

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

June 30, 2016

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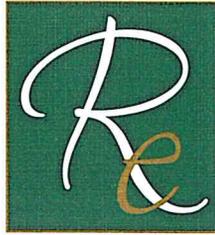
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# RISH & ENZASTIGA

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, 2016 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, 2016, 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, 2016, 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 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 16, 2016 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 16, 2016

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2016. 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, 2016, was \$29,083,532 which represented an increase of \$448,890 from the prior year end.
- **Revenues and Expenditures:** Revenues totaled \$30,855,223 and expenditures totaled \$31,597,099 for all Governmental Funds at the fund level. Accordingly, expenditures exceeded revenues by \$741,876 before other financing activities. The general fund increased the fund balance by \$1,602,112. The debt service fund balance decreased \$3,192,209. The capital projects fund balance decreased \$1,660,265 from spending for lease purchase and sales tax projects.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$559,760 consisting of purchases of equipment and building improvements. Depreciation expense in governmental activities was \$2,905,422. This resulted in a net decrease of capital assets of \$2,345,662.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$24,391,807 in fiscal year 2016 Revenues, which primarily consisted of property taxes and intergovernmental sources. Net other financing uses were \$999,502, and \$21,790,193 in expenditures increased the fund balance \$1,602,112.
- **Debt:** The County retired \$8,131,610 in principal for governmental activities bonds and lease purchase outstanding. The Debt Service Fund Balance decreased from \$6,090,116 to \$2,897,907. Bonds payable are \$6,900,406 at June 30, 2016 and lease purchase payable is \$3,053,476. Detail for long term debt is shown in Note F. The County implemented GASB 68 – Pension Liabilities in FY 2015. At year end the net pension liability was \$14,669,606 – see Note G.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2016**

**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, 2016**

**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, 2016**

**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 \$29,083,532 as of June 30, 2016. 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, 2016.

Current assets	\$ 25,322,332
Non-current assets	34,560,018
Deferred outflow – pension	<u>2,560,556</u>
Total assets and debits	<u>62,442,906</u>
Current liabilities	4,170,420
Non-current liabilities	28,202,188
Deferred inflow	<u>986,766</u>
Total liabilities & def inflows	<u>33,359,374</u>
Net position	<u>\$ 29,083,532</u>
Net position - Invested in capital assets, net of related debt	\$ 26,524,012
Restricted	9,857,348
Unrestricted	<u>(7,297,828)</u>
Total Net Position	<u>\$ 29,083,532</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2016**

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

- GO Bond principal payments of \$7,324,009
- Purchases of equipment and other assets of \$559,760 and depreciation of \$2,905,422
- GASB 68 - net pension liability - \$14,669,606

**Changes in net position:** The County's governmental activities revenues for the fiscal year ended June 30, 2016, were \$30,638,453. The total cost of all programs and services was \$30,189,563. The following table presents a summary of the activity that resulted in changes to total net position for the fiscal year ended June 30, 2016.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 1,526,099
Operating grants and contributions	135,305
Capital grants	608,072
General revenues:	
Property taxes	20,556,808
Intergovernmental sources	2,058,717
Fines and assessments	919,426
Sales tax	3,674,114
Miscellaneous	<u>1,159,912</u>
Total revenues	<u>30,638,453</u>
<b>EXPENSES:</b>	
Governmental - current	( 27,186,768)
Intergovernmental – capital	
Construction & improvements	( 2,815,909)
Interest and fees	<u>( 186,886)</u>
Total expenses	<u>( 30,189,563)</u>
Increase in net position	<u>\$ 448,890</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2016**

**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	\$ (24,917,292)
Intergovernmental – capital		
Construction & improvements	2,815,909	(2,815,909)
Debt Service - interest	<u>186,886</u>	<u>(186,886)</u>
 Total expenses	 <u>\$ 30,189,563</u>	 <u>\$(27,920,087)</u>

- The cost of all activities this year was \$30,189,563
- Net cost of governmental activities (\$27,920,087) was financed by general revenues (\$28,368,977), which are made up of primarily property taxes (\$20,556,808), intergovernmental sources (\$2,058,717), fines and assessments (\$919,426), sales tax (\$3,674,114), and other revenue (\$1,159,912).

**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, 2016**

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 \$22,154,642, a decrease of \$3,335,678 since June 30, 2015. A fund balance of \$13,375,360 or 60.37 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:

- \$ 5,633,900 assigned for future capital projects
- \$ 2,897,907 assigned for debt service
- \$ 226,924 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 \$1,602,112 was due to lower expenditures than anticipated. The Debt Service Fund balance showed a decrease of \$3,192,209. The Capital Projects Funds showed a fund balance of \$3,521,011, a combination of remaining Lease purchase and GO Bonds proceeds. The Capital Projects had expenditures of \$3,229,220

**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 \$23,083,248 in General Fund Revenue with actual revenue totaling \$24,391,807 for a difference of \$1,308,559. The budget for expenditures was \$23,389,945 with the actual expenditures being \$21,790,193 for a difference of \$1,599,752. The general fund transferred \$999,502 to special revenue projects. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$1,602,112. 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, 2016**

**CAPITAL ASSETS**

As of June 30, 2016, the County had invested \$4,560,018. 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 \$2,905,422 for governmental activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2016.

	Amount
Land	\$ 8,143,969
Buildings and improvements	36,049,549
Vehicles and equipment	18,072,568
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
Total	<u>\$ 79,260,235</u>

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, 2016.

	Amount
General obligation bonds	\$ 6,900,406
Lease purchase	3,053,476
Accrued compensated absences	<u>606,895</u>
Total	<u>\$ 10,560,777</u>

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

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2016**

**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 2016 - 2017 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, 2016**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I – II are presented for additional analysis of the County's finances for the FY 15-16.

Table I – Statement of Net Position – Governmental Activities – Total current assets decreased \$4,468,650 versus the prior year due to decreases in cash (debt service fund & capital projects fund). Capital assets decreased \$2,345,462 net as shown in Note N for capital asset additions for new buildings & equipment less depreciation expense. Total liabilities decreased \$5,982,404 due to net payments to debt principal. Net position increased \$448,890.

Table II – Statement of Activities – Governmental Activities – Total revenues decreased \$1,402,832 (Property taxes decreased \$415,403 and sales tax increased \$227,906) Total expenses increased \$776,015 due to higher capital spending.

**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, 2016

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

	Governmental Activities		
	2016	2015	Variance
Assets			
Total Current Assets	\$ 25,322,332	\$ 29,790,982	\$ (4,468,650)
Other Debits	2,560,556	1,279,758	1,280,798
Capital Assets, net of accumulated depreciation	<u>34,560,218</u>	<u>36,905,680</u>	<u>(2,345,462)</u>
Total Assets	<u>\$ 62,443,106</u>	<u>\$ 67,976,420</u>	<u>\$ (5,533,314)</u>
Total Current Liabilities	\$ 4,170,420	\$ 7,540,322	\$ (3,369,902)
Non-Current Liabilities	28,202,188	30,543,954	(2,341,766)
Deferred Inflows	<u>986,766</u>	<u>1,257,502</u>	<u>(270,736)</u>
	<u>\$ 33,359,374</u>	<u>\$ 39,341,778</u>	<u>\$ (5,982,404)</u>
Net Position			
Invested in capital assets, net of related debt	\$ 26,524,012	\$ 23,215,389	\$ 3,308,623
Restricted	9,857,348	10,125,795	(268,447)
Unrestricted/(deficit)	<u>(7,297,828)</u>	<u>(4,706,542)</u>	<u>(2,591,286)</u>
Total Net Position	<u>\$ 29,083,532</u>	<u>\$ 28,634,642</u>	<u>\$ 448,890</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		
	2016	2015	Variance
Revenues			
Program Revenues:			
Charges for Services	\$ 1,526,099	\$ 1,395,976	\$ 130,123
Operating Grants	135,305	196,733	(61,428)
Capital Grants	608,072	1,250,652	(642,580)
General Revenue:			
Property Taxes	20,556,808	20,972,211	(415,403)
Intergovernmental Sources	2,058,717	1,287,406	771,311
Fines and Assessments	919,426	2,110,235	(1,190,809)
Sales Tax - Debt Service	3,674,114	3,446,208	227,906
Other	<u>1,159,912</u>	<u>1,381,864</u>	<u>(221,952)</u>
Total Revenues	<u>\$ 30,638,453</u>	<u>\$ 32,041,285</u>	<u>\$ (1,402,832)</u>
Expenses			
Current			
Legislative	\$ 324,069	\$ 313,280	\$ 10,789
Administration	1,656,962	2,059,892	(402,930)
Tax assessment & collection	1,511,311	1,503,137	8,174
Election & registration	192,823	178,052	14,771
Administration of Justice	1,930,516	2,045,006	(114,490)
Law enforcement	4,302,730	4,182,828	119,902
Detention	1,885,052	1,941,598	(56,546)
Public safety	4,014,035	4,132,183	(118,148)
Public works & maintenance	7,524,530	6,991,848	532,682
Planning & development	1,038,718	1,030,551	8,167
Agriculture & home economics	120,895	118,249	2,646
Public health	22,957	23,037	(80)
Social services	265,515	257,681	7,834
Miscellaneous	2,016,116	1,545,903	470,213
Emergency telephone reporting	380,539	456,834	(76,295)
Capital Construction & Improvements - Intergovernmental	2,815,909	2,230,907	585,002
Interest and Fees	<u>186,886</u>	<u>402,562</u>	<u>(215,676)</u>
Total Expenses	<u>\$ 30,189,563</u>	<u>\$ 29,413,548</u>	<u>\$ 776,015</u>
Change in Net Position	448,890	2,627,737	(2,178,847)
Net Position, Beginning of Year	28,634,642	26,006,905	<u>2,627,737</u>
Net Position, End of Year	<u>\$ 29,083,532</u>	<u>\$ 28,634,642</u>	<u>\$ 448,890</u>

BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT

STATEMENT OF NET POSITION  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2016

	PRIMARY GOVERNMENT	
	Governmental Activities	Total
<b>ASSETS AND OTHER DEBITS</b>		
Current Assets		
Cash - Notes B & C	\$ 5,775,025	\$ 5,775,025
Investments - Note C	17,263,799	17,263,799
Receivables		
Property taxes - delinquent - Note E	726,825	726,825
Fines and fees	-	-
Other	125,274	125,274
Due from other governments		
State shared revenue	403,085	403,085
Sales tax	1,007,773	1,007,773
Inventory - jet fuel	20,551	20,551
Total Current Assets	25,322,332	25,322,332
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	18,072,568	18,072,568
Airport improvements	5,654,044	5,654,044
Accumulated depreciation	(44,700,217)	(44,700,217)
DEFERRED OUTFLOW - Pension	2,560,556	2,560,556
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 62,442,906</b>	<b>\$ 62,442,906</b>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accrued expenses	\$ 1,248,202	\$ 1,248,202
Due to other taxing units and others	1,244,460	1,244,460
Accrued interest	84,250	84,250
Lease payable, current portion	646,421	646,421
Bonds payable, current portion	947,087	947,087
Total Current Liabilities	4,170,420	4,170,420
Bonds payable, less current portion	5,953,319	5,953,319
Compensated absences	606,895	606,895
Net Pension Liability	14,669,606	14,669,606
Net OPEB Obligation - See Note P	4,565,313	4,565,313
Lease purchase, less current portion	2,407,055	2,407,055
<b>TOTAL LIABILITIES</b>	<b>32,372,608</b>	<b>32,372,608</b>
DEFERRED INFLOWS		
Grant	15,815	15,815
Pension	970,951	970,951
<b>NET POSITION</b>		
Invested in capital assets, net of related debt, \$8,036,006	26,524,012	26,524,012
Restricted for:		
special projects, net of related debt, \$1,217,838	3,716,024	3,716,024
debt service	6,141,324	6,141,324
Unrestricted	(7,297,828)	(7,297,828)
<b>TOTAL NET POSITION</b>	<b>29,083,532</b>	<b>29,083,532</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$ 62,442,906</b>	<b>\$ 62,442,906</b>

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue &amp; Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Capital Grants</u>	<u>Governmental Activities</u>	<u>Total</u>
Governmental Activities						
Current						
Legislative	\$ 324,069	\$ -	\$ -	\$ -	\$ (324,069)	\$ (324,069)
Administration	1,656,962	-	-	-	(1,656,962)	(1,656,962)
Tax assessment & collection	1,511,311	-	-	-	(1,511,311)	(1,511,311)
Election & registration	192,823	-	-	-	(192,823)	(192,823)
Administration of Justice	1,930,516	-	125,651	-	(1,804,865)	(1,804,865)
Law enforcement	4,302,730	-	9,654	-	(4,293,076)	(4,293,076)
Detention	1,885,052	-	-	-	(1,885,052)	(1,885,052)
Public safety	4,014,035	210,926	-	-	(3,803,109)	(3,803,109)
Public works & maintenance	7,524,530	969,079	-	608,072	(5,947,379)	(5,947,379)
Planning & development	1,038,718	-	-	-	(1,038,718)	(1,038,718)
Agriculture & home economics	120,895	-	-	-	(120,895)	(120,895)
Public health	22,957	-	-	-	(22,957)	(22,957)
Social services	265,515	-	-	-	(265,515)	(265,515)
Miscellaneous	2,016,116	-	-	-	(2,016,116)	(2,016,116)
Emergency telephone reporting	380,539	346,094	-	-	(34,445)	(34,445)
Capital construction & improvements - intergovernmental	2,815,909	-	-	-	(2,815,909)	(2,815,909)
Debt service						
Interest & other bond costs	<u>186,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(186,886)</u>	<u>(186,886)</u>
Total Governmental Activities	<u>30,189,563</u>	<u>1,526,099</u>	<u>135,305</u>	<u>608,072</u>	<u>(27,920,087)</u>	<u>(27,920,087)</u>
TOTAL	<u>\$ 30,189,563</u>	<u>\$ 1,526,099</u>	<u>\$ 135,305</u>	<u>\$ 608,072</u>	<u>(27,920,087)</u>	<u>(27,920,087)</u>

General Revenues

Property Taxes Levied For:

General Purposes	19,101,975	19,101,975
Debt Service	1,454,833	1,454,833
Intergovernmental sources	2,058,717	2,058,717
Fines and assessments	919,426	919,426
Sales tax - debt service	3,674,114	3,674,114
Other	<u>1,159,912</u>	<u>1,159,912</u>

Total General Revenues 28,368,977 28,368,977

- Change in Net Position 448,890 448,890

Net Position, Beginning of Year 28,634,642 28,634,642

NET POSITION, END OF YEAR \$ 29,083,532 \$ 29,083,532

BALANCE SHEET  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
June 30, 2016

	General	Debt Service	Capital Projects	Non-Major Special Revenue	Totals
<b>ASSETS</b>					
Cash - Notes B & C	\$ 3,996,291	\$ 36,673	\$ 1,077,365	\$ 664,696	\$ 5,775,025
Investments - Note C	13,819,411	1,000,742	2,443,646	-	17,263,799
Receivables					
Property taxes - delinquent - Note E	62,544	5,068	-	-	67,612
Fines and fees	-	-	-	-	-
Other	125,274	-	-	-	125,274
Due from other governments					
State shared revenue	403,085	-	-	-	403,085
Sales tax	-	1,007,773	-	-	1,007,773
Inventory - jet fuel	-	-	-	20,551	20,551
Due from other funds - Note D	<u>436,028</u>	<u>847,651</u>	<u>-</u>	<u>14,071</u>	<u>1,297,750</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 18,842,633</u></b>	<b><u>\$ 2,897,907</u></b>	<b><u>\$ 3,521,011</u></b>	<b><u>\$ 699,318</u></b>	<b><u>\$ 25,960,869</u></b>
<b>LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 1,248,202	\$ -	\$ -	\$ -	\$ 1,248,202
Due to taxing units and others	1,244,460	-	-	-	1,244,460
Due to other funds - Note D	<u>861,722</u>	<u>-</u>	<u>-</u>	<u>436,028</u>	<u>1,297,750</u>
<b>TOTAL LIABILITIES</b>	<b><u>3,354,384</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>436,028</u></b>	<b><u>3,790,412</u></b>
DEFERRED INFLOW - grant income	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,815</u>	<u>15,815</u>
<b>FUND BALANCES</b>					
Reserved:					
Nonspendable - inventory - fuel	-	-	-	20,551	20,551
Committed for special revenue	-	-	-	226,924	226,924
Assigned for capital projects	2,112,889	-	3,521,011	-	5,633,900
Assigned for debt service	-	2,897,907	-	-	2,897,907
Unreserved:					
Unassigned	<u>13,375,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,375,360</u>
<b>TOTAL FUND BALANCES</b>	<b><u>15,488,249</u></b>	<b><u>2,897,907</u></b>	<b><u>3,521,011</u></b>	<b><u>247,475</u></b>	<b><u>22,154,642</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>	<b><u>\$ 18,842,633</u></b>	<b><u>\$ 2,897,907</u></b>	<b><u>\$ 3,521,011</u></b>	<b><u>\$ 699,318</u></b>	<b><u>\$ 25,960,869</u></b>

Reconciliation of governmental fund balances to statement of net position:

Total Fund Balances - Governmental Funds	\$ 22,154,642
Capital assets, net of accumulated depreciation	34,560,018
Bonds payable	(6,900,406)
Leases payable	(3,053,476)
Compensated absences	(606,895)
Net OPEB Obligation	(4,565,313)
Net Pension Adjustment	(13,080,001)
Accrued interest	(84,250)
Recognition of deferred taxes	<u>659,213</u>
<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 29,083,532</u></b>

