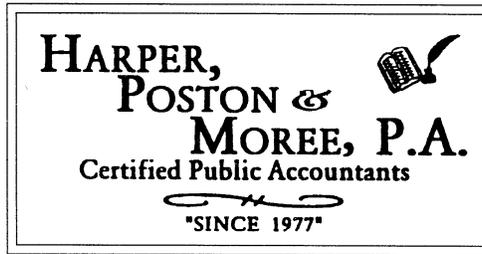


ADDITIONAL INFORMATION REQUIRED BY
GOVERNMENT AUDITING STANDARDS





Robert D. Harper, Jr. CPA
Stacey C. Moree CPA
P. O. Box 1550
106 Wall Street, Litchfield
Pawleys Island, SC 29585
Tel (843) 237-9125
Fax (843) 237-1621
E-mail: HPM@sc.rr.com

Robin B. Poston CPA
P. O. Box 576
307 Church Street
Georgetown, SC 29442
Tel (843) 527-3413
Fax (843) 546-7277

**REPORT OF INDEPENDENT AUDITORS
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and
Members of City Council
City of Georgetown, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Georgetown, South Carolina as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 15, 2006. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Harper, Poston & Moree, P.A.

Harper, Poston & Moree, P.A.
Certified Public Accountants

Pawleys Island, South Carolina
November 15, 2006

CITY OF GEORGETOWN, SOUTH CAROLINA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2006

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements.
2. No reportable conditions relating to the audit of the financial statements are reported in the auditors report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. An audit in accordance with OMB Circular A-133 was not required. There were no major federal award programs for the current year; therefore no reportable conditions were disclosed for major federal programs.
5. There were no major federal award programs for the current year; therefore no auditor's report on compliance for major federal programs was issued.
6. No audit findings relative to major federal programs are reported in Part C of this schedule.
7. An audit in accordance with OMB Circular A-133 was not required. No programs were tested as major programs.
8. The City did not fall under the audit requirements of OMB Circular A-133; therefore there was no threshold for distinguishing types A and B programs.
9. Risk relative to OMB Circular A-133 was not assessed.

B. Findings – Financial Statement Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs Audit

None.

CITY OF GEORGETOWN, SOUTH CAROLINA

Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2006

There are no prior year audit findings relating to federal award programs for the fiscal year 2005 that are required by OMB Circular A-133 to be reported in the Summary Schedule of Prior Audit Findings for the year ended June 30, 2006.