

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

June 30, 2015

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# RISH & ENZASTIGA

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Newberry County Council  
Newberry, South Carolina

We have audited the accompanying primary government financial statements of the governmental activities and each major fund of Newberry County, South Carolina, as of and for the year ended June 30, 2015 and the related notes to the financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. However, the primary government financial statements, because they do not include the financial data of component units of Newberry County, South Carolina, do not purport to, and do not, present fairly the financial position of Newberry County, South Carolina, as of June 30, 2015, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Opinions

In our opinion, the primary government's financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Newberry County, South Carolina, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis (p 7-18) and budgetary comparison (p. 25) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards (required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) along with accompanying supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements in accordance with auditing standards generally accepted in the United States of America and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have issued a report dated September 10, 2015 on our consideration of the County's internal control structure and on its compliance with laws and regulations. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. 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.



Lexington, South Carolina  
September 10, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

# NEWBERRY COUNTY, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2015

## INTRODUCTION

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2015. 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 Position:** The County's Total Net Position as of June 30, 2015, was \$28,634,642, which represented an increase of \$2,627,737 from the prior year end.
- **Revenues and Expenditures:** Revenues totaled \$31,391,824 and expenditures totaled \$30,338,430 for all Governmental Funds at the fund level. Accordingly, revenues exceeded expenditures by \$1,053,394 before other financing activities. The general fund increased the fund balance by \$1,338,859. The debt service fund balance increased \$664,938. The capital projects fund balance increased \$466,893 from the lease purchase issuance.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$1,116,300 consisting of purchases of equipment and building improvements. Depreciation expense in governmental activities was \$2,914,723. This resulted in a net decrease of capital assets of \$1,798,423.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$24,615,875 in fiscal year 2015 Revenues, which primarily consisted of property taxes and intergovernmental sources. Net other financing uses were \$2,145,687, and \$21,131,329 in expenditures increased the fund balance \$1,338,859.
- **Debt:** The County retired \$3,889,078 in principal for governmental activities bonds outstanding. The Debt Service Fund Balance increased from \$664,938 to \$6,090,116. Bonds payable are \$13,332,415 at June 30, 2015 in governmental activities. Detail for long term debt is shown in Note F. The County implemented GASB 68 – Pension Liabilities. At year end the net pension liability was \$13,582,406 – see Note G.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**Statement of Net Position:** The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

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

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

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

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

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$28,634,642 as of June 30, 2015. The largest portion of the County's net position 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 position for the fiscal year ended June 30, 2015.

Current assets	\$ 29,790,982
Non-current assets	36,905,680
Deferred outflow – pension	<u>1,279,758</u>
Total assets and debits	<u>67,976,420</u>
Current liabilities	7,540,322
Non-current liabilities	30,543,954
Deferred inflow	<u>1,257,502</u>
Total liabilities & def inflows	<u>39,341,778</u>
Net position	<u>\$ 28,634,642</u>
Net position - Invested in capital assets, net of related debt	\$ 23,215,389
Restricted	10,125,795
Unrestricted	<u>(4,706,542)</u>
Total Net Position	<u>\$ 28,634,642</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

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

- GO Bond principal payments of \$3,889,078
- Purchases of equipment and other assets of \$1,116,300 and depreciation of \$2,914,723
- GASB 68 implementation net pension liability - \$13,582,406

**Changes in net position:** The County's governmental activities for the fiscal year ended June 30, 2015, were \$27,536,993. The total cost of all programs and services was \$31,011,230. The following table presents a summary of the activity that resulted in changes to total net position for the fiscal year ended June 30, 2015.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 1,395,976
Operating grants and contributions	196,733
Capital grants	1,250,652
General revenues:	
Property taxes	20,972,211
Intergovernmental sources	1,287,406
Fines and assessments	2,110,235
Sales tax	3,446,208
Miscellaneous	<u>1,381,864</u>
Total revenues	<u>32,041,285</u>
<b>EXPENSES:</b>	
Governmental - current	( 26,780,079)
Intergovernmental – capital	
Construction & improvements	( 2,230,907)
Interest and fees	<u>( 402,562)</u>
Total expenses	<u>( 29,413,548)</u>
Increase in net position	<u>\$ 2,627,737</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

**Statement of Activities:** The following table presents the cost of the major functional activities: current, capital outlays and debt service. 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	\$ 26,780,079	\$(23,936,718)
Intergovernmental – capital Construction & improvements	2,230,907	(2,230,907)
Debt Service - interest	<u>402,562</u>	<u>(402,562)</u>
Total expenses	<u>\$ 29,413,548</u>	<u>\$(26,570,187)</u>

- The cost of all activities this year was \$29,413,548
- Net cost of governmental activities (\$26,570,187) was financed by general revenues (\$29,197,924), which are made up of primarily property taxes (\$20,972,211), intergovernmental sources (\$1,287,406), fines and assessments (\$2,110,235), sales tax (\$3,446,208), and other revenue (\$1,381,864).

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

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

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

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 \$25,490,320, an increase of \$2,318,401 since June 30, 2014. A fund balance of \$12,591,982 or 49.4 percent of total governmental fund balance constitutes unreserved and unassigned, which is available for spending at the County's discretion.

The remaining fund balance is reserved:

- \$ 5,181,276 assigned for future capital projects
- \$ 6,090,116 assigned for debt service
- \$ 312,240 committed for special revenue
- \$ 20,551 nonspendable for inventory - fuel

The General Fund is the principal operating fund of the County. The increase in fund balance in the General Fund for the fiscal year was \$1,338,859 was due to higher revenue than projected. The Debt Service Fund balance showed an increase of \$664,938. The Capital Projects Funds showed a fund balance of \$5,181,276, a combination of remaining Sales Tax, Lease purchase and GO Bonds proceeds. The Capital Projects had expenditures of \$2,642,866.

### **BUDGETARY HIGHLIGHTS**

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

The County budgeted \$22,812,651 in General Fund Revenue with actual revenue totaling \$24,615,875 for a difference of \$1,803,224. The budget for expenditures was \$21,872,787 with the actual expenditures being \$21,131,329 for a difference of \$741,458. The general fund transferred \$763,530 to fund capital projects and \$1,382,859 to special revenue projects. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$1,338,859. Changes to the original and final budget were made through budget amendments during the year to adjust for various projects and costs.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) –  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS**

As of June 30, 2015, the County had invested \$36,905,680. in capital assets, net of accumulated depreciation, including buildings and facilities, fire service and rescue squad vehicles, other vehicles, and other equipment. Total depreciation expense for the year was \$2,914,723 for governmental activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2015.

	Amount
Land	\$ 8,143,969
Buildings and improvements	36,049,549
Vehicles and equipment	17,676,632
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
<b>Total</b>	<b><u>\$ 78,864,299</u></b>

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

**DEBT ADMINISTRATION**

The following table presents a summary of the County's outstanding long-term debt for the fiscal year ended June 30, 2015.

	Amount
General obligation bonds	\$ 13,332,415
Lease purchase	3,161,077
Accrued compensated absences	<u>596,899</u>
<b>Total</b>	<b><u>\$ 17,090,391</u></b>

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 F of this report.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2015**

**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 2015 - 2016 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, 2015**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I – II are presented for additional analysis of the County's finances for the FY 13- 14.

Table I – Statement of Net Position – Governmental Activities – Total current assets increased \$2,644,766 versus the prior year due to increases in cash (general fund & capital projects fund). Capital assets decreased \$1,798,423 net as shown in Note N for capital asset additions for new buildings & equipment less depreciation expense. Total liabilities increased \$13,501,158 million due to the effects of GASB 68 – Pension Liabilities – see Note G and net payments to debt principal. Net position increased \$2,627,737 but due to the effects of GASB 68, the overall adjusted net position decreased \$10,856,392.

Table II – Statement of Activities – Governmental Activities – Total revenues increased \$3,567,622 (Property taxes increased \$2,101,678 and sales tax increased \$51,338) Total expenses decreased \$249,194 due to lower GO Bond and Sales Tax Bond expenses used for intergovernmental expenses and other capital outlays.

**CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

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

Information on component units and their financial reports can be obtained by contacting Division of Financial Services, Newberry County, 1309 College Street, Newberry, South Carolina 29108. (Telephone # 803-321-2100).

NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued  
YEAR ENDED JUNE 30, 2015

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

	Governmental Activities		
	2015	2014	Variance
Assets			
Total Current Assets	\$ 29,790,982	\$ 26,627,551	\$ 3,163,431
Other Debits	1,279,758	-	1,279,758
Capital Assets, net of accumulated depreciation	<u>36,905,680</u>	<u>38,704,103</u>	<u>(1,798,423)</u>
Total Assets	<u>\$ 67,976,420</u>	<u>\$ 65,331,654</u>	<u>\$ 2,644,766</u>
Total Current Liabilities	\$ 7,540,322	\$ 6,730,615	\$ 809,707
Non-Current Liabilities	30,543,954	19,097,298	11,446,656
Deferred Inflows	<u>1,257,502</u>	<u>12,707</u>	<u>1,244,795</u>
	<u>\$ 39,341,778</u>	<u>\$ 25,840,620</u>	<u>\$ 13,501,158</u>
Net Position			
Invested in capital assets, net of related debt	\$ 23,215,389	\$ 30,464,103	\$ (7,248,714)
Restricted	10,125,795	8,264,071	1,861,724
Unrestricted/(deficit)	<u>(4,706,542)</u>	<u>762,860</u>	<u>(5,469,402)</u>
Total Net Position	<u>\$ 28,634,642</u>	<u>\$ 39,491,034</u>	<u>\$ (10,856,392)</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued  
YEAR ENDED JUNE 30, 2015**

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

	Governmental Activities		
	2015	2014	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 1,395,976	\$ 1,015,465	\$ 380,511
Operating Grants	196,733	133,402	63,331
Capital Grants	1,250,652	399,007	851,645
General Revenue:			
Property Taxes	20,972,211	18,870,533	2,101,678
Intergovernmental Sources	1,287,406	2,045,484	(758,078)
Fines and Assessments	2,110,235	1,867,768	242,467
Sales Tax - Debt Service	3,446,208	3,394,870	51,338
Other	<u>1,381,864</u>	<u>747,134</u>	<u>634,730</u>
Total Revenues	<u>\$ 32,041,285</u>	<u>\$ 28,473,663</u>	<u>\$ 3,567,622</u>
Expenses			
Current			
Legislative Administration	\$ 313,280	\$ 274,670	\$ 38,610
Tax assessment & collection	2,059,892	2,077,313	(17,421)
Election & registration	1,503,137	1,441,184	61,953
Administration of Justice	178,052	130,623	47,429
Law enforcement	2,045,006	1,755,767	289,239
Detention	4,182,828	4,345,648	(162,820)
Public safety	1,941,598	1,839,493	102,105
Public works & maintenance	4,132,183	3,546,790	585,393
Planning & development	6,991,848	6,845,582	146,266
Agriculture & home economics	1,030,551	544,956	485,595
Public health	118,249	106,927	11,322
Social services	23,037	18,182	4,855
Miscellaneous	257,681	251,954	5,727
Emergency telephone reporting	1,545,903	1,913,547	(367,644)
Capital Construction & Improvements - Intergovernmental	456,834	585,719	(128,885)
Interest and Fees	2,230,907	3,272,123	(1,041,216)
	<u>402,562</u>	<u>712,264</u>	<u>(309,702)</u>
Total Expenses	<u>\$ 29,413,548</u>	<u>\$ 29,662,742</u>	<u>\$ (249,194)</u>
Change in Net Position	2,627,737	(1,189,079)	3,816,816
Net Position, Beginning of Year	39,491,034	<u>40,680,113</u>	<u>(1,189,079)</u>
Pension Liability, prior period adj	<u>(13,484,129)</u>		
Net Position, as restated	<u>26,006,905</u>		
Net Position, End of Year	<u>\$ 28,634,642</u>	<u>\$ 39,491,034</u>	<u>\$ (10,856,392)</u>

BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT

STATEMENT OF NET POSITION  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2015