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, 2016

Net change in fund balances - total governmental funds	\$	(3,335,678)
<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	559,760	
Depreciation expense	<u>(2,905,422)</u>	(2,345,662)
<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>		
	(892,000)	
	<u>7,324,009</u>	6,432,009
<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>		
		(9,996)
<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	(700,000)	
Repayment of principal	<u>807,601</u>	107,601
<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:		70,528
<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>		
		470,411
<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>(216,770)</u>
Change in net position - governmental activities	\$	<u>448,890</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue</u>	<u>Totals</u>
<b>REVENUE</b>					
Taxes	\$ 19,286,669	\$ 1,486,909	\$ -	\$ -	\$ 20,773,578
Intergovernmental	2,067,272	-	-	743,377	2,810,649
Fines and fees	1,977,358	-	-	459,612	2,436,970
Sales tax	-	3,674,114	-	-	3,674,114
Other	<u>1,060,508</u>	<u>12,692</u>	<u>55</u>	<u>86,657</u>	<u>1,159,912</u>
<b>TOTAL REVENUE</b>	<b>24,391,807</b>	<b>5,173,715</b>	<b>55</b>	<b>1,289,646</b>	<b>30,855,223</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Legislative	324,069	-	-	-	324,069
Administration	1,393,824	-	-	-	1,393,824
Tax assessment & collection	1,488,418	-	-	-	1,488,418
Election & registration	192,823	-	-	-	192,823
Administration of Justice	1,796,443	-	-	117,096	1,913,539
Law enforcement	3,717,100	-	-	155,751	3,872,851
Detention	1,840,462	-	-	-	1,840,462
Public safety	3,600,511	-	-	-	3,600,511
Public works & maintenance	5,549,005	-	-	-	5,549,005
Planning & development	1,036,684	-	-	-	1,036,684
Agriculture & home economics	120,895	-	-	-	120,895
Public health	22,957	-	-	-	22,957
Social services	265,515	-	-	-	265,515
Miscellaneous	295,038	-	-	1,721,078	2,016,116
Emergency telephone reporting	-	-	-	380,539	380,539
<b>Capital outlays</b>					
Capital construction & improvements	146,449	-	3,229,220	-	3,375,669
<b>Debt service</b>					
Principal retirement - Note G	-	3,894,009	-	-	3,894,009
Interest	-	309,213	-	-	309,213
Fees & other bond service costs	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>21,790,193</u></b>	<b><u>4,203,222</u></b>	<b><u>3,229,220</u></b>	<b><u>2,374,464</u></b>	<b><u>31,597,099</u></b>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>2,601,614</u>	<u>970,493</u>	<u>(3,229,165)</u>	<u>(1,084,818)</u>	<u>(741,876)</u>
<b>OTHER FINANCING SOURCES</b>					
Bond proceeds	-	-	892,000	-	892,000
Bond defeasance	-	(3,312,702)	-	-	(3,312,702)
Lease purchase	-	-	700,000	-	700,000
Lease purchase payment	-	-	(873,100)	-	(873,100)
Transfer In/(Out)	<u>(999,502)</u>	<u>(850,000)</u>	<u>850,000</u>	<u>999,502</u>	<u>-</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	1,602,112	(3,192,209)	(1,660,265)	(85,316)	(3,335,678)
Fund Balance, Beginning of Year,	<u>13,886,137</u>	<u>6,090,116</u>	<u>5,181,276</u>	<u>332,791</u>	<u>25,490,320</u>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>\$ 15,488,249</u></b>	<b><u>\$ 2,897,907</u></b>	<b><u>\$ 3,521,011</u></b>	<b><u>\$ 247,475</u></b>	<b><u>\$ 22,154,642</u></b>

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUE</b>				
Property taxes, current	\$ 15,642,437	\$ 15,642,437	\$ 16,033,649	\$ 391,212
Community service levies - taxes	878,809	878,809	878,809	-
Fee In Lieu	1,459,276	1,459,276	1,530,296	71,020
Delinquent taxes and cost	1,010,000	1,010,000	843,915	(166,085)
Intergovernmental	1,797,928	1,797,928	2,067,272	269,344
Fines and fees	1,755,456	1,755,456	1,977,358	221,902
Other	<u>539,342</u>	<u>539,342</u>	<u>1,060,508</u>	<u>521,166</u>
<b>TOTAL REVENUE</b>	<u>23,083,248</u>	<u>23,083,248</u>	<u>24,391,807</u>	<u>1,308,559</u>
Use of Fund Balance Reserves	<u>1,154,147</u>	<u>1,185,506</u>	<u>-</u>	<u>(1,185,506)</u>
<b>EXPENDITURES</b>				
Current				
Legislative	357,212	357,867	324,069	33,798
Administration	1,678,179	1,467,551	1,393,824	73,727
Tax assessment & collection	1,553,481	1,579,315	1,488,418	90,897
Election & registration	176,605	186,528	192,823	(6,295)
Administration of Justice	1,893,935	1,861,254	1,796,443	64,811
Law enforcement	3,807,210	3,872,594	3,717,100	155,494
Detention	1,987,454	2,044,739	1,840,462	204,277
Public safety	3,714,186	3,903,742	3,600,511	303,231
Public works & maintenance	5,718,343	5,739,420	5,549,005	190,415
Planning & development	1,253,473	1,263,478	1,036,684	226,794
Agriculture & home economics	117,710	117,710	120,895	(3,185)
Public health	26,352	26,352	22,957	3,395
Social services	263,419	267,358	265,515	1,843
Miscellaneous	330,214	347,179	295,038	52,141
Capital outlays				
Capital construction & improvements	<u>480,813</u>	<u>354,858</u>	<u>146,449</u>	<u>208,409</u>
<b>TOTAL EXPENDITURES</b>	<u>23,358,586</u>	<u>23,389,945</u>	<u>21,790,193</u>	<u>1,599,752</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>878,809</u>	<u>878,809</u>	<u>2,601,614</u>	<u>1,722,805</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer to special revenue (includes Community Service Levies)	<u>(878,809)</u>	<u>(878,809)</u>	<u>(999,502)</u>	<u>(120,693)</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,602,112</u>	<u>1,602,112</u>
Fund Balance, Beginning of Year				<u>13,886,137</u>
<b>FUND BALANCE, END OF YEAR</b>				<u>\$ 15,488,249</u>

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2016

	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	\$ 1,991,119	\$ 414,999	\$ 395,920	\$ 50,000	\$ 2,852,038
Investments	<u>20,726,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,726,524</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 22,717,643</u></b>	<b><u>\$ 414,999</u></b>	<b><u>\$ 395,920</u></b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 23,578,562</u></b>
<b>LIABILITIES</b>					
Due to other entities	<u>\$ 22,717,643</u>	<u>\$ 414,999</u>	<u>\$ 395,920</u>	<u>\$ 50,000</u>	<u>\$ 23,578,562</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 22,717,643</u></b>	<b><u>\$ 414,999</u></b>	<b><u>\$ 395,920</u></b>	<b><u>\$ 50,000</u></b>	<b><u>\$ 23,578,562</u></b>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

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, 2016

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, 2016

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, 2016

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, 2016

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, 2016. 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, 2016. 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, 2016

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, 2016

NOTE B - CASH

Deposits

At June 30, 2016, the carrying amount of the County's deposits was \$8,627,063 (\$5,775,025 for the primary government, and \$2,852,038 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 \$132,667 cash on hand at June 30, 2016.

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, 2016. Category I includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Bank deposit accounts	\$ 8,627,063	\$ --	\$ --	\$ 8,627,063	\$ 8,627,063
Total	\$ 8,627,063	\$ --	\$ --		
State treasurer's investment pool				17,263,799	17,263,799
State treasurer's investment pool – Agency funds				20,726,524	20,726,524
Total Investments and Deposits				\$ 46,617,386	\$ 46,617,386

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2016 of \$42,995,811 (\$17,263,799 for the primary government and \$20,726,524 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	\$ 436,028
Special Revenue	General	14,071
Debt Service	General Fund	<u>847,651</u>
	Total	<u>\$ 1,297,750</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

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, 2016, 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, 2016 follows:

General Fund	\$ 702,092
Debt Service Fund	<u>24,734</u>
Total Governmental Activities	<u>\$ 726,826</u>
General Fund	\$ 702,092
Debt Service Fund	24,733
Deferred tax revenue – Collections after 60 days	<u>(659,213)</u>
Net taxes receivable – Governmental Funds	<u>\$ 67,612</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

NOTE F - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2016:

	Balance, <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2016</u>
Bonds payable	\$ 13,332,415	\$ 892,000	\$ 7,324,009	\$ 6,900,406
Lease purchase agreement	3,161,077	700,000	807,601	3,053,476
Accrued vacation	<u>596,899</u>	<u>9,996</u>	<u>--</u>	<u>606,895</u>
<b>Total Long Term Debt</b>	<b><u>\$ 17,090,391</u></b>	<b><u>\$ 1,601,996</u></b>	<b><u>\$ 8,131,610</u></b>	<b><u>\$ 10,560,777</u></b>

Bonds payable at June 30, 2016, 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 \$320,000	\$ 3,835,000
\$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 \$85,000	170,000
\$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 \$113,087	230,406
\$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 \$159,000	325,000
\$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 \$270,000	1,140,000
\$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%.	<u>                    --</u>
<b>Total bonds payable</b>	<b><u>\$ 6,900,406</u></b>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2016

NOTE F - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2016:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 947,087	\$ 184,002	\$ 1,131,089
2018	988,319	151,169	1,139,488
2019	645,000	134,803	779,803
2020	878,668	111,532	990,200
2021	608,242	89,659	697,901
2022 – 2026	<u>2,833,090</u>	<u>213,206</u>	<u>3,046,296</u>
Totals	<u>\$ 6,900,406</u>	<u>\$ 884,371</u>	<u>\$ 7,784,777</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, 2016 assessed property valuation, the County is below its legal debt limit of \$10,596,420. Bond indebtedness applied to the debt limit was \$3,065,406, leaving \$7,531,014 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.

