	9,955	8,957
Utilities	3,500	4,431	(931)
Office	1,750	1,681	69
Telephone	1,900	1,213	687
Travel	100	20	80
Chemicals	1,500	1,241	259
	<u>30,262</u>	<u>21,041</u>	<u>9,221</u>
Total Airport			
Government Association	175	137	38
Newberry County School District	70,000	70,000	-
S.C. Association of Counties	9,146	9,146	-
National Association of Counties	709	742	(33)
Medically indigent			
Appropriation	103,469	103,469	-
Ambulance			
Contracted maintenance	3,000	819	2,181
Utilities	1,400	-	1,400
Diesel fuel	35,901	36,511	(610)
Capital outlay	58,096	58,096	-
	<u>98,397</u>	<u>95,426</u>	<u>2,971</u>
Total Ambulance			
Property tax relief	1,100,121	1,286,099	(185,978)
Interest - Tax Anticipation Note	-	33,695	(33,695)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Recreation			
Recreation appropriation	<u>114,000</u>	<u>108,179</u>	<u>5,821</u>
Total Recreation	<u>114,000</u>	<u>108,179</u>	<u>5,821</u>
TOTAL MISCELLANEOUS	<u>1,526,279</u>	<u>1,727,934</u>	<u>(201,655)</u>
<b>CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>			
Contingency	122,517	44,700	77,817
Highway 219 Project	-	1,117	(1,117)
Sheriff's office building	<u>73,474</u>	<u>101,138</u>	<u>(27,664)</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>195,991</u>	<u>146,955</u>	<u>49,036</u>
TOTAL EXPENDITURES	<u>19,579,330</u>	<u>18,223,381</u>	<u>1,367,536</u>
Excess/(Deficiency) of Revenue over Expenditures	(10,000)	3,113,201	3,123,201
<b>OTHER FINANCING SOURCES/ (USES)</b>			
Surplus property sale	10,000	122,107	112,107
Transfer from capital projects	-	188,445	188,445
Transfers to special revenue (includes Special Education Levies)	<u>-</u>	<u>(824,715)</u>	<u>(824,715)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>10,000</u>	<u>(514,163)</u>	<u>(524,163)</u>
Excess of Revenue over Expenditures after other financing sources	<u>\$ -</u>	<u>\$ 2,599,038</u>	<u>\$ 2,599,038</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Airport Grant	Miscellaneous Grants	Total
<b>ASSETS</b>								
Cash	\$ 208,671	\$ 231,025	\$ 92,618	\$ 141,024	\$ 54,852	\$ -	\$ -	\$ 728,190
Due from general fund	3,917	-	-	-	-	-	11,146	15,063
Due from grantor	1,300	288,001	-	-	-	101,184	229,693	620,178
<b>TOTAL ASSETS</b>	<b>\$ 213,888</b>	<b>\$ 519,026</b>	<b>\$ 92,618</b>	<b>\$ 141,024</b>	<b>\$ 54,852</b>	<b>\$ 101,184</b>	<b>\$ 240,839</b>	<b>\$ 1,363,431</b>
<b>LIABILITIES</b>								
Deferred revenue	\$ 3,917	\$ 170,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,767
Due to general fund	1,300	288,001	64,268	79,920	-	101,184	229,693	764,366
<b>TOTAL LIABILITIES</b>	<b>5,217</b>	<b>458,851</b>	<b>64,268</b>	<b>79,920</b>	<b>-</b>	<b>101,184</b>	<b>229,693</b>	<b>939,133</b>
<b>FUND BALANCE</b>								
Reserved for special revenue	208,671	60,175	28,350	61,104	54,852	-	11,146	424,298
<b>TOTAL FUND BALANCE</b>	<b>208,671</b>	<b>60,175</b>	<b>28,350</b>	<b>61,104</b>	<b>54,852</b>	<b>-</b>	<b>11,146</b>	<b>424,298</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 213,888</b>	<b>\$ 519,026</b>	<b>\$ 92,618</b>	<b>\$ 141,024</b>	<b>\$ 54,852</b>	<b>\$ 101,184</b>	<b>\$ 240,839</b>	<b>\$ 1,363,431</b>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Airport Grant	C-Funds	Miscellaneous	Total
Revenue									
Intergovernmental									
Federal grants	\$ -	\$ 183,991	\$ -	\$ -	\$ -	\$ 647,446	\$ -	\$ -	\$ 831,437
State grants	-	-	-	-	-	-	699,857	12,407	712,264
Other									
Assessments	11,747	-	115,399	257,103	-	-	-	-	384,249
Interest	344	4	103	-	-	-	-	-	451
Miscellaneous	36,834	-	-	-	-	-	-	-	36,834
<b>Total Revenue</b>	<b>48,925</b>	<b>183,995</b>	<b>115,502</b>	<b>257,103</b>	<b>-</b>	<b>647,446</b>	<b>699,857</b>	<b>12,407</b>	<b>1,965,235</b>
Expenditures									
Personnel	-	35,588	107,673	79,156	-	-	-	-	222,417
Operating	14,875	135,090	-	207,940	18,428	-	699,857	80,396	1,156,586
Capital outlays	-	-	-	-	-	647,446	-	-	647,446
Intergovernmental	-	-	-	-	-	-	-	752,993	752,993
<b>Total Expenditures</b>	<b>14,875</b>	<b>170,678</b>	<b>107,673</b>	<b>287,096</b>	<b>18,428</b>	<b>647,446</b>	<b>699,857</b>	<b>833,389</b>	<b>2,779,442</b>
Other financing sources									
Transfer in/(out)	-	-	-	-	-	-	-	824,715	824,715
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>34,050</b>	<b>13,317</b>	<b>7,829</b>	<b>(29,993)</b>	<b>(18,428)</b>	<b>-</b>	<b>-</b>	<b>3,733</b>	<b>10,508</b>
Fund balance, beginning of year	174,621	46,858	20,521	91,097	73,280	-	-	7,413	413,790
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 208,671</b>	<b>\$ 60,175</b>	<b>\$ 28,350</b>	<b>\$ 61,104</b>	<b>\$ 54,852</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,146</b>	<b>\$ 424,298</b>



STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2007

REVENUE

Property Taxes	
1995 GO Bond	\$ 123,687
2001 GO Bond	330,943
2005 GO Bond	624,820
Sales Taxes	3,469,682
Interest	<u>308,759</u>
TOTAL REVENUE	<u>4,857,891</u>

EXPENDITURES

Principal	
1995 GO Bond	75,000
2001 GO Bond	155,000
2005 GO Bond	545,000
Sales Tax Bond	1,500,000
Interest	
1995 GO Bond	19,575
2001 GO Bond	177,943
2005 GO Bond	78,780
Sales Tax Bond	504,375
Fees	
1995 GO Bond	1,082
2001 GO Bond	998
Sales Tax Bond	<u>539</u>
TOTAL EXPENDITURES	<u>3,058,292</u>

EXCESS/(DEFICIENCY) OF REVENUE  
OVER EXPENDITURES 1,799,599

Fund balance, beginning of year 4,452,361

FUND BALANCE, END OF YEAR \$ 6,251,960

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2007

REVENUE

Fee in Lieu	\$ 733,332
Interest	<u>473,779</u>
TOTAL REVENUE	<u>1,207,111</u>

EXPENDITURES

FILO - Bond principal	195,000
FILO - Bond interest	275,651
Capital Outlays	
Sales tax bond	
Library	256,844
Hospital	1,580,305
Water and Sewer Auth	640,215
City Wastewater	179,284
Safety Complex	382,599
Little Mtn	12,069
Chappels	376,379
Fire Departments	955,660
Whitmire Park	110,440
Pomaria	57,681
Miscellaneous	<u>993,442</u>
TOTAL EXPENDITURES	<u>6,015,569</u>

OTHER FINANCING SOURCES/(USES)

Transfer to general fund	<u>(188,445)</u>
--------------------------	------------------

EXCESS OF REVENUE

OVER EXPENDITURES	(4,996,903)
-------------------	-------------

Fund balance, beginning of year	<u>15,128,652</u>
---------------------------------	-------------------

FUND BALANCE, END OF YEAR	<u>\$ 10,131,749</u>
---------------------------	----------------------

COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2007

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Fire/Rescue Squads	Total
<b>ASSETS</b>					
Cash	\$ 534,236	\$ 479,451	\$ 76,735	\$ 359,121	\$ 1,449,543
Investments	-	8,909,376	3,041,535	-	11,950,911
<b>TOTAL ASSETS</b>	<u>\$ 534,236</u>	<u>\$ 9,388,827</u>	<u>\$ 3,118,270</u>	<u>\$ 359,121</u>	<u>\$ 13,400,454</u>
<b>LIABILITIES</b>					
Due to taxing units and others	\$ 534,236	\$ 9,388,827	\$ 3,118,270	\$ 359,121	\$ 13,400,454
<b>TOTAL LIABILITIES</b>	<u>\$ 534,236</u>	<u>\$ 9,388,827</u>	<u>\$ 3,118,270</u>	<u>\$ 359,121</u>	<u>\$ 13,400,454</u>

**SINGLE AUDIT SECTION**



# RISH & ENZASTIGA

Certified Public Accountants

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

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

### Compliance

We have audited the compliance of the Newberry County, South Carolina with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County's major federal programs are identified in the federal reporting and single audit section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