	PRIMARY GOVERNMENT	
	Governmental Activities	Total
<b>ASSETS</b>		
Current Assets		
Cash - Notes B & C	\$ 6,715,614	\$ 6,715,614
Investments - Note C	19,681,691	19,681,691
Receivables		
Property taxes - delinquent - Note E	956,512	956,512
Fines and fees	45,864	45,864
Other	1,091,297	1,091,297
Due from other governments		
State shared revenue	385,426	385,426
Sales tax	894,027	894,027
Inventory - jet fuel	20,551	20,551
Total Current Assets	29,790,982	29,790,982
Capital Assets - Note N		
Land	8,143,969	8,143,969
Buildings	36,049,549	36,049,549
Roads	11,340,105	11,340,105
Equipment	17,676,632	17,676,632
Airport improvements	5,654,044	5,654,044
Accumulated depreciation	(41,958,619)	(41,958,619)
DEFERRED OUTFLOW - Pension	1,279,758	1,279,758
<b>TOTAL ASSETS</b>	<b>\$ 67,976,420</b>	<b>\$ 67,976,420</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accrued expenses	\$ 1,471,998	\$ 1,471,998
Due to other taxing units and others	1,942,943	1,942,943
Accrued interest	154,778	154,778
Lease payable, current portion	663,594	663,594
Bonds payable, current portion	3,307,009	3,307,009
Total Current Liabilities	7,540,322	7,540,322
Bonds payable, less current portion	10,025,406	10,025,406
Compensated absences	596,899	596,899
Net Pension Liability	13,582,406	13,582,406
Net OPEB Obligation - See Note P	3,841,760	3,841,760
Lease purchase, less current portion	2,497,483	2,497,483
<b>TOTAL LIABILITIES</b>	<b>38,084,276</b>	<b>38,084,276</b>
DEFERRED INFLOWS		
Grant	9,738	9,738
Pension	1,247,764	1,247,764
<b>NET POSITION</b>		
Invested in capital assets, net of related debt, \$13,690,291	23,215,389	23,215,389
Restricted for:		
special projects, net of related debt, \$2,803,200	3,984,471	3,984,471
debt service	6,141,324	6,141,324
Unrestricted	(4,706,542)	(4,706,542)
<b>TOTAL NET POSITION</b>	<b>28,634,642</b>	<b>28,634,642</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 67,976,420</b>	<b>\$ 67,976,420</b>

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Program Revenues			Net Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Total
Governmental Activities						
Current						
Legislative	\$ 313,280	\$ -	\$ -	\$ -	\$ (313,280)	\$ (313,280)
Administration	2,059,892	-	-	-	(2,059,892)	(2,059,892)
Tax assessment & collection	1,503,137	-	-	-	(1,503,137)	(1,503,137)
Election & registration	178,052	-	-	-	(178,052)	(178,052)
Administration of Justice	2,045,006	-	196,733	-	(1,848,273)	(1,848,273)
Law enforcement	4,182,828	-	-	-	(4,182,828)	(4,182,828)
Detention	1,941,598	-	-	-	(1,941,598)	(1,941,598)
Public safety	4,132,183	174,649	-	-	(3,957,534)	(3,957,534)
Public works & maintenance	6,991,848	858,404	-	238,307	(5,895,137)	(5,895,137)
Planning & development	1,030,551	-	-	-	(1,030,551)	(1,030,551)
Agriculture & home economics	118,249	-	-	-	(118,249)	(118,249)
Public health	23,037	-	-	-	(23,037)	(23,037)
Social services	257,681	-	-	-	(257,681)	(257,681)
Miscellaneous	1,545,903	-	-	-	(1,545,903)	(1,545,903)
Emergency telephone reporting	456,834	362,923	-	1,012,345	918,434	918,434
Capital construction & improvements - intergovernmental	2,230,907	-	-	-	(2,230,907)	(2,230,907)
Debt service						
Interest & other bond costs	<u>402,562</u>	-	-	-	<u>(402,562)</u>	<u>(402,562)</u>
Total Governmental Activities	<u>29,413,548</u>	<u>1,395,976</u>	<u>196,733</u>	<u>1,250,652</u>	<u>(26,570,187)</u>	<u>(26,570,187)</u>
TOTAL	<u>\$ 29,413,548</u>	<u>\$ 1,395,976</u>	<u>\$ 196,733</u>	<u>\$ 1,250,652</u>	<u>(26,570,187)</u>	<u>(26,570,187)</u>
General Revenues						
Property Taxes Levied For:						
General Purposes					19,676,296	19,676,296
Debt Service					1,295,915	1,295,915
Intergovernmental sources					1,287,406	1,287,406
Fines and assessments					2,110,235	2,110,235
Sales tax - debt service					3,446,208	3,446,208
Other					<u>1,381,864</u>	<u>1,381,864</u>
Total General Revenues					<u>29,197,924</u>	<u>29,197,924</u>
Change in Net Position					2,627,737	2,627,737
Net Position, Beginning of Year, As Restated					<u>26,006,905</u>	<u>26,006,905</u>
NET POSITION, END OF YEAR					<u>\$ 28,634,642</u>	<u>\$ 28,634,642</u>

BALANCE SHEET  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
June 30, 2015

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>ASSETS</b>					
Cash - Notes B & C	\$ 3,992,665	\$ 50,411	\$ 2,007,173	\$ 665,365	\$ 6,715,614
Investments - Note C	13,227,508	4,292,425	2,161,758	-	19,681,691
Receivables					
Property taxes - delinquent - Note E	74,927	5,602	-	-	80,529
Fines and fees	45,864	-	-	-	45,864
Other	78,952	-	1,012,345	-	1,091,297
Due from other governments					
State shared revenue	385,426	-	-	-	385,426
Sales tax	-	894,027	-	-	894,027
Inventory - jet fuel	-	-	-	20,551	20,551
Due from other funds - Note D	<u>355,009</u>	<u>847,651</u>	<u>-</u>	<u>11,622</u>	<u>1,214,282</u>
TOTAL ASSETS	<u>\$ 18,160,351</u>	<u>\$ 6,090,116</u>	<u>\$ 5,181,276</u>	<u>\$ 697,538</u>	<u>\$ 30,129,281</u>
<b>LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 1,471,998	\$ -	\$ -	\$ -	\$ 1,471,998
Due to taxing units and others	1,942,943	-	-	-	1,942,943
Due to other funds - Note D	<u>859,273</u>	<u>-</u>	<u>-</u>	<u>355,009</u>	<u>1,214,282</u>
TOTAL LIABILITIES	<u>4,274,214</u>	<u>-</u>	<u>-</u>	<u>355,009</u>	<u>4,629,223</u>
DEFERRED INFLOW - grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,738</u>	<u>9,738</u>
<b>FUND BALANCES</b>					
Reserved:					
Nonspendable - inventory - fuel	-	-	-	20,551	20,551
Committed for special revenue	-	-	-	312,240	312,240
Assigned for capital projects	1,294,155	-	5,181,276	-	6,475,431
Assigned for debt service	-	6,090,116	-	-	6,090,116
Unreserved:					
Unassigned	<u>12,591,982</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,591,982</u>
TOTAL FUND BALANCES	<u>13,886,137</u>	<u>6,090,116</u>	<u>5,181,276</u>	<u>332,791</u>	<u>25,490,320</u>
TOTAL LIABILITIES, DEFERRED INFLOW & FUND BALANCES	<u>\$ 18,160,351</u>	<u>\$ 6,090,116</u>	<u>\$ 5,181,276</u>	<u>\$ 697,538</u>	<u>\$ 30,129,281</u>

Reconciliation of governmental fund balances to  
statement of net position:

Total Fund Balances - Governmental Funds	\$ 25,490,320
Capital assets, net of accumulated depreciation	36,905,680
Bonds payable	(13,332,415)
Leases payable	(3,161,077)
Compensated absences	(596,899)
Net OPEB Obligation	(3,841,760)
Net Pension Adjustment	(13,550,412)
Accrued interest	(154,778)
Recognition of deferred taxes	<u>875,983</u>
Total Net Position - Governmental Activities	<u>\$ 28,634,642</u>

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

NEWBERRY COUNTY, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds	\$	2,318,401
<p>Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over the estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.</p>		
Capital outlays	1,116,300	
Depreciation expense	<u>(2,914,723)</u>	(1,798,423)
<p>Net Repayment/(Issuance) of bond principal is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net position and does not affect the statement of activities</p>		
	(712,000)	
	<u>3,594,078</u>	2,882,078
<p>In the statement of activities, compensated absences are measured by the amounts expended during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		(40,439)
<p>Repayment/(Issuance) of lease purchase/(lease purchase proceeds) is an expenditure/(other financing source) in the governmental funds, but it reduces/(increases) long-term liabilities in the statement of net position and does not affect the statement of activities.</p>		
Issuance of principal	(1,265,007)	
Repayment of principal	<u>639,548</u>	(625,459)
<p>Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as it accrues, regardless of the due date.</p>		
Interest on bonds and lease purchase increased by:		31,954
<p>In the statement of activities, OPEB benefits are measured by the accrued OPEB cost recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		(723,553)
<p>In the statement of activities, pension plan liabilities are measured by the accrued liability recorded during the year. In governmental funds, expenditures for this item are measured by the amount of financial resources used.</p>		
		(66,283)
<p>Some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred tax revenues. In the statement of activities, property taxes are recorded as revenue in the year levied.</p>		
		<u>649,461</u>
Change in net position - governmental activities	\$	<u>2,627,737</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2015

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>REVENUE</b>					
Taxes	\$ 19,021,233	\$ 1,301,517	\$ -	\$ -	\$ 20,322,750
Intergovernmental	2,326,315	-	1,012,345	254,535	3,593,195
Fines and fees	1,996,678	-	-	651,129	2,647,807
Sales tax	-	3,446,208	-	-	3,446,208
Other	<u>1,271,649</u>	<u>11,512</u>	<u>3,172</u>	<u>95,531</u>	<u>1,381,864</u>
<b>TOTAL REVENUE</b>	<b>24,615,875</b>	<b>4,759,237</b>	<b>1,015,517</b>	<b>1,001,195</b>	<b>31,391,824</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Legislative	313,280	-	-	-	313,280
Administration	1,216,028	-	-	-	1,216,028
Tax assessment & collection	1,480,244	-	-	-	1,480,244
Election & registration	178,052	-	-	-	178,052
Administration of Justice	1,758,080	-	-	269,949	2,028,029
Law enforcement	3,610,794	-	-	142,155	3,752,949
Detention	1,897,008	-	-	-	1,897,008
Public safety	3,271,856	-	-	456,834	3,728,690
Public works & maintenance	5,016,323	-	-	-	5,016,323
Planning & development	1,022,774	-	-	-	1,022,774
Agriculture & home economics	118,249	-	-	-	118,249
Public health	23,037	-	-	-	23,037
Social services	257,681	-	-	-	257,681
Miscellaneous	336,034	-	-	1,209,869	1,545,903
Emergency telephone reporting	-	-	-	456,834	456,834
<b>Capital outlays</b>					
Capital construction & improvements	631,889	-	2,642,866	-	3,274,755
<b>Debt service</b>					
Principal retirement - Note G	-	3,594,078	-	-	3,594,078
Interest	-	434,516	-	-	434,516
Fees & other bond service costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<b><u>21,131,329</u></b>	<b><u>4,028,594</u></b>	<b><u>2,642,866</u></b>	<b><u>2,535,641</u></b>	<b><u>30,338,430</u></b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>3,484,546</u>	<u>730,643</u>	<u>(1,627,349)</u>	<u>(1,534,446)</u>	<u>1,053,394</u>
<b>OTHER FINANCING SOURCES</b>					
Bond proceeds	-	712,000	-	-	712,000
Lease purchase	-	-	1,265,007	-	1,265,007
Lease purchase payment	-	(712,000)	-	-	(712,000)
Transfer In/(Out)	<u>(2,145,687)</u>	<u>(65,705)</u>	<u>829,235</u>	<u>1,382,157</u>	<u>-</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	1,338,859	664,938	466,893	(152,289)	2,318,401
Fund Balance, Beginning of Year,	<u>12,547,278</u>	<u>5,425,178</u>	<u>4,714,383</u>	<u>485,080</u>	<u>23,171,919</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 13,886,137</u></b>	<b><u>\$ 6,090,116</u></b>	<b><u>\$ 5,181,276</u></b>	<b><u>\$ 332,791</u></b>	<b><u>\$ 25,490,320</u></b>