The remaining principal and interest payments were paid to a third party during the fiscal year. The Sales Tax Bond was defeased.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

NOTE F - LONG-TERM DEBT – Continued

Lease Purchase Agreements

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 2016. Current principal amount due is \$132,879.

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 2016 – 2027. Current principal amount due is \$111,899.

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 2016 – 2019. Current principal amount due is \$265,856

Lease Purchase 2015 was used to buy equipment for \$700,000. The annual interest rate is 1.56%. Annual payments of \$144,461 of principal and interest are due in December from 2016 – 2019. Current principal amount due is \$135,788

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, 2016:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	646,421	53,871	700,292
2018	522,284	45,614	567,898
2019	531,186	38,863	570,049
2020	263,239	31,979	295,218
2021	124,192	110,261	234,453
2022 – 2026	671,903	92,979	764,882
2027 - 2029	<u>294,251</u>	<u>11,703</u>	<u>305,954</u>
Totals	<u>\$ 3,053,476</u>	<u>\$ 385,270</u>	<u>\$ 3,438,746</u>

Accrued Vacation

At June 30, 2016, the liability for accrued vacation benefits recorded in the governmental activities was \$606,895. 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, 2016

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 – 8.16% of salary; PORS Class II – 8.74% 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, 2016

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>2016</u>	<u>2015</u>	<u>2014</u>
Total payroll	\$4,488,298	\$ 4,271,819	\$3,976,427
Covered payroll	4,488,298	4,271,819	3,976,427
County's contribution	489,673	459,221	415,537
Employee's contribution	366,243	341,746	298,232
Group life	6,732	6,408	5,965
County's Contribution %	10.91%	10.75%	10.60%
Employee's contribution %	8.16%	8.00%	7.50%

**PORS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total payroll	\$3,524,119	\$3,425,356	\$3,324,992
Covered payroll	3,524,119	3,425,356	3,324,992
County's contribution	470,117	445,639	413,629
Employee's contribution	308,008	288,072	260,679
Group Life and AD	7,048	6,851	6,650
Accidental death	7,048	6,851	6,650
County's Contribution %	13.34%	13.01%	12.84%
Employee's contribution %	8.74%	8.41%	7.84%

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

NOTE G - PENSION PLAN - Continued

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

At June 30, 2016 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, 2015 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
Net pension asset/(liability)		
June 30, 2015	\$ (8,642,950)	\$(6,026,656)
June 30, 2014	\$ (7,536,604)	\$(5,292,435)
County's portion of the Plan's Total net pension (liability)	0.045572 %	0.27652 %

For the year ended June 30, 2016, the County recognized pension expense (credit) of \$706,230 for SCRS and \$536,678 for PORS. At June 30, 2016 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	955,594	
Investment Experience - SCRS		511,561
Payments made in 2016 – SCRS	489,673	
Liability Experience – PORS	645,172	
Investment Experience- PORS		459,390
Payments made in 2016 – PORS	470,117	

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>
2017	\$ 115,409	18,845
2018	115,409	18,845
2019	62,665	18,845
2020	150,547	18,845

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

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, 2016

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	\$ 10,896,290	\$ 8,642,950	\$ 6,754,364
PORS	\$ 8,209,713	\$ 6,026,656	\$ 4,075,122

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, 2015	June 30, 2015
Total pension asset/(liability)	\$ (44,097,310,230)	\$ (6,151,321,222)
Plan fiduciary net position	\$ 25,131,828,101	\$ 3,971,824,838
Employers Net Pension Liability	\$ 18,965,481,129	\$ 2,179,496,384
Ratio of plan net position to total pension (liability)	57.0 %	64.6 %

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, 2016

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		226,924
Assigned for debt service		2,898,907
Assigned for capital projects		5,633,900

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 (\$567,652), Detention Center (\$500,000), MC Commerce (\$115,000), Economic Office (\$167,300), Fairgrounds Repair (\$208,500), IT Server Center (\$121,200), Other Projects (\$433,237), 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 Delinquent Taxes, Registration and Election (\$6,298 - due to higher expenditures) & Agriculture & home econ (\$3,185) due to higher costs.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

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, <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2016</u>
Buildings and Land *	\$ 44,193,518	\$ --	\$ --	\$ 44,193,518
Vehicles and equipment	17,676,632	559,760	(163,824)	18,072,568
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(41,958,619)</u>	<u>(2,905,422)</u>	<u>163,824</u>	<u>(44,700,217)</u>
Total	<u>\$ 36,905,680</u>	<u>\$ (2,345,662)</u>	<u>\$ --</u>	<u>\$ 34,560,018</u>

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

The County recorded depreciation expense of \$2,905,422 shown in current expenses on the statement of activities – governmental activities. Depreciation was allocated as follows:

Administration	\$ --
Tax assessment	22,893
Admin of Justice	16,977
Law Enforcement	429,879
Detention	44,590
Public Safety	413,524
Public Works	1,975,525
Planning and Development	<u>2,034</u>
Total	<u>\$ 2,905,422</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, 2016

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, 2016

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, 2016, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/16</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>3,841,760</u>
Net OPEB Obligation – End of Year	<u>\$ 4,565,313</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

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, 2016 are as follows:

<b><u>Fiscal Year Ended</u></b>	<b><u>Annual OPEB Cost</u></b>	<b><u>Actual Contribution</u></b>	<b><u>Percentage of Annual OPEB Cost Contributed</u></b>	<b><u>Net OPEB Obligation/(Asset)</u></b>
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
06/30/16	\$849,833	\$126,280	14.86%	\$4,565,313

D. Funded Status and Funding Progress - The funded status of the plan as of June 30, 2016 was as follows:

<b><u>Actuarial Valuation Date</u></b>	<b><u>Actuarial Value of Assets</u></b>	<b><u>Projected Unit Credit Actuarial Accrued Liability</u></b>	<b><u>Unfunded AAL (UAAL)</u></b>	<b><u>Funded Ratio</u></b>	<b><u>Covered Payroll</u></b>	<b><u>UAAL as a Percentage of Covered Payroll</u></b>
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, 2016

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, 2016 was 24 years.

NOTE Q – TRANSFERS

Individual fund transfers for the year ended June 30, 2016 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 999,502
Debt Service	Capital Projects	850,000

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, 2016. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2016

NOTE S – NET POSITION

The County has an unrestricted net deficit in the governmental activities of \$7,297,828. This deficit was caused by the implementation of GASB 68 and the Net Pension Liability.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue			
Taxes			
Property taxes, current	\$ 15,642,437	\$ 16,033,649	\$ 391,212
Property taxes - Community Service Levies	878,809	878,809	-
Fee in lieu of taxes	1,459,276	1,530,296	71,020
Delinquent taxes	810,000	671,079	(138,921)
Delinquent tax cost	<u>200,000</u>	<u>172,836</u>	<u>(27,164)</u>
Total Taxes	<u>18,990,522</u>	<u>19,286,669</u>	<u>296,147</u>
Intergovernmental			
Local government	1,416,000	1,373,557	(42,443)
Merchant inventory tax	86,000	86,628	628
Salary supplements	4,728	6,300	1,572
Accomodations tax	3,200	82,331	79,131
National forestry fund	172,000	153,480	(18,520)
Solid waste - state grant	16,000	16,917	917
Grants	-	222,306	222,306
Disaster preparedness	<u>100,000</u>	<u>125,753</u>	<u>25,753</u>
Total Intergovernmental	<u>1,797,928</u>	<u>2,067,272</u>	<u>269,344</u>
Fines and fees			
Clerk of Court - fines and fees	120,000	125,572	5,572
CCCP fees	69,285	104,416	35,131
Clerk of Court - copies	15,000	21,430	6,430
Central Court	426,937	323,694	(103,243)
Registration and election	12,000	33,876	21,876
Animal control	45,000	33,455	(11,545)
Probate Judge - fees	75,000	73,624	(1,376)
Probate Judge - copies	3,000	1,197	(1,803)
Sheriff - fees	6,500	3,535	(2,965)
Forfeit land commission	3,000	15,221	12,221
Building Inspection	151,764	210,926	59,162
Bad check	3,703	2,173	(1,530)
Tipping fees	700,000	918,978	218,978