### Internal Control over Compliance

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

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

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

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

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

*Risk and Engstrom*

Lexington, South Carolina  
October 12, 2007

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.228	4-RP-04-004	<u>42,001</u>
Total U.S. Department of Housing and Urban Development			<u>42,001</u>
U.S. Department of Health and Human Services			
Thru SC Department of Social Services Health and Human Services	93.563	G-04SC4004	17,827
Thru SC Department of Social Services Health and Human Services	93.558	G01SCTANF	123,729
Thru SC Department of Social Services County Administrative Expense FFP	Multiple		<u>41,433</u>
Total U.S. Department of Health and Human Services			<u>182,989</u>
Federal Emergency Management Agency			
Homeland Security	83.554		<u>195,217</u>
Total Federal Emergency Management Agency			<u>195,217</u>
Federal Aviation Administration, Department of Transportation			
Airport Improvement Program	20.106		<u>699,857</u>
Total U.S. Department of Transportation			<u>699,857</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,120,064</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year ended June 30, 2007

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 - MAJOR PROGRAMS

The County had one major program for the current fiscal year. Airport Improvement Program grant with expenditures of \$699,857 was the County's only major program.



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2007

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued - unqualified

Internal control over financial reporting:

A. Material weaknesses identified?  X  Yes   No

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

Noncompliance material to financial statements noted?   Yes  X  No

Federal Awards

Internal control over major programs:

A. Material weaknesses identified?   Yes  X  No

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

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

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

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

20.106

Airport Improvement Program

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

Low-Risk Auditee   Yes  X  No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

**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. Entries are made between funds, which result in individual funds being out of balance. Revenue and expenditure accounts in the debt service and capital projects fund are commingled so true totals of revenue and expenditures are not shown.

*Criteria:* Fund accounting should ensure that each fund maintain a set of self-balancing accounts. Entries between funds should be recorded by offsetting “due to/from” accounts in order to maintain fund integrity. Revenues and expenditures should have separate accounts to track the annual totals for each category of revenue and expenditure.

*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. Because revenues and expenditures are shown in the same accounts, errors can occur and not be detected in a timely manner.

*Recommendation:* Self-balancing fund accounting should be maintained along with separate revenue and expenditure accounts by training accounting staff in the proper methodology of accounting.

*Response:* The County implemented a new general ledger software package beginning in July 2004. The software has controls to reduce the number of entries that are posted out of balance. Monthly reviews of the daily postings are also helping to correct the process.

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2007

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

No federal awards findings and questioned costs.

**Section IV - Prior Findings**

Cash on Hand - Year Ended June 30, 2006

*Condition:* The cash on hand account on the County's general ledger was not reconciled in a timely manner.

*Criteria:* The account should be reconciled to the general ledger on a monthly basis.

*Effect:* If the cash on hand account is not reconciled, errors could occur and not be detected in a timely manner.

*Recommendation:* An employee separate of cash receipts should reconcile the cash on hand account to the County's general ledger.

*Response:* The cash on hand account is now being reconciled and monitored on a daily basis.



# RISH & ENZASTIGA

Certified Public Accountants

## AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of Newberry County, South Carolina (the County) as of and for the year ended June 30, 2007, and have issued our report thereon dated October 12, 2007. We conducted our audit in accordance with generally accepted auditing standards of the United States and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

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

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

A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described above and would not necessarily disclose all matters in the internal control structure that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We identified two material weaknesses listed in the Schedule of Findings and Questioned Costs, items 1 & 2.

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

*Risk and Emery*

October 12, 2007  
Lexington, South Carolina

Statement of Fines, Assessments and Surcharges

Newberry County, South Carolina

Year Ended June 30, 2007

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Public Defender Application Fees	\$ 3,040	\$ 3,040	\$ -
Marriage License Fee	4,420	4,420	-
Circuit/Family Court Fines	11,877	11,877	-
Circuit/Family Court Filing Fees	199,450	199,450	-
General Sessions - Assessments - DUI	351	351	-
Magistrates Court - Assessments - DUI	6,420	6,420	-
Magistrates - Surcharge - DUI	5,935	5,935	-
Magistrates - Drug Surcharge	6,600	6,600	-
General Sessions - Drug Surcharge	6,310	6,310	-
General Sessions - Other Assessments	13,638	8,903	4,735
Magistrates Court - Other Assessments	476,991	420,867	56,124
General Sessions - Surcharges	21,944	4,282	17,662
Magistrates Court - Surcharges	303,468	278,805	24,663
	<u>\$ 1,060,444</u>	<u>\$ 957,260</u>	<u>\$ 103,184</u>

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

Newberry County, South Carolina

Year Ended June 30, 2007

**Segregation of Duties**

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

*Criteria:* The same personnel perform the duties of cashier, posting accounts receivable records, handling of mail cash receipts, and receiving and disputing items and NSG charges. Additionally, bank reconciliations are prepared by an employee that is not independent of the cash receipts activities.

*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.