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2015

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Property taxes, current	\$ 15,532,035	\$ 15,532,035	\$ 15,611,997	\$ 79,962
Community service levies - taxes	939,864	939,864	939,864	-
Fee In Lieu	725,000	725,000	1,394,351	669,351
Delinquent taxes and cost	978,000	978,000	1,075,021	97,021
Intergovernmental	1,797,928	1,797,928	2,326,315	528,387
Fines and fees	1,633,585	1,633,585	1,996,678	363,093
Other	555,216	555,216	1,271,649	716,433
Balance brought forward	<u>651,023</u>	<u>651,023</u>	<u>-</u>	<u>(651,023)</u>
<b>TOTAL REVENUE</b>	<u>22,812,651</u>	<u>22,812,651</u>	<u>24,615,875</u>	<u>1,803,224</u>
<b>EXPENDITURES</b>				
Current				
Legislative	344,728	356,009	313,280	42,729
Administration	1,702,562	1,492,034	1,216,028	276,006
Tax assessment & collection	1,537,655	1,547,949	1,480,244	67,705
Election & registration	162,427	164,466	178,052	(13,586)
Administration of Justice	1,779,476	1,803,892	1,758,080	45,812
Law enforcement	3,650,265	3,662,103	3,610,794	51,309
Detention	1,975,382	2,036,382	1,897,008	139,374
Public safety	3,637,483	3,523,660	3,271,856	251,804
Public works & maintenance	4,992,579	5,143,830	5,016,323	127,507
Planning & development	1,058,272	1,068,412	1,022,774	45,638
Agriculture & home economics	115,710	115,710	118,249	(2,539)
Public health	26,352	26,352	23,037	3,315
Social services	260,683	264,577	257,681	6,896
Miscellaneous	448,276	427,028	336,034	90,994
Capital outlays				
Capital construction & improvements	<u>273,684</u>	<u>240,383</u>	<u>631,889</u>	<u>(391,506)</u>
<b>TOTAL EXPENDITURES</b>	<u>21,965,534</u>	<u>21,872,787</u>	<u>21,131,329</u>	<u>741,458</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>847,117</u>	<u>939,864</u>	<u>3,484,546</u>	<u>2,544,682</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer to capital projects	-	-	(763,530)	(763,530)
Transfer to special revenue (includes Community Service Levies)	<u>(847,117)</u>	<u>(939,864)</u>	<u>(1,382,157)</u>	<u>(442,293)</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,338,859</u>	<u>1,338,859</u>
Fund Balance, Beginning of Year			<u>12,547,278</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 13,886,137</u>	
			(2,145,687)	

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2015

	Newberry County School District	Fire Departments/ Rescue Squads	Magistrates/ Clerk of Court	Market St Escrow	Total Agency Funds
<b>ASSETS</b>					
Cash and cash equivalents - Note B and C	\$ 1,141,602	\$ 323,180	\$ 513,048	\$ 50,000	\$ 2,027,830
Investments	<u>23,314,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,314,120</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 24,455,722</b></u>	<u><b>\$ 323,180</b></u>	<u><b>\$ 513,048</b></u>	<u><b>\$ 50,000</b></u>	<u><b>\$ 25,341,950</b></u>
<b>LIABILITIES</b>					
Due to other entities	<u>\$ 24,455,722</u>	<u>\$ 323,180</u>	<u>\$ 513,048</u>	<u>\$ 50,000</u>	<u>\$ 25,341,950</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 24,455,722</b></u>	<u><b>\$ 323,180</b></u>	<u><b>\$ 513,048</b></u>	<u><b>\$ 50,000</b></u>	<u><b>\$ 25,341,950</b></u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES --Continued

Rescue Squads

The rescue squads are funded by County monies. The rescue squads are governed by the Board of Rescue Squads. Personnel for the rescue squads serve on a volunteer basis. Additional funds are raised through donations and fund-raisers upon approval of the Board of Rescue Squads.

Each rescue squad chief controls and designates spending for each rescue squad. The funds held by each squad are custodial in nature to be used for each squad's needs and not for the benefit of the County's daily operations. Therefore the rescue squads have been shown in an agency fund and do not involve measurement of results of operations.

Other Information

Since the other political subdivisions of the County, including the School District, have the authority to hire and terminate employees, establish their own operating budgets and enter into their own contracts, the County does not significantly influence their operations. As these entities have the authority to borrow funds and are responsible for funding their own deficits, the County does not have accountability for their fiscal matters. Accordingly, these other political subdivisions have been excluded from the County's financial statements.

Government-Wide and Fund Accounting

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government. The effect of interfund transfers has been eliminated from these statements. Governmental activities are reported separately from business-type activities.

The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

**GOVERNMENTAL FUNDS**

General Fund

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

Special Revenue – Non-Major Funds

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

Capital Projects Fund - Major Fund

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

Debt Service Fund – Major Fund

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

**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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Basis of Accounting- Government-wide and Governmental Funds

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

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

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

Cash and Cash Equivalents

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

Investments

Investments, consisting primarily of the State Treasury Investment Pool, are stated at fair market value. It is generally the policy of the County to hold investments to maturity.

Inventories

The County has fuel facilities at the County Airport. . The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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, 2015. The County does not accrue sick leave as the employees' rights to it do not vest.

Budget

County Council adopts an annual appropriated budget prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the appropriated budget and any revisions approved by Council during the fiscal year. Line item transfers within operating departments and any additional appropriations and transfers between departments are approved by County Council. The budget is prepared on a basis other than the one prescribed by GAAP. Adjustments are made to present the amounts properly in the general-purpose financial statements. See Note M – Budget.

Encumbrances

The County did not have any material encumbrances at June 30, 2015. Under encumbrance accounting, contracts, purchase orders and other commitments for expenditures are recorded in order to reserve that portion of an applicable appropriation as an extension of the formal budgetary integration in the County's general fund.

Fund Equity

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

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

Use of Estimates

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Capital Assets

All Capital Assets are capitalized at historical cost and updated for additions and deletions during the fiscal year less accumulated depreciation. The County maintains a capitalization threshold of \$5,000 for capital assets – governmental activities. 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.

Tax Status

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

Revenue

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

Deferred Outflows – Grant Income

Deferred outflows – grant income in the General Fund and Special Revenue Fund represent money received in advance for a project in which the expenditures are anticipated to be made in a subsequent year.

Pension Liability, Deferred Inflows & Deferred Outflows

The County implemented GASB 68 to account for Pension Liabilities through the SCRS and PORS. The standards require the recording of a pension liability for future estimated retirement costs, deferred inflows for investment experience and deferred outflows for liability experience.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE B - CASH

Deposits

At June 30, 2015, the carrying amount of the County's deposits was \$8,743,444 (\$6,715,614 for the primary government, and \$2,027,830 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 \$125,426 cash on hand at June 30, 2015.

NOTE C – INVESTMENTS

Newberry County is authorized by South Carolina state law to invest in the following types of investments:

1. Obligations of the United States and agencies thereof.
2. General obligations of the State of South Carolina or any of its political units.
3. Savings and loan associations to the extent they are secured by the federal government.

Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the deposit including interest.

The County's investments are categorized below to indicate the level of risk assumed by the entity at June 30, 2015. Category I includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
Bank deposit accounts	\$ 8,743,444	\$ --	\$ --	\$ 8,743,444	\$ 8,743,444
Total	<u>\$ 8,743,444</u>	<u>\$ --</u>	<u>\$ --</u>		
State treasurer's investment pool				19,681,691	19,681,691
State treasurer's investment pool – Agency funds				<u>23,314,120</u>	<u>23,314,120</u>
Total Investments and Deposits				<u>\$ 51,739,255</u>	<u>\$ 51,739,255</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2015 of \$42,995,811 (\$19,681,691 for the primary government and \$23,314,120) for the Agency Funds) which are not categorized because they are not evidenced by securities that exist in physical or book entry form. The investment pool is managed by the State Treasurer and the fair value of the County’s position equals the value of the pool’s shares. Shares may lose value and fall below original cost. The investment pool does not have a credit rating. The regulatory oversight of the pool is the State of South Carolina. The pool financial statements may be obtained by writing: State Treasurer’s Office, SCLGIP, PO Box 11778, Columbia, SC 29211.

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

NOTE D - INTERFUND RECEIVABLES AND PAYABLES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Special Revenue	\$ 355,009
Special Revenue	General	11,622
Debt Service	General Fund	<u>847,651</u>
	Total	<u>\$ 1,214,282</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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, 2015, that are collected within sixty days after June 30, is considered to be available to liquidate current liabilities under the modified accrual basis of accounting. Therefore, a deferred revenue account has been provided equal to the delinquent accounts in excess of the sixty-day period.

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

A summary of property taxes available as of June 30, 2015 follows:

General Fund	\$ 899,702
Debt Service Fund	<u>56,810</u>
Total Governmental Activities	<u>\$ 956,512</u>
General Fund	\$ 899,702
Debt Service Fund	56,810
Deferred tax revenue – Collections after 60 days	<u>(875,983)</u>
Net taxes receivable – Governmental Funds	<u>\$ 80,529</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE F - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2015:

	Balance, <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2015</u>
Bonds payable	\$ 16,509,493	\$ 712,000	\$ 3,889,078	\$ 13,332,415
Lease purchase agreement	2,535,625	1,265,000	639,548	3,161,077
Accrued vacation	<u>556,460</u>	<u>40,439</u>	<u>--</u>	<u>596,899</u>
<b>Total Long Term Debt</b>	<b><u>\$ 19,601,578</u></b>	<b><u>\$ 2,017,439</u></b>	<b><u>\$ 4,528,626</u></b>	<b><u>\$ 17,090,391</u></b>

Bonds payable at June 30, 2015, are composed of the following:

Special Source Revenue Bond (Fee-in-Lieu) – 2006 - due in annual installments of \$195,000 - \$455,000 through April 2026; interest rate 2.8%. Current amount due \$305,000	\$ 4,140,000
\$700,000 General Obligation Bonds, Series 2007 A, due in annual installments of \$17,533 to \$92,072 through September 2017; interest rate 4.16%. Current amount due \$80,000	250,000
\$1,000,000 General Obligation Bonds, Series 2007 B, due in annual installments of \$11,015 to \$121,711 through September 2017; interest rate 3.74%. Current amount due \$109,009	339,415
\$1,132,000 General Obligation Bonds, Series 2010, due in annual Installments of \$94,720 to \$166,000 through May 2018; interest rate 3.22%. Current amount due \$153,000	478,000
\$2,552,000 General Obligation Refunding Bonds, Series 2010B, due in Annual installments of \$212,000 to \$290,000 through March 2020; Interest rate 2.44%. Current amount due \$260,000	1,400,000
\$1,200,000 – 2013 Promissory Note - due in annual Installments of \$24,000 to \$252,468 through Aug 2023; Interest rate 2.0%. Current amount due \$0. Interest only, for the construction of the industrial park building	1,200,000
\$15,625,000 – 2011 Bonds (Sales Tax) , due in annual Installments of \$2,200,000 to \$3,125,000 through March 2020; Interest rate 2.44%. Current amount due \$2,400,000	<u>5,525,000</u>
<b>Total bonds payable</b>	<b><u>\$ 13,332,415</u></b>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2015

NOTE F - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2015:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 3,307,009	\$ 425,157	\$ 3,732,166
2017	3,447,087	277,752	3,724,839
2018	1,613,319	169,919	1,783,238
2019	645,000	134,803	779,803
2020	878,668	111,532	990,200
2021 – 2025	2,986,332	369,123	3,355,455
2026	<u>455,000</u>	<u>12,922</u>	<u>467,922</u>
Totals	<u>\$ 13,332,415</u>	<u>\$ 1,501,208</u>	<u>\$ 14,833,623</u>

General Obligation Bonds

Ad valorem taxes are pledged to secure the outstanding balance of each bond issue and must be levied in the amount sufficient to pay the principal and interest due each year. The South Carolina Constitution limits local unit borrowing power to 8 percent of its assessed property value. The limitation excludes bonded indebtedness existing on December 1, 1977 (date of the Constitutional amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters. Based on the June 30, 2015 assessed property valuation, the County is below its legal debt limit of \$10,392,048. Bond indebtedness applied to the debt limit was \$3,667,415, leaving \$6,724,633 debt capacity remaining.

Special Source Revenue Bonds

The Special Source Revenue Bonds were used to purchase land for industrial parks to attract new business and investment in the County. The Revenue Bonds are going to be paid for using the County's fee-in-lieu payments received.