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Fines and fees - continued			
Recycle revenue	78,149	50,101	(28,048)
Zoning fee	31,118	40,139	9,021
Cable/phone franchise	<u>15,000</u>	<u>19,021</u>	<u>4,021</u>
Total Fines and fees	<u>1,755,456</u>	<u>1,977,358</u>	<u>221,902</u>
Other			
Interest	10,000	42,033	32,033
Veterans affairs	5,000	4,556	(444)
Mobile home licenses	600	-	(600)
Assessor's GIS	500	1,815	1,315
Soil and Water Conservation	41,000	70,460	29,460
School resource officer	311,024	357,319	46,295
Economic Development - Mega	-	151,500	151,500
FFP	15,000	60,824	45,824
Miscellaneous	<u>156,218</u>	<u>372,001</u>	<u>215,783</u>
Total Other	<u>539,342</u>	<u>1,060,508</u>	<u>521,166</u>
Balance brought forward	<u>1,185,506</u>	<u>-</u>	<u>(1,185,506)</u>
 TOTAL REVENUE	 <u>24,268,754</u>	 <u>24,391,807</u>	 <u>123,053</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Expenditures			
LEGISLATIVE			
County Council			
Personnel	163,250	157,269	5,981
Social security	12,489	11,203	1,286
Retirement	18,517	17,796	721
Travel - council	27,905	20,170	7,735
Insurance	77,114	80,121	(3,007)
Workers compensation	4,057	2,760	1,297
Advertising	2,500	2,370	130
Audit and accounting	34,000	21,788	12,212
Contingency	5,000	993	4,007
Bookbinding	3,200	108	3,092
Contracted maintenance	2,500	495	2,005
Office expenses	1,975	1,112	863
Postage	400	280	120
Telephone	4,440	7,531	(3,091)
Subsistence	520	73	447
Office Furniture/Equipment	-	-	-
TOTAL LEGISLATIVE	<u>357,867</u>	<u>324,069</u>	<u>33,798</u>
ADMINISTRATION			
County Administrator			
Personnel	424,748	422,087	2,661
Social security	32,396	30,943	1,453
Retirement	46,977	46,180	797
Insurance	55,679	55,598	81
Workers compensation	7,864	5,284	2,580
Advertising	3,000	284	2,716
Maintenance	8,500	4,622	3,878
Copier machine	1,000	-	1,000
Memberships & Dues	1,100	892	208
Office expense	4,675	4,229	446
Postage	3,700	2,807	893
Printing	2,500	2,361	139
Telephone	4,000	3,990	10

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
County Administrator - continued			
Training	3,000	2,417	583
Travel	2,000	1,337	663
Subsistence	<u>4,500</u>	<u>728</u>	<u>3,772</u>
Total County Administrator	<u>605,639</u>	<u>583,759</u>	<u>21,880</u>
Miscellaneous Operating			
Contracted maintenance	15,000	10,705	4,295
Insurance	47,000	(367)	47,367
Tort insurance	116,200	111,763	4,437
Insurance - buildings	93,750	85,480	8,270
RPRS to Vehicle	2,600	154	2,446
Subsistence	11,475	12,124	(649)
Unemployment insurance	10,000	-	10,000
Employee service recognition	1,600	1,500	100
Fuel	39,350	275	39,075
Medical	4,000	1,239	2,761
Workmens Comp	23,750	-	23,750
Payroll service	47,000	24,069	22,931
IT Department	228,089	213,488	14,601
Accrued salaries	30,709	30,709	-
Legals	<u>191,389</u>	<u>318,926</u>	<u>(127,537)</u>
Total Miscellaneous Operating	<u>861,912</u>	<u>810,065</u>	<u>51,847</u>
TOTAL ADMINISTRATION	<u>1,467,551</u>	<u>1,393,824</u>	<u>73,727</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	186,806	186,806	-
Overtime	1,379	1,486	(107)
Social security	14,396	13,956	440
Retirement	20,813	20,825	(12)
Insurance	32,746	32,220	526
Workers compensation	3,947	2,652	1,295
Advertising	200	118	82

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Treasurer's Office - continued			
Contracted maintenance	20,000	18,988	1,012
Professional services	46,619	42,619	4,000
Membership & dues	300	155	145
Office expense	4,435	4,435	-
Postage	55,000	39,572	15,428
Printing	12,000	3,116	8,884
Telephone	2,311	936	1,375
Training	1,230	1,040	190
Travel	2,570	1,154	1,416
Subsistence	2,570	2,144	426
Office Furniture/Equipment	<u>18,003</u>	<u>17,067</u>	<u>936</u>
Total Treasurer's Office	<u>425,325</u>	<u>389,289</u>	<u>36,036</u>
Auditor's Office			
Personnel	210,465	211,056	(591)
Social security	16,100	14,975	1,125
Retirement	23,278	23,278	-
Insurance	27,552	32,869	(5,317)
Workers compensation	4,177	2,792	1,385
Advertising	200	100	100
Contracted maintenance	20,430	29,430	(9,000)
Professional services	46,619	41,366	5,253
Memberships & dues	200	155	45
Office expense	3,000	2,065	935
Postage	1,200	1,113	87
Printing	8,500	6,065	2,435
Subscriptions & books	600	452	148
Telephone	1,800	1,454	346
Training	1,410	1,275	135
Travel	2,250	1,887	363
Subsistence	2,540	2,309	231
Office furniture	<u>6,035</u>	<u>6,034</u>	<u>1</u>
Total Auditor's Office	<u>376,356</u>	<u>378,675</u>	<u>(2,319)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Assessor's Office			
Personnel	354,228	345,875	8,353
Overtime	1,000	122	878
Social security	27,175	25,762	1,413
Retirement	39,228	38,178	1,050
Insurance	59,522	66,051	(6,529)
Workers compensation	9,860	6,472	3,388
Advertising	1,000	403	597
Contracted maintenance	81,494	70,180	11,314
Vehicle insurance	3,100	3,071	29
Memberships & dues	2,750	2,245	505
Office expense	9,300	6,367	2,933
Postage	1,500	1,575	(75)
Printing	1,000	157	843
Subscriptions	1,628	1,628	-
Telephone	1,900	1,131	769
Training	2,750	2,590	160
Travel	790	472	318
Subsistence	2,900	2,733	167
Gas, oil, grease	5,000	1,492	3,508
Uniforms	1,000	235	765
Total Assessor's Office	<u>607,125</u>	<u>576,739</u>	<u>30,386</u>
Tax Collector			
Personnel	58,121	55,940	2,181
Overtime	3,148	1,715	1,433
Social security	4,687	3,618	1,069
Retirement	6,776	6,372	404
Insurance	5,407	4,305	1,102
Workers compensation	1,765	1,144	621
Advertising	14,000	16,600	(2,600)
Contracted maintenance	5,500	4,972	528
Professional fees	8,000	3,831	4,169
Consulting	20,000	15,348	4,652

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Tax Collector - continued			
Memberships & dues	125	80	45
Office expense	1,800	315	1,485
Postage	30,000	23,493	6,507
Printing	800	457	343
Supplies	800	798	2
Subscriptions	150	121	29
Telephone	700	600	100
Training	900	305	595
Travel	700	644	56
Subsistence	670	522	148
Review board and appeals	<u>6,460</u>	<u>2,535</u>	<u>3,925</u>
Total Tax Collector	<u>170,509</u>	<u>143,715</u>	<u>26,794</u>
TOTAL TAX ASSESSMENT & COLLECTION	<u>1,579,315</u>	<u>1,488,418</u>	<u>90,897</u>
REGISTRATION & ELECTION BOARD			
Personnel	69,721	72,369	(2,648)
Precinct personnel	11,000	23,268	(12,268)
Board members	10,706	8,629	2,077
Social security	5,564	5,414	150
Retirement	7,711	8,004	(293)
Insurance	11,262	11,877	(615)
Workers compensaton	503	190	313
Advertising	2,000	1,875	125
Contracted maintenance	26,542	25,103	1,439
Utilities	3,000	3,669	(669)
Memberships and dues	360	240	120
Office expense	2,700	2,071	629
Postage	4,000	3,581	419
Printing	5,625	4,790	835
Supplies	6,250	5,978	272
Telephone	1,500	1,055	445
Training	1,700	285	1,415

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Registration and Election Board - continued			
Travel	3,000	2,607	393
Subsistence	2,000	515	1,485
Other Equipment	<u>11,384</u>	<u>11,303</u>	<u>81</u>
 TOTAL REGISTRATION & ELECTION BOARD	 <u>186,528</u>	 <u>192,823</u>	 <u>(6,295)</u>
ADMINISTRATION OF JUSTICE			
Criminal & Civil Court			
Solicitor's office	121,867	121,867	-
Personnel - bailiff	16,056	18,382	(2,326)
Jury fees	40,000	40,000	-
Advertising	600	-	600
Contracted maintenance	3,500	3,500	-
Office	4,100	1,735	2,365
Postage	3,050	2,967	83
Printing	1,500	774	726
Telephone	1,500	1,059	441
DJJ	<u>1,500</u>	<u>633</u>	<u>867</u>
Total Criminal & Civil Court	<u>193,673</u>	<u>190,917</u>	<u>2,756</u>
Clerk of Court			
Personnel	203,875	203,638	237
Social security	15,596	15,105	491
Retirement	22,549	22,522	27
Insurance	21,485	35,692	(14,207)
Workers compensation	3,391	2,296	1,095
Contracted maintenance	89,000	71,380	17,620
Memberships & dues	125	125	-
Office expense	8,000	5,999	2,001
Postage	33,000	25,119	7,881
Printing	5,000	1,427	3,573
Telephone	2,000	1,332	668
Training	700	300	400