Sales Tax Bond Payable

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE F - LONG-TERM DEBT – Continued

Lease Purchase Agreements

Lease Purchase 2011 was used to buy equipment for \$790,000. The annual interest rate is 1.9%. Annual payments of \$164,133 of principal and interest are due in December from 2015 – 2015. Current principal amount due is \$161,072.

Lease Purchase 2012 was used to buy equipment for \$656,000. The annual interest rate is 1.23%. Annual payments of \$134,513 of principal and interest are due in December from 2015 – 2016. Current principal amount due is \$131,264.

Lease Purchase 2013 was used to buy equipment for \$1,665,000. The annual interest rate is 2.64%. Annual payments of \$152,977 of principal and interest are due in December from 2015 – 2027. Current principal amount due is \$109,021.

Lease Purchase 2014 was used to buy equipment for \$1,265,000. The annual interest rate is 1.38%. Annual payments of \$277,015 of principal and interest are due in December from 2015 – 2019. Current principal amount due is \$262,237

Lease purchase payments are budgeted and paid through the General Fund of the County.

Outstanding lease purchase agreements are due as follows at June 30, 2015:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 663,594	\$ 65,043	\$ 728,637
2017	510,633	53,871	564,504
2018	384,377	45,614	429,991
2019	391,129	38,863	429,992
2020	120,997	31,979	152,976
2021 – 2025	654,621	110,261	764,882
2025 - 2029	<u>435,725</u>	<u>23,206</u>	<u>458,931</u>
Totals	<u>\$ 3,161,076</u>	<u>\$ 368,837</u>	<u>\$ 3,529,913</u>

Accrued Vacation

At June 30, 2015, the liability for accrued vacation benefits recorded in the governmental activities was \$596,899. Due to the nature of the obligation for accrued vacation, annual requirements to amortize such obligations are not determinable and have not been presented.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE F - LONG-TERM DEBT – Continued

Other Political Subdivisions (Overlapping Debt)

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

NOTE G - 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 - 8% of salary; PORS Class II – 8.41% of salary; PORS Class I - \$21 per month. 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.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE G - PENSION PLAN - Continued

Following is data for the current and prior two years on total payroll, covered payroll, and employer pension contributions:

**SCRS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total payroll	\$4,271,819	\$ 3,976,427	\$3,909,129
Covered payroll	4,271,819	3,976,427	3,909,129
County's contribution	459,221	415,537	408,504
Employee's contribution	341,746	298,232	273,639
Group life	6,408	5,965	5,864
County's Contribution %	10.75%	10.60%	10.60%
Employee's contribution %	8.00%	7.50%	7.00%

**PORS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total payroll	\$3,425,356	\$3,324,992	\$3,207,633
Covered payroll	3,425,356	3,324,992	3,207,633
County's contribution	445,639	413,629	381,708
Employee's contribution	288,072	260,679	224,534
Group Life and AD	6,851	6,650	6,415
Accidental death	6,851	6,650	6,415
County's Contribution %	13.01%	12.84%	11.763%
Employee's contribution %	8.41%	7.84%	7.00%

The County's contribution rate includes .15% for group life coverage for SCRS. PORS includes .20% group life coverage and .20% Accidental Death.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE G - PENSION PLAN - Continued

Pension Assets, Liabilities, Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2015 the County reported the following for its proportionate share of the net pension asset (liability) for each of the Retirement Systems. The net pension asset (liability) was measured as of June 30, 2014 for SCRS and PORS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The County's proportion of the net pension asset/(liability) was based on a projection of the County's long term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by PEBA in reports provided to the County and other participating agencies.

	SCRS	PORS
Actuarial valuation date	June 30, 2014	June 30, 2014
Net pension asset/(liability)	\$ (7,536,604)	\$(5,292,435)
County's portion of the Plan's Total net pension (liability)	0.0437775 %	0.27645 %

For the year ended June 30, 2015, the County recognized pension expense (credit) of \$528,230 for SCRS and \$463,023 for PORS. At June 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Liability Experience - SCRS	213,556	
Investment Experience - SCRS		635,391
Payments made in 2015 – SCRS	465,628	
Liability Experience – PORS	141,232	
Investment Experience- PORS		612,373
Payments made in 2015 – PORS	459,340	

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year June 30, 2,016. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2016	\$ (92,793)	(116,467)
2017	(92,793)	(116,467)
2018	(92,793)	(116,467)
2019	(143,457)	(121,741)

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

Actuarial Assumptions

Actuarial cost method	Entry Age	Entry Age
Investment rate of return	7.5%	7.5%
Proj salary increases	levels off at 3.5%	levels off at 3.5%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using the published Scale AA projected from the year 2000. The long term expected rate of return on pension plan investments for actuarial purposes is based on the 30 year capital market outlook at the end of the third quarter 2012. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of total pension liability includes a 4.75% real rate of return and 2.75% inflation component

Asset Class	Target Asset Allocation	Expected Rate of Return	Long Term Expected Rate of Return
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short Duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tact Asset			
Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge Funds			
(Low Beta)	8.0%	4	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (Broad Mkt)	5.0%	5.9	0.29
Commodities	<u>3.0%</u>	<u>5.1</u>	<u>0.15</u>
Total Expected			
Real Return	<u>100.0%</u>		5.88
Inflation for			
Actuarial Purposes			<u>2.75</u>
Total Expected Nominal Return			<u>8.63</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
SCRS	\$ 9,752,832	\$ 7,536,604	\$ 5,687,634
PORS	\$ 7,396,040	\$ 5,292,435	\$ 3,551,876

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

Pension Plan Fiduciary Net Position

	SCRS	PORS
Actuarial valuation date	June 30, 2014	June 30, 2014
Total pension asset/(liability)	\$ (42,955,205,796)	\$ (5,899,529,434)
Plan fiduciary net position	\$ 25,738,521,026	\$ 3,985,101,996
Employers Net Pension Liability	\$ 17,216,684,770	\$ 1,914,427,438
Ratio of plan net position to total pension (liability)	59.9 %	67.5 %

NOTE H - COMMITMENTS AND CONTINGENCIES

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the State and Federal Governments. Any disallowed claims, including amounts previously collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts to be immaterial.

Subsequent Events

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

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE I - 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 J - 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.

NOTE K – FUND BALANCE

The following amounts are shown:

Nonspendable - inventory	\$	20,551
Committed for special revenue		312,240
Assigned for debt service		6,090,116
Assigned for capital projects		5,463,086

Nonspendable inventory is the amount reserved for jet fuel inventory. Committed for special revenue is the amount available for special revenue purposes (grants, victims and sheriff's fines and emergency 911 operations). Assigned for debt service is the amount available in the debt service fund to pay future maturities of bonds and notes payable. Assigned for capital projects is the amount available to spend on future capital projects in the County for the Courthouse Waterproofing (\$575,000), Economic Office (\$120,000), Fairgrounds Repair (\$208,500), Public Works Storage Building (\$122,824) Other Projects (\$267,831), GO Bond proceeds, Lease Purchase proceeds and Sales Tax Bond proceeds remaining.

NOTE L – BUDGET VARIANCES

The County had unfavorable variances in the general fund in Registration and Election (\$13,586 - due to higher expenditures) & Congingency (\$391,506) due to economic development costs.

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE M – 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 N – CAPITAL ASSETS

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

	Balance, July 1, 2014	Additions	Deletions	Balance, June 30, 2015
Buildings and Land *	\$ 43,942,078	\$ 251,439	\$ --	\$ 44,193,518
Vehicles and equipment	17,173,598	864,861	(361,827)	17,676,632
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(39,405,723)</u>	<u>(2,914,723)</u>	<u>361,827</u>	<u>(41,958,619)</u>
Total	<u>\$ 38,704,103</u>	<u>\$ (1,798,423)</u>	<u>\$ --</u>	<u>\$ 36,905,680</u>

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

The County recorded depreciation expense of \$2,914,723 shown in current expenses on the statement of activities – governmental activities. Depreciation was allocated as follows:

Administration	\$ 13,589
Tax assessment	22,893
Admin of Justice	16,977
Law Enforcement	429,879
Detention	44,590
Public Safety	403,493
Public Works	1,975,525
Planning and Development	<u>7,777</u>
Total	<u>\$ 2,914,723</u>

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

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE O – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

A. Plan Description

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2015

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

B. Funding Policy

As required by GASB 45, an actuary will determine the County's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAL) over a period not to exceed 30 years.

GASB 45 does not require pre-funding of OPEB benefits. Therefore, the County's funding policy is to continue to pay healthcare premiums for retirees as they fall due. The County has elected not to establish an irrevocable trust at this time. The County Council reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the County.

C. Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the County's Annual OPEB Cost for the fiscal year ended June 30, 2015, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/15</u>
Annual Required Contributions	\$ 905,431
Interest on Net OPEB Obligation	124,728
Adjustment to Annual Required Contributions	<u>(180,326)</u>
Annual OPEB cost	\$ 849,833
Contributions made including implicit subsidy	<u>(126,280)</u>
Increase in Net OPEB Obligation	\$ 723,553
Net OPEB Obligation – Beginning of Year	<u>3,118,207</u>
Net OPEB Obligation – End of Year	<u>\$ 3,841,760</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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

The County's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the past four fiscal years ended June 30, 2015 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation/(Asset)</u>
06/30/09	\$545,329	\$57,598	10.56%	\$487,731
06/30/10	\$545,329	\$56,712	10.40%	\$976,348
06/30/11	\$496,023	\$56,764	11.44%	\$1,415,607
06/30/12	\$496,023	\$67,308	13.57%	\$1,844,322
06/30/13	\$707,753	\$66,243	9.36%	\$2,485,832
06/30/14	\$707,753	\$75,378	8.21%	\$3,118,207
06/30/15	\$849,833	\$126,280	14.86%	\$3,841,760

D. Funded Status and Funding Progress - The funded status of the plan as of June 30, 2015 was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Projected Unit Credit Actuarial Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/ 2008	\$0	\$4,098,135	\$4,098,135	0.00%	\$7,131,182	57.47%
7/1/2010	\$0	\$3,657,849	\$3,657,849	0.00%	\$6,986,852	52.35%
7/1/2012	\$0	\$5,367,013	\$5,367,013	0.00%	\$7,162,623	74.93%
7/1/2014	\$0	\$6,483,456	\$6,483,456	0.00%	\$7,773,864	83.40%

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

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The plan's most recent actuarial valuation was performed as of July 1, 2014. In that valuation, the Projected Unit Credit (PUC) Cost Method was used. The actuarial assumptions included a 5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 years. These assumptions reflect an implicit 3 percent general inflation assumption. The County's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years. The remaining amortization period as of June 30, 2015 was 25 years.

NOTE Q – TRANSFERS

Individual fund transfers for the year ended June 30, 2015 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,382,157
General Fund	Capital Projects	763,530
Debt Service	Capital Projects	65,705

The transfer from the general fund to the special revenue fund was to transfer levies collected for Community Service levies (Library and Piedmont Tech appropriation) and special projects. The transfer from general fund to capital fund was to pay for projects throughout Newberry County as appropriated by the budget. The transfer from debt service was from extra sales tax funds that were used for capital projects.

NOTE R – INVENTORY

The County has fuel facilities at the County Airport. Inventory consisting of jet fuel had a cost of \$20,551 at June 30, 2015. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

NOTE S – PRIOR PERIOD ADJUSTMENT

The County recognized a Net Pension Liability for participating in the SCRS and PORS under GASB 68. The Net Pension Liability reduced the beginning Net Position \$13,484,129.