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Clerk of Court - continued			
Subsistence	1,500	1,500	-
Travel	<u>800</u>	<u>439</u>	<u>361</u>
Total Clerk of Court	<u>407,021</u>	<u>386,874</u>	<u>20,147</u>
Family Court - Clerk of Court			
Personnel	139,217	139,454	(237)
Social security	10,650	10,320	330
Retirement	15,398	15,424	(26)
Insurance	34,875	28,733	6,142
Workers compensation	559	368	191
Contracted maintenance	28,000	25,949	2,051
Office expense	4,500	2,738	1,762
Postage	6,000	4,253	1,747
Printing	10,300	9,719	581
Telephone	2,000	1,527	473
Training	<u>500</u>	<u>391</u>	<u>109</u>
Total Family Court - Clerk of Court	<u>251,999</u>	<u>238,876</u>	<u>13,123</u>
Probate Judge			
Personnel	178,712	178,712	-
Social security	13,671	13,035	636
Retirement	22,217	21,899	318
Insurance	38,400	39,789	(1,389)
Workers compensation	3,234	2,192	1,042
Contracted maintenance	9,435	8,889	546
Membership & dues	520	520	-
Office expense	6,250	6,137	113
Postage	2,190	2,190	-
Printing	474	474	-
Telephone	1,600	1,563	37
Education & training	2,900	2,265	635
Travel	4,500	4,017	483
Advertising	<u>200</u>	<u>-</u>	<u>200</u>
Total Probate Judge	<u>284,303</u>	<u>281,682</u>	<u>2,621</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Probation & Parole Office			
P.O. Box rent	49	-	49
Telephone	<u>875</u>	<u>921</u>	<u>(46)</u>
Total Probation & Parole Office	<u>924</u>	<u>921</u>	<u>3</u>
Public Defender			
Personnel	56,826	56,687	139
Social security	4,347	4,040	307
Retirement	6,286	6,270	16
Insurance	11,262	11,877	(615)
Workmens Comp	422	168	254
Copier Machine	200	145	55
Office Expense	500	-	500
Postage	100	-	100
Telephone	2,200	98	2,102
Training	<u>750</u>	<u>527</u>	<u>223</u>
Total Public Defender	<u>82,893</u>	<u>79,812</u>	<u>3,081</u>
Coroner			
Personnel	59,526	59,445	81
Social security	4,554	4,548	6
Retirement	7,030	6,827	203
Insurance	2,000	1,172	828
Workers compensation	2,609	1,616	993
Contracted maintenance	1,500	1,000	500
Vehicle insurance	2,350	2,165	185
Memberships & dues	550	360	190
Office expense	900	741	159
Postage	100	-	100
Repairs	1,250	401	849
Telephone	1,150	504	646
Training	1,205	895	310
Travel	1,225	1,225	-
Subsistence	1,870	1,439	431
Fuel	3,000	1,849	1,151
Supplies	2,500	1,553	947

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Uniforms	400	214	186
Post Mortems & BA	<u>39,000</u>	<u>50,745</u>	<u>(11,745)</u>
Total Coroner	<u>132,719</u>	<u>136,699</u>	<u>(3,980)</u>
Magistrate District 2			
Personnel	298,374	296,665	1,709
Jury fees	25,000	14,289	10,711
Social security	22,294	21,827	467
Retirement	37,712	37,405	307
Insurance	60,587	59,469	1,118
Workers compensation	1,855	772	1,083
Contracted maintenance	22,500	21,563	937
Consulting & tech fees	2,200	-	2,200
Memberships	550	520	30
Office expense	10,750	10,750	-
Postage	12,000	8,025	3,975
Printing	500	-	500
Telephone	3,000	1,493	1,507
Training	2,600	1,330	1,270
Travel	2,500	1,038	1,462
Subsistence	5,300	2,275	3,025
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Magistrate District 2	<u>507,722</u>	<u>477,421</u>	<u>30,301</u>
Magistrate District 6			
Personnel	-	2,670	(2,670)
Social security	-	204	(204)
Retirement	<u>-</u>	<u>367</u>	<u>(367)</u>
Total Magistrate District 6	<u>-</u>	<u>3,241</u>	<u>(3,241)</u>
TOTAL ADMINISTRATION OF JUSTICE	<u>1,861,254</u>	<u>1,796,443</u>	<u>64,811</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
LAW ENFORCEMENT - Sheriff's Department			
Personnel	1,882,341	1,848,819	33,522
Overtime	106,478	136,986	(30,508)
School resource officer - salary and benefits	331,802	341,839	(10,037)
Social security	152,145	142,335	9,810
Retirement	279,508	270,678	8,830
Insurance	309,875	356,955	(47,080)
Workers compensation	86,574	57,602	28,972
Contracted maintenance	70,000	64,719	5,281
Professional services	1,750	1,037	713
Vehicle insurance	71,782	55,782	16,000
Membership & dues	6,845	6,350	495
Office expense	4,235	4,720	(485)
Postage	900	884	16
Printing	2,000	1,738	262
Transportation of Prisoners	2,500	-	2,500
RPRS to vehicle	12,500	9,407	3,093
Telephone	2,175	2,059	116
Training	1,200	760	440
Travel	510	-	510
Subsistence	2,500	1,471	1,029
Ammo & guns	3,000	2,985	15
Cleaning supplies	500	513	(13)
Gas, oil, grease	247,500	123,440	124,060
Photo supplies	2,500	2,434	66
Police supplies	12,500	10,171	2,329
CIRT supplies	3,000	2,984	16
Uniforms	30,000	28,128	1,872
Special law enforcement	1,000	975	25
Supplies	4,974	2,959	2,015
Crime prevention	1,000	897	103
School safety	3,000	2,983	17
Capital replacement	<u>236,000</u>	<u>234,490</u>	<u>1,510</u>
Total Sheriff's Department	<u>3,872,594</u>	<u>3,717,100</u>	<u>155,494</u>
TOTAL LAW ENFORCEMENT	<u>3,872,594</u>	<u>3,717,100</u>	<u>155,494</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
DETENTION			
Corrections			
Personnel	969,429	897,003	72,426
Overtime	69,167	63,540	5,627
Social security	79,299	71,676	7,623
Retirement	146,553	131,820	14,733
Insurance	217,350	198,679	18,671
Workers compensation	51,801	33,732	18,069
Contracted maintenance	65,000	58,067	6,933
Utilities	75,000	83,262	(8,262)
Vehicle insurance	2,500	1,225	1,275
Memberships & dues	252	148	104
Office expense	3,500	3,303	197
Ammo & Gunns	750	749	1
Postage	230	225	5
Printing	830	196	634
Telephone	3,300	1,014	2,286
Training	2,950	150	2,800
Travel	1,500	-	1,500
Bedding	3,000	2,654	346
Subsistence	3,000	522	2,478
Chemicals	7,500	4,079	3,421
Cleaning materials	7,500	6,979	521
Food	129,900	91,683	38,217
Fuel	2,528	-	2,528
Medical	155,000	144,687	10,313
Supplies	3,400	5,001	(1,601)
Uniforms	10,000	9,969	31
Clothing	9,000	6,757	2,243
DYS Juvenile	5,000	3,925	1,075
Capital Outlay	2,000	1,994	6
Kitchen supplies	16,000	15,928	72
Other equipment	1,500	1,495	5
	<u>2,044,739</u>	<u>1,840,462</u>	<u>204,277</u>
Total Corrections			
	<u>2,044,739</u>	<u>1,840,462</u>	<u>204,277</u>
TOTAL DETENTION			
	<u>2,044,739</u>	<u>1,840,462</u>	<u>204,277</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC SAFETY</b>			
Public Safety			
Personnel	88,006	88,006	-
Social security	6,732	6,637	95
Retirement	9,733	9,733	-
Insurance	20,283	23,986	(3,703)
Workers compensation	7,421	4,924	2,497
Contracted maintenance	9,500	10,697	(1,197)
Vehicle insurance	1,308	2,093	(785)
Office expense	1,400	1,400	-
Postage	200	200	-
Telephone	2,000	1,048	952
Training	1,000	825	175
Fuel	400	-	400
Other Equipment	-	-	-
Total Public Safety	<u>147,983</u>	<u>149,549</u>	<u>(1,566)</u>
Animal Control			
Personnel	143,017	130,248	12,769
Overtime	8,000	3,786	4,214
Social security	11,547	10,116	1,431
Retirement	16,702	13,345	3,357
Insurance	21,485	16,319	5,166
Workers compensation	5,060	3,368	1,692
Advertising	5,600	3,650	1,950
Utilities	30,000	27,096	2,904
Insurance vehicles	3,360	3,100	260
Memberships and dues	400	400	-
Office expense	2,500	1,658	842
Contracted Maintenance	1,400	1,020	380
Postage	150	30	120
Telephone	3,500	3,377	123
Training	1,350	725	625
Travel	300	234	66
Subsistence	1,400	656	744