NOTE T – NET POSITION

The County has an unrestricted net deficit in the governmental activities of \$4,706,542. This deficit was caused by the implementation of GASB 68 and the Net Pension Liability of \$13,582,406.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Taxes			
Property taxes, current	15,532,035	15,611,997	79,962
Property taxes - Community Service Levies	939,864	939,864	-
Fee in lieu of taxes	725,000	1,394,351	669,351
Delinquent taxes	780,000	886,536	106,536
Delinquent tax cost	<u>198,000</u>	<u>188,485</u>	<u>(9,515)</u>
Total Taxes	<u>18,174,899</u>	<u>19,021,233</u>	<u>846,334</u>
Intergovernmental			
Local government	1,416,000	1,394,203	(21,797)
Merchant inventory tax	86,000	87,040	1,040
Salary supplements	4,728	6,300	1,572
Accomodations tax	3,200	82,911	79,711
National forestry fund	172,000	167,484	(4,516)
Solid waste - state grant	16,000	19,457	3,457
Grants	-	424,433	424,433
Disaster preparedness	<u>100,000</u>	<u>144,487</u>	<u>44,487</u>
Total Intergovernmental	<u>1,797,928</u>	<u>2,326,315</u>	<u>528,387</u>
Fines and fees			
Clerk of Court - fines and fees	120,000	133,518	13,518
CCCP fees	69,285	161,749	92,464
Clerk of Court - copies	15,000	21,381	6,381
Central Court	450,000	375,967	(74,033)
Registration and election	10,000	52,519	42,519
Animal control	45,000	35,414	(9,586)
Probate Judge - fees	75,000	100,130	25,130
Probate Judge - copies	3,000	1,643	(1,357)
Sheriff - fees	10,500	10,265	(235)
Forfeit land commission	1,500	16,144	14,644
Building Inspection	145,000	174,649	29,649
Bad check	4,300	1,845	(2,455)
Tipping fees	580,000	763,589	183,589

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Fines and fees - continued			
Recycle revenue	70,000	94,815	24,815
Zoning fee	20,000	34,587	14,587
Cable/phone franchise	<u>15,000</u>	<u>18,463</u>	<u>3,463</u>
Total Fines and fees	<u>1,633,585</u>	<u>1,996,678</u>	<u>363,093</u>
Other			
Interest	10,000	13,085	3,085
Veterans affairs	5,000	4,556	(444)
Mobile home licenses	600	880	280
Assessor's GIS	5,000	1,299	(3,701)
Assessor - copies	2,000	2,749	749
Soil and Water Conservation	41,000	20,593	(20,407)
School resource officer	311,024	412,859	101,835
Economic Development - Mega	-	571,885	571,885
FFP	15,000	54,698	39,698
Beautification Project 219	24,000	-	(24,000)
Miscellaneous	<u>141,592</u>	<u>189,045</u>	<u>47,453</u>
Total Other	<u>555,216</u>	<u>1,271,649</u>	<u>716,433</u>
Balance brought forward	<u>651,023</u>	<u>-</u>	<u>(651,023)</u>
 TOTAL REVENUE	 <u>22,812,651</u>	 <u>24,615,875</u>	 <u>1,803,224</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
LEGISLATIVE			
County Council			
Personnel	162,700	150,162	12,538
Social security	12,447	10,741	1,706
Retirement	18,112	16,739	1,373
Travel - council	25,105	20,184	4,921
Insurance	63,013	70,059	(7,046)
Workers compensation	4,057	2,632	1,425
Advertising	2,500	1,444	1,056
Audit and accounting	34,000	22,344	11,656
Contingency	3,000	3,000	-
Bookbinding	3,200	860	2,340
Contracted maintenance	2,500	-	2,500
Office expenses	1,975	1,258	717
Postage	400	300	100
Telephone	4,080	5,906	(1,826)
Subsistence	520	142	378
Office Furniture/Equipment	<u>18,400</u>	<u>7,509</u>	<u>10,891</u>
TOTAL LEGISLATIVE	<u>356,009</u>	<u>313,280</u>	<u>42,729</u>
ADMINISTRATION			
County Administrator			
Personnel	412,464	394,595	17,869
Social security	31,553	29,036	2,517
Retirement	44,980	43,011	1,969
Insurance	55,715	46,370	9,345
Workers compensation	7,770	5,890	1,880
Advertising	3,000	976	2,024
Maintenance	8,500	3,625	4,875
Copier machine	1,000	849	151
Memberships & Dues	1,100	434	666
Office expense	4,675	3,501	1,174
Postage	3,700	3,358	342
Printing	2,501	2,481	20
Telephone	4,000	4,054	(54)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
County Administrator - continued			
Training	3,000	1,036	1,964
Travel	2,000	1,789	211
Subsistence	<u>4,500</u>	<u>2,878</u>	<u>1,622</u>
Total County Administrator	<u>590,458</u>	<u>543,883</u>	<u>46,575</u>
Miscellaneous Operating			
Contracted maintenance	18,600	17,384	1,216
Insurance	84,593	36	84,557
Tort insurance	120,000	107,643	12,357
Non Departmental Contingency	38,213	-	38,213
Insurance - buildings	95,000	99,653	(4,653)
Rent	-	-	-
cash over/short	-	-	-
Subsistence	11,475	10,556	919
Telephone	-	-	-
Employee service recognition	1,600	1,900	(300)
Fuel	39,350	381	38,969
Medical	4,000	1,231	2,769
Workmens Comp	49,946	-	49,946
Payroll service	57,000	21,505	35,495
IT Department	192,067	175,461	16,606
Legals	<u>189,732</u>	<u>236,395</u>	<u>(46,663)</u>
Total Miscellaneous Operating	<u>901,576</u>	<u>672,145</u>	<u>229,431</u>
TOTAL ADMINISTRATION	<u>1,492,034</u>	<u>1,216,028</u>	<u>276,006</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	182,328	182,328	-
Overtime	1,379	1,211	168
Social security	14,054	13,475	579
Retirement	20,024	20,006	18
Insurance	32,716	32,787	(71)
Workers compensation	3,902	3,040	862
Advertising	200	118	82

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Treasurer's Office - continued			
Contracted maintenance	26,000	25,951	49
Professional services	48,647	48,647	-
Membership & dues	255	150	105
Office expense	3,935	3,324	611
Postage	50,000	41,048	8,952
Printing	12,000	6,082	5,918
Telephone	2,311	1,139	1,172
Training	1,175	1,095	80
Travel	1,950	924	1,026
Subsistence	2,370	1,493	877
Total Treasurer's Office	<u>403,246</u>	<u>382,818</u>	<u>20,428</u>
Auditor's Office			
Personnel	205,918	197,927	7,991
Social security	15,753	22,629	(6,876)
Retirement	22,445	22,445	-
Insurance	27,907	28,421	(514)
Workers compensation	4,108	3,192	916
Advertising	100	100	-
Contracted maintenance	20,430	20,398	32
Professional services	48,637	47,685	952
Memberships & dues	200	150	50
Office expense	2,550	2,130	420
Postage	1,200	1,117	83
Printing	8,500	1,448	7,052
Subscriptions & books	600	442	158
Telephone	1,800	1,675	125
Training	1,700	525	1,175
Travel	2,050	1,267	783
Subsistence	2,415	784	1,631
Office furniture	-	-	-
Total Auditor's Office	<u>366,313</u>	<u>352,335</u>	<u>13,978</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel	343,901	345,590	(1,689)
Overtime	7,500	1,164	6,336
Social security	26,882	23,820	3,062
Retirement	38,303	37,516	787
Insurance	64,525	60,752	3,773
Workers compensation	9,780	7,580	2,200
Advertising	1,000	-	1,000
Contracted maintenance	61,655	52,999	8,656
Vehicle insurance	3,100	3,089	11
Memberships & dues	925	60	865
Office expense	9,300	6,299	3,001
Postage	1,500	729	771
Printing	1,000	660	340
Repairs to vehicle	-	-	-
Subscriptions	1,600	638	962
Telephone	1,900	1,111	789
Training	3,750	2,505	1,245
Travel	790	429	361
Subsistence	1,900	1,228	672
Gas, oil, grease	5,000	1,836	3,164
Uniforms	1,000	994	6
Equipment	<u>25,000</u>	<u>24,596</u>	<u>404</u>
Total Assessor's Office	<u>610,311</u>	<u>573,595</u>	<u>36,716</u>
Tax Collector			
Personnel	50,112	70,768	(20,656)
Overtime	3,148	1,857	1,291
Social security	4,075	5,419	(1,344)
Retirement	5,784	7,301	(1,517)
Insurance	8,663	10,111	(1,448)
Workers compensation	1,424	1,192	232
Advertising	14,000	13,023	977
Contracted maintenance	5,176	5,176	-
Professional fees	8,742	5,254	3,488
Consulting	22,500	15,338	7,162

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Tax Collector - continued			
Vehicle insurance	650	612	38
Memberships & dues	125	80	45
Office expense	1,800	1,654	146
Postage	30,000	28,405	1,595
Printing	800	889	(89)
Supplies	1,200	1	1,199
Subscriptions	150	121	29
Telephone	700	616	84
Training	900	410	490
Travel	500	636	(136)
Subsistence	670	17	653
Gas, oil, grease	500	81	419
Review board and appeals	<u>6,460</u>	<u>2,535</u>	<u>3,925</u>
Total Tax Collector	<u>168,079</u>	<u>171,496</u>	<u>(3,417)</u>
TOTAL TAX ASSESSMENT & COLLECTION	<u>1,547,949</u>	<u>1,480,244</u>	<u>67,705</u>
REGISTRATION & ELECTION BOARD			
Personnel	61,772	62,822	(1,050)
Precinct personnel	9,000	29,611	(20,611)
Board members	10,706	8,746	1,960
Social security	4,725	4,594	131
Retirement	6,733	7,016	(283)
Insurance	11,306	11,460	(154)
Workers compensaton	248	248	-
Advertising	1,245	856	389
Contracted maintenance	20,143	20,143	-
Utilities	3,000	2,935	65
Memberships and dues	360	280	80
Office expense	2,270	1,958	312
Postage	3,000	2,488	512
Printing	4,216	2,620	1,596
Supplies	2,500	2,574	(74)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Registration and Election Board - continued			
Telephone	1,500	1,032	468
Training	1,100	490	610
Travel	2,500	2,295	205
Subsistence	2,000	522	1,478
Other Equipment	<u>16,142</u>	<u>15,362</u>	<u>780</u>
 TOTAL REGISTRATION & ELECTION BOARD	 <u>164,466</u>	 <u>178,052</u>	 <u>(13,586)</u>
ADMINISTRATION OF JUSTICE			
Criminal & Civil Court			
Solicitor's office	116,867	116,867	-
Personnel - bailiff	16,056	13,151	2,905
Jury fees	40,000	40,000	-
Advertising	600	-	600
Contracted maintenance	3,500	2,864	636
Office	4,100	4,003	97
Postage	3,050	1,937	1,113
Printing	1,000	1,000	-
Telephone	1,500	1,064	436
DJJ	<u>1,500</u>	<u>615</u>	<u>885</u>
Total Criminal & Civil Court	<u>188,173</u>	<u>181,501</u>	<u>6,672</u>
Clerk of Court			
Personnel	199,646	199,646	-
Social security	15,273	14,764	509
Retirement	21,761	21,761	-
Insurance	20,650	25,018	(4,368)
Workers compensation	3,374	2,632	742
Contracted maintenance	99,000	73,418	25,582
Memberships & dues	125	125	-
Office expense	8,000	7,462	538
Postage	33,000	30,766	2,234
Printing	5,000	2,658	2,342
Telephone	2,000	1,340	660
Training	700	600	100

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Clerk of Court - continued			
Subsistence	1,500	821	679
Travel	<u>800</u>	<u>351</u>	<u>449</u>
Total Clerk of Court	<u>410,829</u>	<u>381,362</u>	<u>29,467</u>
Family Court - Clerk of Court			
Personnel	135,382	135,382	-
Social security	10,357	10,004	353
Retirement	14,757	14,764	(7)
Insurance	35,098	32,194	2,904
Workers compensation	544	424	120
Contracted maintenance	28,000	27,705	295
Office expense	4,500	4,323	177
Postage	6,000	3,000	3,000
Printing	10,300	4,264	6,036
Telephone	2,000	1,520	480
Training	<u>500</u>	<u>-</u>	<u>500</u>
Total Family Court - Clerk of Court	<u>247,438</u>	<u>233,580</u>	<u>13,858</u>
Probate Judge			
Personnel	175,816	176,438	(622)
Social security	13,248	12,587	661
Retirement	20,808	21,230	(422)
Insurance	31,465	34,376	(2,911)
Workers compensation	3,227	2,604	623
Contracted maintenance	7,115	7,062	53
Membership & dues	520	520	-
Office expense	6,111	6,111	-
Postage	2,120	2,106	14
Printing	600	594	6
Telephone	1,633	1,581	52
Education & training	2,915	2,915	-
Travel	4,352	4,313	39
Office equipment	<u>2,720</u>	<u>2,720</u>	<u>-</u>
Total Probate Judge	<u>272,650</u>	<u>275,157</u>	<u>(2,507)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Probation & Parole Office			
P.O. Box rent	49	-	49
Telephone	<u>875</u>	<u>940</u>	<u>(65)</u>
Total Probation & Parole Office	<u>924</u>	<u>940</u>	<u>(16)</u>
Public Defender			
Personnel	51,988	51,988	-
Social security	3,977	3,691	286
Retirement	5,667	5,667	-
Insurance	11,306	11,454	(148)
Workmens Comp	249	196	53
Telephone	3,000	509	2,491
Training	<u>750</u>	<u>520</u>	<u>230</u>
Total Public Defender	<u>76,937</u>	<u>74,025</u>	<u>2,912</u>
Coroner			
Personnel	53,048	53,048	-
Social security	3,970	4,058	(88)
Retirement	5,785	5,947	(162)
Insurance	2,000	1,172	828
Workers compensation	2,378	1,752	626
Contracted maintenance	2,000	871	1,129
Vehicle insurance	2,350	2,165	185
Memberships & dues	550	360	190
Office expense	900	703	197
Postage	100	98	2
Repairs	-	-	-
Telephone	1,150	896	254
Training	895	895	-
Travel	850	757	93
Subsistence	1,555	906	649
Fuel	3,000	2,214	786
Supplies	3,000	1,081	1,919
Post Mortems & BA	<u>39,400</u>	<u>40,637</u>	<u>(1,237)</u>
Total Coroner	<u>122,931</u>	<u>117,560</u>	<u>5,371</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Magistrate District 2			
Personnel	220,546	223,256	(2,710)
Jury fees	25,000	15,598	9,402
Social security	13,237	15,973	(2,736)
Retirement	26,528	26,891	(363)
Insurance	50,922	50,005	917
Workers compensation	856	692	164
Contracted maintenance	22,500	21,224	1,276
Consulting & tech fees	2,200	-	2,200
Memberships	350	320	30
Office expense	9,250	7,797	1,453
Postage	12,000	9,500	2,500
Printing	500	430	70
Telephone	2,500	1,452	1,048
Training	1,250	1,215	35
Travel	1,275	1,121	154
Subsistence	4,912	2,989	1,923
Equipment	-	-	-
Total Magistrate District 2	<u>393,826</u>	<u>378,463</u>	<u>15,363</u>
Magistrate District 1			
Personnel	12,156	17,392	(5,236)
Social security	930	1,328	(398)
Retirement	1,630	5,256	(3,626)
Insurance	5,416	5,448	(32)
Workers compensation	433	336	97
Office expense	418	135	283
Printing	100	-	100
Telephone	1,500	1,364	136
Training	700	216	484
Travel	600	85	515
Total Magistrate District 1	<u>23,883</u>	<u>31,560</u>	<u>(7,677)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Magistrate District 4			
Personnel	12,473	31,952	(19,479)
Social security	954	2,349	(1,395)
Retirement	1,673	4,285	(2,612)
Insurance	11,306	10,662	644
Workers compensation	444	348	96
Membership	100	50	50
Office expense	650	-	650
Postage	300	69	231
Telephone	1,800	1,311	489
Training	1,200	903	297
Travel	<u>1,500</u>	<u>424</u>	<u>1,076</u>
Total Magistrate District 4	<u>32,400</u>	<u>52,353</u>	<u>(19,953)</u>
Magistrate District 6			
Personnel	15,461	16,148	(687)
Contracted personnel	-	-	-
Social security	1,183	1,021	162
Retirement	2,073	2,165	(92)
Insurance	10,678	11,454	(776)
Workers compensation	100	-	100
Memberships	551	560	(9)
Office expense	1,805	220	1,585
Postage	150	-	150
Rent/Rental Equipment	300	-	300
Telephone	500	11	489
Training	250	-	250
Travel	<u>850</u>	<u>-</u>	<u>850</u>
Total Magistrate District 6	<u>33,901</u>	<u>31,579</u>	<u>2,322</u>
TOTAL ADMINISTRATION OF JUSTICE	<u>1,803,892</u>	<u>1,758,080</u>	<u>45,812</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT - Sheriff's Department			
Personnel	1,846,931	1,780,787	66,144
Overtime	98,978	115,876	(16,898)
School resource officer - salary and benefits	319,311	330,406	(11,095)
Social security	141,290	141,501	(211)
Retirement	258,777	252,703	6,074
Insurance	319,437	335,281	(15,844)
Workers compensation	83,560	65,665	17,895
Contracted maintenance	70,000	67,891	2,109
Professional services	1,200	1,113	87
Vehicle insurance	51,782	50,936	846
Contingency	-	27,906	(27,906)
Membership & dues	6,845	3,700	3,145
Office expense	4,235	4,046	189
Postage	900	849	51
Printing	2,000	1,220	780
Books, Subscriptions	474	299	175
Transportation of Prisoners	2,500	-	2,500
Telephone	2,175	1,619	556
Training	1,200	903	297
Travel	510	148	362
Subsistence	2,500	1,903	597
Ammo & guns	3,000	2,019	981
Cleaning supplies	500	26	474
Gas, oil, grease	194,000	179,944	14,056
Medicals	1,000	-	1,000
Photo supplies	2,500	2,456	44
Police supplies	5,000	4,977	23
CIRT supplies	2,998	2,165	833
Uniforms	30,000	28,754	1,246
Special law enforcement	1,000	950	50
Supplies	3,500	3,119	381
Project Near	-	-	-
Crime prevention	1,000	818	182

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Sheriff's department - continued			
School safety	3,000	2,711	289
Capital outlay	200,000	198,103	1,897
Other equipment	-	-	-
Total Sheriff's Department	<u>3,662,103</u>	<u>3,610,794</u>	<u>51,309</u>
TOTAL LAW ENFORCEMENT	<u>3,662,103</u>	<u>3,610,794</u>	<u>51,309</u>
DETENTION			
Corrections			
Personnel	928,149	907,167	20,982
Overtime	69,167	59,579	9,588
Social security	76,295	71,841	4,454
Retirement	133,740	129,251	4,489
Insurance	217,878	196,997	20,881
Workers compensation	50,041	40,408	9,633
Contracted maintenance	65,000	55,395	9,605
Utilities	75,000	85,867	(10,867)
Vehicle insurance	2,500	1,225	1,275
Memberships & dues	252	48	204
Office expense	3,500	2,985	515
Ammo & Gunns	750	678	72
Postage	230	18	212
Printing	830	-	830
Telephone	3,300	1,061	2,239
Training	2,950	1,900	1,050
Travel	1,500	344	1,156
Bedding	3,000	2,718	282
Subsistence	3,000	690	2,310
Chemicals	7,500	5,777	1,723
Cleaning materials	7,500	6,805	695
Food	129,900	97,361	32,539
Medical	155,000	133,881	21,119
Supplies	3,400	3,191	209
Uniforms	10,000	8,782	1,218
Clothing	9,000	8,836	164

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Corrections - continued			
DYS Juvenile	5,000	4,150	850
Capital Outlay	68,500	67,171	1,329
Kitchen supplies	2,000	1,813	187
Other equipment	<u>1,500</u>	<u>1,069</u>	<u>431</u>
Total Corrections	<u>2,036,382</u>	<u>1,897,008</u>	<u>139,374</u>
TOTAL DETENTION	<u>2,036,382</u>	<u>1,897,008</u>	<u>139,374</u>
 PUBLIC SAFETY			
Public Safety			
Personnel	85,986	85,986	-
Social security	6,578	6,466	112
Retirement	9,372	9,372	-
Insurance	16,722	20,198	(3,476)
Workers compensation	6,982	5,636	1,346
Contracted maintenance	7,500	7,500	-
Vehicle insurance	1,308	724	584
Office expense	1,600	935	665
Telephone	2,000	1,035	965
Training	1,000	992	8
Fuel	400	-	400
Other Equipment	<u>-</u>	<u>5,168</u>	<u>(5,168)</u>
Total Public Safety	<u>139,448</u>	<u>144,012</u>	<u>(4,564)</u>
 Animal Control			
Personnel	139,612	129,192	10,420
Overtime	8,000	3,434	4,566
Social security	11,292	9,994	1,298
Retirement	16,090	13,167	2,923
Insurance	25,567	23,309	2,258
Workers compensation	4,954	3,916	1,038
Advertising	5,601	2,929	2,672
Repairs to equipment	1,000	-	1,000
Utilities	33,000	27,442	5,558
Insurance vehicles	3,360	3,019	341

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Animal Control - continued			
Memberships and dues	400	125	275
Office expense	2,500	1,519	981
Contracted Maintenance	1,400	1,230	170
Postage	150	75	75
Telephone	3,800	3,283	517
Training	1,050	1,050	-
Travel	300	-	300
Subsistence	1,400	67	1,333
Cleaning supplies	2,600	1,352	1,248
Dog food	4,000	2,225	1,775
Gas, oil and grease	15,634	9,192	6,442
Medical and surgical	57,000	49,072	7,928
Medication	15,000	13,015	1,985
Tools	1,000	299	701
Uniforms	2,000	1,109	891
Supplies	1,500	13	1,487
Capital Outlay	<u>28,747</u>	<u>27,680</u>	<u>1,067</u>
 Total Animal Control	 <u>386,957</u>	 <u>327,708</u>	 <u>59,249</u>
 Communications			
Personnel	412,278	399,016	13,262
Overtime	50,000	45,709	4,291
Social security	35,365	33,376	1,989
Retirement	50,388	47,826	2,562
Insurance	89,245	83,447	5,798
Workers compensation	1,856	1,544	312
Contracted maintenance	102,001	100,111	1,890
Memberships and dues	125	75	50
Office expense	5,000	4,615	385
Postage	140	-	140
Telephone	20,000	5,852	14,148
Training	1,200	899	301

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Communications - continued			
Travel	750	69	681
Subsistence	1,000	81	919
Capital Outlay	<u>15,000</u>	<u>13,673</u>	<u>1,327</u>
Total Communications	<u>784,348</u>	<u>736,293</u>	<u>48,055</u>
Board of Rescue Squads			
Workers compensation	44,886	36,244	8,642
Contracted maintenance	13,000	12,034	966
Utilities	24,000	24,000	-
Vehicle insurance	26,500	29,549	(3,049)
Repairs to equipment	20,000	16,912	3,088
Telephone	4,000	3,649	351
Training	8,500	3,445	5,055
Gas, oil, grease	18,632	17,014	1,618
Medical supplies	15,000	13,141	1,859
Rescue supplies	50,000	48,444	1,556
Capital outlay	<u>59,999</u>	<u>58,345</u>	<u>1,654</u>
Total Board of Rescue Squads	<u>284,517</u>	<u>262,777</u>	<u>21,740</u>
Hazardous Materials			
Repair to Radio	150	85	65
Training	4,751	2,499	2,252
Gas, oil, grease	150	-	150
Supplies	4,650	3,177	1,473
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Hazardous Materials	<u>9,701</u>	<u>5,761</u>	<u>3,940</u>
GIS Department			
Personnel	42,095	42,169	(74)
Social security	3,144	2,020	1,124
Retirement	4,479	4,479	-
Insurance	7,544	5,356	2,188
Workers compensation	165	120	45