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Cleaning supplies	2,600	1,190	1,410
Dog food	4,000	1,797	2,203
Gas, oil and grease	15,000	5,655	9,345
Medical and surgical	60,500	54,392	6,108
Medication	19,000	10,887	8,113
Tools	1,000	224	776
Uniforms	2,000	1,372	628
Supplies	1,500	67	1,433
Capital Outlay	-	-	-
<b>Total Animal Control</b>	<b>361,371</b>	<b>294,712</b>	<b>66,659</b>
<b>Communications</b>			
Personnel	426,228	406,162	20,066
Overtime	55,000	52,308	2,692
Social security	36,431	34,235	2,196
Retirement	52,671	49,592	3,079
Insurance	80,374	90,572	(10,198)
Workers compensation	1,902	1,344	558
Contracted maintenance	108,000	103,555	4,445
Memberships and dues	125	-	125
Office expense	5,000	4,240	760
Printing	140	-	140
Telephone	20,000	12,721	7,279
Training	1,200	750	450
Travel	750	-	750
Subsistence	1,000	403	597
Capital Outlay	68,000	67,644	356
<b>Total Communications</b>	<b>856,821</b>	<b>823,526</b>	<b>33,295</b>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Board of Rescue Squads			
Grant Match Funds	4,000	-	4,000
Workers compensation	44,886	30,368	14,518
Nominal Reimb - Volunteers	17,500	13,884	3,616
Contracted maintenance	13,000	11,988	1,012
Utilities	24,000	24,000	-
Vehicle insurance	30,000	24,555	5,445
Repairs to equipment	20,000	17,956	2,044
Telephone	4,000	3,345	655
Training	8,500	5,385	3,115
Gas, oil, grease	18,632	10,870	7,762
Medical supplies	15,000	12,621	2,379
Rescue supplies	51,000	49,036	1,964
Capital outlay	<u>60,000</u>	<u>59,339</u>	<u>661</u>
Total Board of Rescue Squads	<u>310,518</u>	<u>263,347</u>	<u>47,171</u>
Hazardous Materials			
Nominal Reimb - Volunteers	2,250	3,476	(1,226)
Repair to Radio	100	-	100
Telephone	600	376	224
Training	5,050	2,721	2,329
Gas, oil, grease	50	-	50
Supplies	4,525	3,620	905
Capital outlay	<u>3,500</u>	<u>3,145</u>	<u>355</u>
Total Hazardous Materials	<u>16,075</u>	<u>13,338</u>	<u>2,737</u>
GIS Department			
Personnel	41,921	41,921	-
Overtime	1,000	378	622
Social security	3,220	3,187	33
Retirement	4,656	4,678	(22)
Insurance	5,371	5,619	(248)
Workers compensation	169	116	53
Contracted maintenance	53,355	54,632	(1,277)
Office expense	2,500	563	1,937

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
GIS Department - continued			
Training	1,320	605	715
Travel	400	-	400
Subsistence	<u>810</u>	<u>316</u>	<u>494</u>
Total GIS Department	<u>114,722</u>	<u>112,015</u>	<u>2,707</u>
Board of Rural Fire Control			
Grant match	15,402	12,383	3,019
Workers compensation	31,231	21,236	9,995
Nominal Reimb - Volunteers	45,000	53,233	(8,233)
Contracted services	17,000	16,945	55
Shared revenue	120,000	136,182	(16,182)
Contracted maintenance	56,500	56,180	320
Utilities	66,000	66,000	-
Vehicle insurance	51,616	47,827	3,789
Office	500	171	329
Postage	200	-	200
Repairs to equipment	52,598	48,728	3,870
Repairs to radio	10,000	6,938	3,062
Telephone	6,000	5,435	565
Training	10,000	2,821	7,179
Cleaning supplies	1,500	1,608	(108)
Gas, oil, grease	32,296	18,946	13,350
Medical	30,000	21,665	8,335
Fire supplies	12,500	10,506	1,994
Capital	<u>86,169</u>	<u>60,000</u>	<u>26,169</u>
Total Board of Rural Fire Control	<u>644,512</u>	<u>586,804</u>	<u>57,708</u>
Building Inspections			
Personnel	100,830	100,830	-
Contracted personnel	13,500	8,755	4,745
Social security	7,713	7,481	232
Retirement	11,152	11,152	-
Insurance	14,634	15,384	(750)
Workers compensation	2,480	1,668	812

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Building Inspections - continued			
Contracted maintenance	3,000	2,943	57
Vehicle insurance	650	612	38
Memberships	500	135	365
Office	4,500	2,338	2,162
Postage	700	541	159
Printing	1,200	155	1,045
Subscriptions	1,000	-	1,000
Telephone	2,200	1,990	210
Training	2,000	135	1,865
Travel	250	-	250
Subsistence	1,000	255	745
Fuel	4,500	1,540	2,960
Uniforms	<u>200</u>	<u>183</u>	<u>17</u>
Total Building Inspections	<u>172,009</u>	<u>156,097</u>	<u>15,912</u>
Ambulance			
Contracted maintenance	8,999	5,124	3,875
Vehicle insurance	19,267	19,267	-
Repairs to vehicle	17,375	5,518	11,857
Training	1,500	169	1,331
Gas, oil, grease	88,000	40,668	47,332
Uniforms	16,600	10,906	5,694
Appropriations	1,068,000	1,068,000	-
Capital outlay	<u>20,000</u>	<u>19,760</u>	<u>240</u>
Total Ambulance	<u>1,239,741</u>	<u>1,169,412</u>	<u>70,329</u>
Public Safety - Substations			
Lake Murray - Utilities	16,200	14,310	1,890
Silverstreet - Utilities	5,000	2,161	2,839
Whitmire - Contracted Maintenance	840	685	155
Whitmire - Utilities	<u>17,950</u>	<u>14,555</u>	<u>3,395</u>
Total Public Safety - Substations	<u>39,990</u>	<u>31,711</u>	<u>8,279</u>
TOTAL PUBLIC SAFETY	<u>3,903,742</u>	<u>3,600,511</u>	<u>303,231</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>PUBLIC WORKS &amp; MAINTENANCE</b>			
Public Works			
Personnel	584,300	565,630	18,670
Overtime	10,110	9,234	876
Social security	45,740	42,610	3,130
Retirement	66,129	63,569	2,560
Insurance	122,553	130,215	(7,662)
Workers compensation	64,050	42,487	21,563
Advertising	500	311	189
Contracted maintenance	58,000	57,828	172
Utilities	27,031	21,508	5,523
Vehicle insurance	26,500	28,805	(2,305)
Memberships	350	-	350
Rent/Rental Equipment	6,500	499	6,001
Office expense	5,500	3,043	2,457
Postage	600	420	180
Printing	-	-	-
RPRS to vehicle	48,844	46,628	2,216
Supplies	4,500	2,928	1,572
Telephone	5,100	3,918	1,182
Training	1,500	1,099	401
Travel	400	183	217
Subsistence	1,300	416	884
Cleaning materials	200	133	67
Bridge materials	500	74	426
Fertilizer, plants, seeds	3,000	236	2,764
Gas, oil, grease	31,000	35,000	(4,000)
Diesel fuel	65,000	17,567	47,433
Safety supplies	3,800	872	2,928
Gravel	80,000	76,103	3,897
Asphalt	18,000	10,887	7,113
Pipe	10,000	4,517	5,483
Tools	7,000	3,050	3,950
Road signs	16,110	12,674	3,436
219 Beautification Project	48,000	49,435	(1,435)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works - continued			
Uniforms	7,500	7,070	430
Capital outlay	130,536	125,002	5,534
Road paving and improvements	<u>50,000</u>	<u>36,021</u>	<u>13,979</u>
Total Public Works	<u>1,550,153</u>	<u>1,399,972</u>	<u>150,181</u>
Central Maintenance			
Contracted maintenance	532,131	532,131	-
Utilities	13,000	9,743	3,257
Fuel	2,662	1,953	709
Tools	<u>500</u>	<u>76</u>	<u>424</u>
Total Central Maintenance	<u>548,293</u>	<u>543,903</u>	<u>4,390</u>
Building Maintenance			
Personnel	264,491	247,605	16,886
Social security	20,236	18,661	1,575
Retirement	29,360	27,382	1,978
Insurance	31,188	35,904	(4,716)
Workers compensation	19,650	12,471	7,179
Contracted maintenance	23,000	23,151	(151)
Utilities	221,154	226,947	(5,793)
Vehicle insurance	3,667	1,966	1,701
Office Expense	700	316	384
Supplies	57,321	57,197	124
Telephone	4,850	4,622	228
Cleaning Supplies	31,000	29,080	1,920
Floor Cleaning	20,000	12,131	7,869
Gas, oil, grease	8,000	5,922	2,078
Tools	500	153	347
Uniforms	1,400	1,350	50
Other Equipment	5,000	-	5,000
Capital Repairs Bldgs	196,000	186,457	9,543
Capital outlay	<u>100,000</u>	<u>99,670</u>	<u>330</u>
Total Building Maintenance	<u>1,037,517</u>	<u>990,985</u>	<u>46,532</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Community Hall			
Contracted maintenance	4,200	3,986	214
Utilities	12,000	11,048	952
Repairs building	<u>5,000</u>	<u>4,030</u>	<u>970</u>
Total Community Hall	<u>21,200</u>	<u>19,064</u>	<u>2,136</u>
Collections			
Personnel	31,702	32,532	(830)
Social security	2,425	2,217	208
Retirement	3,506	3,598	(92)
Insurance	11,262	15,589	(4,327)
Workers compensation	2,184	1,484	700
Advertising	3,000	965	2,035
Contingency	53,500	43,691	9,809
Contracted personnel	323,098	306,745	16,353
Contracted maintenance	460,000	392,173	67,827
Repairs to equipment	3,000	1,758	1,242
Utilities	24,226	23,087	1,139
Vehicle insurance	4,000	2,223	1,777
Membership and dues	235	-	235
Office	1,200	1,328	(128)
Postage	200	140	60
Printing	100	-	100
Supplies	1,500	772	728
Telephone	5,224	5,298	(74)
Training	500	-	500
Travel	200	200	-
Subsistence	1,000	322	678
Gas, oil, grease	11,300	7,323	3,977
Supplies	1,250	696	554
Tools and other equipment	1,000	398	602
Road Signs	500	227	273
Keep America Beautiful Program	2,500	2,485	15
Capital Outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Collections	<u>951,112</u>	<u>845,251</u>	<u>105,861</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Transfer Station			
Personnel	26,814	26,814	-
Overtime	5,400	-	5,400
Social security	2,424	2,034	390
Retirement	3,497	2,966	531
Insurance	5,371	5,143	228
Workmens Comp	108	72	36
Contracted services	1,529,311	1,668,454	(139,143)
Repairs to equipment	10,000	2,385	7,615
Utilities	10,000	7,463	2,537
Sewer disposal	3,500	3,205	295
Office	70	20	50
Supplies	3,200	2,250	950
Equipment	4,700	4,024	676
Transfer Station Capital	<u>26,750</u>	<u>25,000</u>	<u>1,750</u>
Total Transfer Station	<u>1,631,145</u>	<u>1,749,830</u>	<u>(118,685)</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>5,739,420</u>	<u>5,549,005</u>	<u>190,415</u>
PLANNING & DEVELOPMENT			
Central Midlands Regional PC	<u>20,423</u>	<u>20,333</u>	<u>90</u>
Economic Development			
Personnel	90,900	109,841	(18,941)
Additional Personnel Cost	40,000	-	40,000
Social Security	10,014	8,139	1,875
Retirement	14,965	12,130	2,835
Insurance	17,316	11,877	5,439
Workers compensation	4,663	3,136	1,527
Economic Development	22,000	25,851	(3,851)
Contingency	18,000	34,500	(16,500)
Contracted Services	20,000	1,273	18,727
Contracted Maintenance	30,000	16,139	13,861