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
GIS Department - continued			
Contracted maintenance	52,000	50,469	1,531
Office expense	2,500	2,251	249
Telephone	50	32	18
Training	1,970	280	1,690
Travel	500	246	254
Subsistence	<u>1,500</u>	<u>27</u>	<u>1,473</u>
Total GIS Department	<u>115,947</u>	<u>107,449</u>	<u>8,498</u>
Board of Rural Fire Control			
Grant match	6,500	3,585	2,915
Workers compensation	31,231	25,220	6,011
Contracted services	17,000	8,125	8,875
Shared revenue	107,035	104,455	2,580
Contracted maintenance	9,800	9,005	795
Utilities	66,000	66,000	-
Vehicle insurance	51,161	46,618	4,543
Office	500	52	448
Postage	200	-	200
Repairs to equipment	50,700	51,134	(434)
Repairs to radio	10,000	6,722	3,278
Telephone	6,000	5,930	70
Training	2,000	225	1,775
Cleaning supplies	1,500	588	912
Gas, oil, grease	32,296	30,017	2,279
Medical	27,500	18,699	8,801
Fire supplies	15,000	12,837	2,163
Capital	<u>86,170</u>	<u>83,119</u>	<u>3,051</u>
Total Board of Rural Fire Control	<u>520,593</u>	<u>472,331</u>	<u>48,262</u>
Building Inspections			
Personnel	90,473	68,047	22,426
Contracted personnel	43,759	49,710	(5,951)
Social security	2,619	4,970	(2,351)
Retirement	3,731	7,502	(3,771)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Building Inspections - continued			
Insurance	14,726	10,994	3,732
Workers compensation	1,273	948	325
Contracted maintenance	3,000	2,750	250
Vehicle insurance	-	-	-
Memberships	500	145	355
Office	4,500	2,979	1,521
Postage	400	94	306
Printing	1,500	916	584
Subscriptions	700	344	356
Telephone	700	1,472	(772)
Training	2,001	183	1,818
Capital Outlay	<u>1,000</u>	<u>1,394</u>	<u>(394)</u>
Total Building Inspections	<u>170,882</u>	<u>152,448</u>	<u>18,434</u>
Ambulance			
Contracted maintenance	9,000	7,216	1,784
Utilities	-	-	-
Vehicle insurance	19,267	12,790	6,477
Repairs to vehicle	-	-	-
Training	2,000	199	1,801
Gas, oil, grease	88,000	58,856	29,144
Uniforms	16,600	12,537	4,063
Appropriations	918,000	918,000	-
Capital outlay	<u>20,000</u>	<u>16,941</u>	<u>3,059</u>
Total Ambulance	<u>1,072,867</u>	<u>1,026,539</u>	<u>46,328</u>
Public Safety - Substations			
Lake Murray - Utilities	14,000	15,100	(1,100)
Lake Murray - Telephone	1,200	628	572
Silverstreet - Utilities	5,000	3,907	1,093
Whitmire - Utilities	<u>18,200</u>	<u>16,903</u>	<u>1,297</u>
Total Public Safety - Substations	<u>38,400</u>	<u>36,538</u>	<u>1,862</u>
TOTAL PUBLIC SAFETY	<u>3,523,660</u>	<u>3,271,856</u>	<u>251,804</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS &amp; MAINTENANCE</b>			
Public Works			
Personnel	595,273	549,000	46,273
Overtime	10,110	2,977	7,133
Social security	46,312	40,736	5,576
Retirement	65,987	60,139	5,848
Insurance	131,785	129,633	2,152
Workers compensation	64,879	51,249	13,630
Advertising	500	244	256
Contracted maintenance	42,000	41,735	265
Utilities	10,600	16,396	(5,796)
Vehicle insurance	26,000	28,125	(2,125)
Memberships	350	-	350
Rent/Rental Equipment	8,000	4,597	3,403
Office expense	4,400	2,058	2,342
Postage	600	500	100
Printing	300	-	300
Supplies	3,500	3,493	7
Telephone	4,200	3,864	336
Training	1,500	-	1,500
Travel	400	-	400
Subsistence	1,300	-	1,300
Cleaning materials	200	-	200
Bridge materials	3,000	-	3,000
Fertilizer, plants, seeds	3,000	819	2,181
Gas, oil, grease	31,000	27,606	3,394
Diesel fuel	65,000	38,313	26,687
Safety supplies	3,850	3,520	330
Gravel	47,000	43,835	3,165
Asphalt	15,000	9,814	5,186
Pipe	10,000	1,174	8,826
Tools	3,500	1,227	2,273
Road signs	5,500	2,435	3,065
219 Beautification Project	48,000	45,069	2,931

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works - continued			
Uniforms	8,600	8,600	-
Capital outlay	91,394	90,839	555
Road paving and improvements	<u>71,824</u>	<u>59,487</u>	<u>12,337</u>
Total Public Works	<u>1,424,864</u>	<u>1,267,484</u>	<u>157,380</u>
Central Maintenance			
Contracted maintenance	570,000	569,998	2
Utilities	13,000	8,694	4,306
Fuel	2,662	1,857	805
Tools	<u>500</u>	<u>76</u>	<u>424</u>
Total Central Maintenance	<u>586,162</u>	<u>580,625</u>	<u>5,537</u>
Building Maintenance			
Personnel	231,275	215,440	15,835
Social security	17,692	16,030	1,662
Retirement	25,110	23,903	1,207
Insurance	33,724	31,706	2,018
Workers compensation	17,777	13,420	4,357
Contracted maintenance	20,408	19,716	692
Utilities	213,675	213,665	10
Vehicle insurance	2,975	1,834	1,141
Office Expense	-	-	-
Supplies	54,592	42,947	11,645
Telephone	2,886	3,969	(1,083)
Cleaning Supplies	27,810	27,810	-
Floor Cleaning	20,000	13,221	6,779
Gas, oil, grease	7,600	7,489	111
Tools	500	314	186
Uniforms	1,400	1,611	(211)
Capital outlay	<u>117,839</u>	<u>106,011</u>	<u>11,828</u>
Total Building Maintenance	<u>795,263</u>	<u>739,086</u>	<u>56,177</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Community Hall			
Contracted maintenance	3,840	3,774	66
Utilities	7,500	10,404	(2,904)
Repairs building	<u>750</u>	<u>121</u>	<u>629</u>
Total Community Hall	<u>12,090</u>	<u>14,299</u>	<u>(2,209)</u>
Collections			
Personnel	30,924	30,924	-
Social security	2,366	2,129	237
Retirement	3,371	3,371	-
Insurance	16,679	12,111	4,568
Workers compensation	2,181	1,756	425
Advertising	500	244	256
Contingency	75,000	-	75,000
Contracted personnel	323,098	298,972	24,126
Contracted maintenance	410,000	368,114	41,886
Repairs to equipment	3,000	2,087	913
Utilities	22,150	24,569	(2,419)
Vehicle insurance	4,000	2,223	1,777
Membership and dues	235	-	235
Office	1,275	849	426
Postage	200	150	50
Printing	100	-	100
Supplies	2,000	983	1,017
Telephone	5,000	5,237	(237)
Training	890	-	890
Travel	328	30	298
Subsistence	1,700	-	1,700
Gas, oil, grease	8,207	14,156	(5,949)
Supplies	3,250	2,954	296
Tools and other equipment	1,000	472	528
Road Signs	<u>500</u>	<u>293</u>	<u>207</u>
Total Collections	<u>917,954</u>	<u>771,624</u>	<u>146,330</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Transfer Station			
Personnel	26,860	25,614	1,246
Overtime	-	150	(150)
Social security	2,054	1,690	364
Retirement	2,928	2,792	136
Insurance	5,162	5,983	(821)
Workmens Comp	103	80	23
Contracted services	1,339,420	1,569,341	(229,921)
Repairs to equipment	10,000	8,564	1,436
Utilities	10,000	9,839	161
Sewer disposal	3,500	3,000	500
Office	70	-	70
Supplies	3,200	2,252	948
Equipment	<u>4,200</u>	<u>4,200</u>	<u>-</u>
Total Transfer Station	<u>1,407,497</u>	<u>1,633,505</u>	<u>(226,008)</u>
Custodian Services			
Personnel	-	7,751	(7,751)
Social security	-	576	(576)
Retirement	-	422	(422)
Cleaning supplies	-	429	(429)
Gas, oil and grease	-	522	(522)
Other equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Custodian Services	<u>-</u>	<u>9,700</u>	<u>(9,700)</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>5,143,830</u>	<u>5,016,323</u>	<u>127,507</u>
PLANNING & DEVELOPMENT			
Central Midlands Regional PC	<u>20,423</u>	<u>20,423</u>	<u>-</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Economic Development</b>			
Personnel	95,154	86,973	8,181
Social Security	6,361	6,286	75
Retirement	9,063	9,336	(273)
Insurance	5,416	5,041	375
Workers compensation	2,962	2,272	690
Economic Development	16,000	15,815	185
Contingency	90,000	93,199	(3,199)
Contracted Services	10,000	1,920	8,080
Contracted Maintenance	30,000	22,105	7,895
Special source revenue bond	416,765	420,954	(4,189)
Vehicle Insurance	650	620	30
Memberships	800	785	15
Office	4,000	3,939	61
Postage	500	268	232
Printing	1,500	162	1,338
Subscriptions	150	-	150
Telephone	1,600	2,274	(674)
Training	5,400	2,569	2,831
Site Inventory Costs	144,000	127,207	16,793
Travel	6,000	5,954	46
Subsistence	7,000	6,328	672
Small Business Development Center	5,000	5,000	-
Fuel	1,000	336	664
	<u>859,321</u>	<u>819,343</u>	<u>39,978</u>
<b>Total Economic Development</b>			
<b>Comprehensive Planning</b>			
Personnel	108,909	108,909	-
Social security	8,332	8,155	177
Retirement	11,871	11,871	-
Insurance	26,183	27,671	(1,488)
Workers compensation	3,060	2,372	688
Advertising	1,260	1,027	233
Contracted Maintenance	3,000	11,484	(8,484)
Consulting	3,500	1,450	2,050
Vehicle insurance	1,300	1,206	94

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Comprehensive Planning - continued			
Memberships and dues	2,270	620	1,650
Office expense	4,900	3,296	1,604
Postage	2,500	496	2,004
Printing	400	383	17
Books	1,359	617	742
Telephone	1,950	1,297	653
Training	3,000	350	2,650
Subsistence	2,494	366	2,128
Fuel	2,000	1,438	562
Supplies	<u>380</u>	<u>-</u>	<u>380</u>
Total Comprehensive Planning	<u>188,668</u>	<u>183,008</u>	<u>5,660</u>
TOTAL PLANNING & DEVELOPMENT	<u>1,068,412</u>	<u>1,022,774</u>	<u>45,638</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	<u>33,500</u>	<u>33,610</u>	<u>(110)</u>
Newberry Soil & Water Conservation	<u>82,210</u>	<u>84,639</u>	<u>(2,429)</u>
TOTAL AGRICULTURE & HOME ECONOMICS	<u>115,710</u>	<u>118,249</u>	<u>(2,539)</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	<u>4,550</u>	<u>3,925</u>	<u>625</u>
Total Health Department	<u>4,550</u>	<u>3,925</u>	<u>625</u>
Beckman Mental Health	<u>12,750</u>	<u>12,750</u>	<u>-</u>
Westview Behavioral	<u>9,052</u>	<u>6,362</u>	<u>2,690</u>
TOTAL PUBLIC HEALTH	<u>26,352</u>	<u>23,037</u>	<u>3,315</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>SOCIAL SERVICES</b>			
Department of Social Services			
Utilities	50,000	52,922	(2,922)
Office	270	88	182
Telephone	5,000	4,515	485
Emergency	5,000	5,000	-
Paupers funeral	<u>3,000</u>	<u>500</u>	<u>2,500</u>
Total Department of Social Services	<u>63,270</u>	<u>63,025</u>	<u>245</u>
Veteran's Affairs			
Personnel	95,790	95,790	-
Social security	7,328	7,289	39
Retirement	10,441	10,441	-
Insurance	25,481	22,442	3,039
Workers compensation	1,786	1,392	394
Contracted maintenance	700	700	-
Membership fees	150	170	(20)
Office expense	2,000	1,750	250
Postage	1,100	609	491
Printing	100	61	39
Subscriptions & Books	50	-	50
Telephone	2,600	933	1,667
Training	300	165	135
Travel	1,066	812	254
Subsistence	<u>870</u>	<u>557</u>	<u>313</u>
Total Veteran's Affairs	<u>149,762</u>	<u>143,111</u>	<u>6,651</u>
Council on Aging	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Rape Crisis Network	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Sistercare, Inc.	<u>2,295</u>	<u>2,295</u>	<u>-</u>
<b>TOTAL SOCIAL SERVICES</b>	<u>264,577</u>	<u>257,681</u>	<u>6,896</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>MISCELLANEOUS</b>			
Airport			
Contingency	<u>57,500</u>	<u>12,106</u>	<u>45,394</u>
Total Airport	<u>57,500</u>	<u>12,106</u>	<u>45,394</u>
Government Association	<u>380</u>	<u>-</u>	<u>380</u>
Newberry County School District	<u>70,000</u>	<u>70,000</u>	<u>-</u>
S.C. Association of Counties	<u>9,146</u>	<u>9,146</u>	<u>-</u>
National Association of Counties	<u>925</u>	<u>750</u>	<u>175</u>
Medically indigent			
Appropriation	<u>69,956</u>	<u>69,956</u>	<u>-</u>
Fairgrounds			
Contracted maintenance	800	435	365
Utilities	9,000	9,829	(829)
Insurance	9,620	-	9,620
Repairs to building	<u>2,500</u>	<u>468</u>	<u>2,032</u>
Total Fairgrounds	<u>21,920</u>	<u>10,732</u>	<u>11,188</u>
Helena Community Center			
Contracted maintenance	-	-	-
Utilities	3,500	4,081	(581)
Repairs to building	<u>500</u>	<u>-</u>	<u>500</u>
Total Helena Community Center	<u>4,000</u>	<u>4,081</u>	<u>(81)</u>
Newberry Opera House	25,000	25,000	-
Newberry County Literacy	6,000	6,000	-

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Final Budget	Actual	Variance Favorable (Unfavorable)
Recreation			
Personnel	32,212	32,212	-
Social security	2,465	2,084	381
Retirement	3,511	3,511	-
Insurance	11,306	11,454	(148)
Maybinton ballfield	17,500	3,208	14,292
Workmens Comp	1,707	1,324	383
Travel	3,500	-	3,500
Recreation appropriation	<u>90,000</u>	<u>74,470</u>	<u>15,530</u>
Total Recreation	<u>162,201</u>	<u>128,263</u>	<u>33,938</u>
TOTAL MISCELLANEOUS	<u>427,028</u>	<u>336,034</u>	<u>90,994</u>
CAPITAL CONSTRUCTION & IMPROVEMENTS			
Road Paving, Etc, Land Improvements			
Contingency	<u>240,383</u>	<u>631,889</u>	<u>(391,506)</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>240,383</u>	<u>631,889</u>	<u>(391,506)</u>
TOTAL EXPENDITURES	<u>21,872,787</u>	<u>21,131,329</u>	<u>741,458</u>
Excess/(Deficiency) of Revenue over Expenditures	939,864	3,484,546	2,544,682
OTHER FINANCING SOURCES/ (USES)			
Transfer to capital projects	-	(763,530)	(763,530)
Transfers to special revenue (includes Community Service Levies)	<u>(939,864)</u>	<u>(1,382,157)</u>	<u>(442,293)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(939,864)</u>	<u>(2,145,687)</u>	<u>(1,205,823)</u>
Excess of Revenue over Expenditures after other financing sources	<u>-</u>	<u>\$ 1,338,859</u>	<u>1,338,859</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2015

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>ASSETS</b>								
Cash	\$ 228,310	\$ 104,355	\$ 60,525	\$ 127,025	\$ 145,150	\$ -	\$ -	\$ 665,365
Due from general fund	9,738	-	-	-	-	-	1,884	11,622
Inventory	-	-	-	-	-	-	20,551	20,551
<b>TOTAL ASSETS</b>	<u>\$ 238,048</u>	<u>\$ 104,355</u>	<u>\$ 60,525</u>	<u>\$ 127,025</u>	<u>\$ 145,150</u>	<u>\$ -</u>	<u>\$ 22,435</u>	<u>\$ 697,538</u>
<b>LIABILITIES</b>								
Due to general fund	-	7,131	48,488	190,131	294	108,965	-	355,009
<b>DEFERRED OUTFLOWS</b>								
Deferred Outflow - grant income	9,738	-	-	-	-	-	-	9,738
<b>FUND BALANCE</b>								
Reserved for special revenue	228,310	97,224	12,037	(63,106)	144,856	(108,965)	22,435	332,791
<b>TOTAL FUND BALANCE</b>	<u>228,310</u>	<u>97,224</u>	<u>12,037</u>	<u>(63,106)</u>	<u>144,856</u>	<u>(108,965)</u>	<u>22,435</u>	<u>332,791</u>
<b>TOTAL LIABILITIES, OUTFLOWS AND FUND BALANCE</b>	<u>\$ 238,048</u>	<u>\$ 104,355</u>	<u>\$ 60,525</u>	<u>\$ 127,025</u>	<u>\$ 145,150</u>	<u>\$ -</u>	<u>\$ 22,435</u>	<u>\$ 697,538</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
Revenue								
Intergovernmental								
Federal grants	\$ -	\$ 16,228	\$ -	\$ -	\$ 180,505	\$ -	\$ -	\$ 196,733
State grants	-	-	-	-	-	238,307	-	238,307
Other								
Assessments	34,325	-	73,376	362,923	-	-	-	470,624
Interest	24	-	18	-	-	-	-	42
Miscellaneous	-	48,423	-	-	-	-	47,066	95,489
Total Revenue	<u>34,349</u>	<u>64,651</u>	<u>73,394</u>	<u>362,923</u>	<u>180,505</u>	<u>238,307</u>	<u>47,066</u>	<u>1,001,195</u>
Expenditures								
Personnel	-	-	53,832	92,982	-	45,596	-	192,410
Operating	3,409	51,428	33,486	363,852	269,949	1,177,733	46,239	1,946,096
Intergovernmental	-	-	-	-	-	397,135	-	397,135
Total Expenditures	<u>3,409</u>	<u>51,428</u>	<u>87,318</u>	<u>456,834</u>	<u>269,949</u>	<u>1,620,464</u>	<u>46,239</u>	<u>2,535,641</u>
Other financing sources								
Transfer in/(out)	-	-	-	-	-	1,382,157	-	1,382,157
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES								
	<u>30,940</u>	<u>13,223</u>	<u>(13,924)</u>	<u>(93,911)</u>	<u>(89,444)</u>	<u>-</u>	<u>827</u>	<u>(152,289)</u>
Fund balance, beginning of year								
	<u>197,370</u>	<u>84,001</u>	<u>25,961</u>	<u>30,805</u>	<u>234,300</u>	<u>(108,965)</u>	<u>21,608</u>	<u>485,080</u>
FUND BALANCE, END OF YEAR								
	<u>\$ 228,310</u>	<u>\$ 97,224</u>	<u>\$ 12,037</u>	<u>\$ (63,106)</u>	<u>\$ 144,856</u>	<u>\$ (108,965)</u>	<u>\$ 22,435</u>	<u>\$ 332,791</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2015

REVENUE

Property Taxes	
2007A GO Bond	\$ 114,963
2007B GO Bond	72,404
2010A GO Bond	184,904
2010B GO Bond	229,190
Lease Purchase	671,972
2013 A Spec Building	28,084
Sales Taxes	3,446,208
Interest	<u>11,512</u>
 TOTAL REVENUE	 <u>4,759,237</u>

EXPENDITURES

Principal	
2007A GO Bond	105,078
2007B GO Bond	75,000
2010A GO Bond	147,000
2010B GO Bond	255,000
2014 GO Bond	712,000
Sales Tax Bond	2,300,000
Interest	
2007A GO Bond	14,462
2007B GO Bond	11,666
2010A GO Bond	20,125
2010B GO Bond	34,160
2014 GO Bond	1,353
Spec Building	24,000
Sales Tax Bond	<u>328,750</u>
 TOTAL EXPENDITURES	 <u>4,028,594</u>

OTHER FINANCING SOURCES/(USES)

GO Bond proceeds	712,000
Transfer to capital projects	(65,705)
Lease purchase payments	<u>(712,000)</u>

EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	664,938
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Fund balance, beginning of year	<u>5,425,178</u>
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FUND BALANCE, END OF YEAR	<u>\$ 6,090,116</u>
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STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2015

REVENUE

Grant	\$	1,012,345
Interest		<u>3,172</u>

TOTAL REVENUE		<u>1,015,517</u>
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EXPENDITURES

Capital Outlays		
Lease purchase		62,376
Capital budgets - 070		2,452,304
Sales tax		
Water/Sewer Upgrade		126,164
Miscellaneous		<u>2,022</u>

TOTAL EXPENDITURES		<u>2,642,866</u>
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OTHER FINANCING SOURCES/(USES)

Lease purchase proceeds		1,265,007
Transfer from general fund		763,530
Transfer from debt service		<u>65,705</u>

EXCESS OF REVENUE

OVER EXPENDITURES		466,893
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Fund balance, beginning of year		<u>4,714,383</u>
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FUND BALANCE, END OF YEAR	\$	<u><u>5,181,276</u></u>
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COMBINING BALANCE SHEET  
TRUST AND AGENCY FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
June 30, 2015

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Magistrates/ Clerk of Court	Market St Escrow	Fire/Rescue Squads	Total
ASSETS							
Cash	\$ 332,956	\$ 582,655	\$ 225,991	\$ 513,048	\$ 50,000	\$ 323,180	\$ 2,027,830
Investments	<u>6,043,670</u>	<u>15,830,097</u>	<u>1,440,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,314,120</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 6,376,626</b></u>	<u><b>\$ 16,412,752</b></u>	<u><b>\$ 1,666,344</b></u>	<u><b>\$ 513,048</b></u>	<u><b>\$ 50,000</b></u>	<u><b>\$ 323,180</b></u>	<u><b>\$ 25,341,950</b></u>
LIABILITIES							
Due to taxing units and others	<u>\$ 6,376,626</u>	<u>\$ 16,412,752</u>	<u>\$ 1,666,344</u>	<u>\$ 513,048</u>	<u>\$ 50,000</u>	<u>\$ 323,180</u>	<u>\$ 25,341,950</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 6,376,626</b></u>	<u><b>\$ 16,412,752</b></u>	<u><b>\$ 1,666,344</b></u>	<u><b>\$ 513,048</b></u>	<u><b>\$ 50,000</b></u>	<u><b>\$ 323,180</b></u>	<u><b>\$ 25,341,950</b></u>

SINGLE AUDIT SECTION



# RISH & ENZASTIGA

Certified Public Accountants

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

To the County Council  
Newberry County  
Newberry, South Carolina

### Report on Compliance for Each Major Federal Program

We have audited Newberry County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Newberry County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



September 10, 2015  
Lexington, South Carolina

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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		\$ <u>89,569</u>
Total U.S. Department of Housing and Urban Development			<u>89,569</u>
U.S. Department of Health and Human Services			
Thru SC Department of Social Services Health and Human Services	93.558	G01SCTANF	<u>196,733</u>
Thru SC Department of Social Services County Administrative Expense FFP	Multiple		<u>54,698</u>
Total U.S. Department of Health and Human Services			<u>251,431</u>
FAA Grant - Airport Improvement	20.106		<u>1,012,345</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,353,345</u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year ended June 30, 2015

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, FAA – Airport Improvement, \$1,012,345

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2015

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued - unqualified - Primary Govt Only

Internal control over financial reporting:

- A. Material weaknesses identified?  X  Yes   No
- B. Significant deficiencies 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. Significant deficiencies identified that are not considered to be material weaknesses?   Yes  X  No

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement - FAA Grant

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

Low-Risk Auditee   Yes  X  No

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

#### Financial Statement Findings

##### SIGNIFICANT DEFICIENCIES

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2015

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.



# RISH & ENZASTIGA

Certified Public Accountants

**INDEPENDENT AUDITOR'S 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***

To the County Council  
Newberry County  
Newberry, South Carolina

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Newberry County (Primary government only), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated September 10, 2015.

## **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County's internal control. Accordingly, we do not express an opinion on the effectiveness of County's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did identify two deficiencies in internal control that we consider to be material weaknesses. Those deficiencies are listed on the Schedule of Findings. However, additional material weaknesses may exist that may have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "Rish and Gargueta".

Lexington, South Carolina  
September 10, 2015

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2015

Assessments	\$	52,345
Surcharges		21,031
Interest		<u>18</u>
Expenditures		<u>87,318</u>
Increase in fund balance		(13,924)
Fund Balance, July 1, 2014		<u>25,961</u>
Fund Balance, June 30, 2015	\$	<u><u>12,037</u></u>

Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Fines, Fees & Assessments	\$ 208,079	\$ 208,079	\$ -
DUI/DUS/BUI - Assessments, Surcharges	1,741	1,741	-
Surcharges	222,756	222,756	-
Other Assessments	275,854	275,854	-
General Sessions - Other Assessments	3,756	-	3,756
Magistrates Court - Other Assessments	33,709	-	33,709
General Sessions - Surcharges	10,631	-	10,631
Magistrates Court - Surcharges	<u>10,400</u>	<u>-</u>	<u>10,400</u>
	<u>\$ 766,926</u>	<u>\$ 708,430</u>	<u>\$ 58,496</u>

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

Newberry County, South Carolina

Year Ended June 30, 2015

**Segregation of Duties**

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

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

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

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