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Special source revenue bond	422,576	422,576	-
Vehicle Insurance	650	605	45
Memberships	1,250	475	775
Office	4,000	3,897	103
Postage	500	249	251
Printing	1,500	149	1,351
Subscriptions	150	79	71
Telephone	3,000	2,009	991
Training	5,400	3,069	2,331
Site Inventory Costs	250,000	100,871	149,129
Travel	6,000	2,679	3,321
Subsistence	7,000	3,232	3,768
Small Business Development Center	5,000	5,000	-
Regional Marketing Org	72,000	54,000	18,000
Fuel	1,000	561	439
<b>Total Economic Development</b>	<b>1,047,884</b>	<b>822,337</b>	<b>225,547</b>
<b>Comprehensive Planning</b>			
Personnel	111,597	111,421	176
Social security	8,332	8,347	(15)
Retirement	12,322	12,323	(1)
Insurance	26,049	27,411	(1,362)
Workers compensation	3,128	2,080	1,048
Advertising	1,260	687	573
Contracted Maintenance	2,943	2,943	-
Consulting	6,907	18,419	(11,512)
Vehicle insurance	1,060	1,206	(146)
Memberships and dues	2,345	835	1,510
Office expense	6,000	2,975	3,025
Postage	1,500	1,278	222
Printing	400	-	400
Books	1,359	574	785
Telephone	2,000	1,587	413
Training	3,795	510	3,285

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Subsistence	2,094	-	2,094
Fuel	1,700	1,206	494
Supplies	<u>380</u>	<u>212</u>	<u>168</u>
Total Comprehensive Planning	<u>195,171</u>	<u>194,014</u>	<u>1,157</u>
TOTAL PLANNING & DEVELOPMENT	<u>1,263,478</u>	<u>1,036,684</u>	<u>226,794</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	<u>33,500</u>	<u>34,100</u>	<u>(600)</u>
Newberry Soil & Water Conservation	<u>84,210</u>	<u>86,795</u>	<u>(2,585)</u>
TOTAL AGRICULTURE & HOME ECONOMICS	<u>117,710</u>	<u>120,895</u>	<u>(3,185)</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	<u>4,550</u>	<u>3,881</u>	<u>669</u>
Total Health Department	<u>4,550</u>	<u>3,881</u>	<u>669</u>
Beckman Mental Health	<u>12,750</u>	<u>12,750</u>	<u>-</u>
Westview Behavioral	<u>9,052</u>	<u>6,326</u>	<u>2,726</u>
TOTAL PUBLIC HEALTH	<u>26,352</u>	<u>22,957</u>	<u>3,395</u>
SOCIAL SERVICES			
Department of Social Services			
Utilities	50,000	55,327	(5,327)
Office	270	84	186
Telephone	5,000	4,452	548
Emergency	5,000	5,000	-
Paupers funeral	<u>3,000</u>	<u>2,500</u>	<u>500</u>
Total Department of Social Services	<u>63,270</u>	<u>67,363</u>	<u>(4,093)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Veteran's Affairs			
Personnel	99,057	97,340	1,717
Social security	7,578	7,327	251
Retirement	10,956	10,750	206
Insurance	22,470	22,362	108
Workers compensation	1,846	1,216	630
Contracted maintenance	700	700	-
Membership fees	150	100	50
Office expense	1,875	1,875	-
Postage	1,360	1,360	-
Subscriptions & Books	50	-	50
Telephone	2,565	927	1,638
Training	600	390	210
Travel	1,566	731	835
Subsistence	<u>1,770</u>	<u>1,529</u>	<u>241</u>
Total Veteran's Affairs	<u>152,543</u>	<u>146,607</u>	<u>5,936</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>
TOTAL SOCIAL SERVICES	<u>267,358</u>	<u>265,515</u>	<u>1,843</u>
MISCELLANEOUS			
Airport			
Contingency	<u>22,500</u>	<u>(3,393)</u>	<u>25,893</u>
Total Airport	<u>22,500</u>	<u>(3,393)</u>	<u>25,893</u>
Government Association	<u>380</u>	<u>200</u>	<u>180</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>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
Medically indigent Appropriation	<u>79,742</u>	<u>79,742</u>	<u>-</u>
Fairgrounds			
Contracted maintenance	1,200	435	765
Utilities	10,000	9,458	542
Repairs to building	<u>-</u>	<u>-</u>	<u>-</u>
Total Fairgrounds	<u>11,200</u>	<u>9,893</u>	<u>1,307</u>
Helena Community Center			
Contracted maintenance	1,200	111	1,089
Utilities	5,000	3,954	1,046
Repairs to building	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total Helena Community Center	<u>8,700</u>	<u>6,565</u>	<u>2,135</u>
Newberry Opera House	25,000	25,000	-
Newberry County Literacy	6,000	6,000	-
Recreation			
Personnel	44,822	45,737	(915)
Part Time Personnel	16,121	45	16,076
Social security	4,423	3,117	1,306
Retirement	6,395	4,988	1,407
Insurance	11,262	11,877	(615)
Maybinton ballfield	6,000	2,195	3,805
Workmens Comp	3,063	1,920	1,143
Travel	-	-	-
Recreation appropriation	<u>91,500</u>	<u>91,256</u>	<u>244</u>
Total Recreation	<u>183,586</u>	<u>161,135</u>	<u>22,451</u>
TOTAL MISCELLANEOUS	<u>347,179</u>	<u>295,038</u>	<u>52,141</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>			
Road Paving, Etc, Land Improvements Contingency	<u>354,858</u>	<u>146,449</u>	<u>208,409</u>
<b>TOTAL CAPITAL CONSTRUCTION &amp; IMPROVEMENTS</b>	<u>354,858</u>	<u>146,449</u>	<u>208,409</u>
<b>TOTAL EXPENDITURES</b>	<u>23,389,945</u>	<u>21,790,193</u>	<u>1,599,752</u>
Excess/(Deficiency) of Revenue over Expenditures	878,809	2,601,614	1,722,805
<b>OTHER FINANCING SOURCES/ (USES)</b>			
Transfers to special revenue (includes Community Service Levies)	<u>(878,809)</u>	<u>(999,502)</u>	<u>(120,693)</u>
<b>TOTAL OTHER FINANCING SOURCES/(USES)</b>	<u>(878,809)</u>	<u>(999,502)</u>	<u>(120,693)</u>
Excess of Revenue over Expenditures after other financing sources	<u><u>-</u></u>	<u><u>1,602,112</u></u>	<u><u>1,602,112</u></u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2016

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>ASSETS</b>								
Cash	\$ 276,800	\$ 58,392	\$ 81,434	\$ 94,338	\$ 153,732	\$ -	\$ -	\$ 664,696
Due from general fund	10,926	1,073	-	-	-	-	2,072	14,071
Inventory	-	-	-	-	-	-	20,551	20,551
<b>TOTAL ASSETS</b>	<u>\$ 287,726</u>	<u>\$ 59,465</u>	<u>\$ 81,434</u>	<u>\$ 94,338</u>	<u>\$ 153,732</u>	<u>\$ -</u>	<u>\$ 22,623</u>	<u>\$ 699,318</u>
<b>LIABILITIES</b>								
Due to general fund	-	8,205	61,033	191,889	294	174,607	-	436,028
<b>DEFERRED OUTFLOWS</b>								
Deferred Outflow - grant income	15,815	-	-	-	-	-	-	15,815
<b>FUND BALANCE</b>								
Reserved for special revenue	271,911	51,260	20,401	(97,551)	153,438	(174,607)	22,623	247,475
<b>TOTAL FUND BALANCE</b>	<u>271,911</u>	<u>51,260</u>	<u>20,401</u>	<u>(97,551)</u>	<u>153,438</u>	<u>(174,607)</u>	<u>22,623</u>	<u>247,475</u>
<b>TOTAL LIABILITIES, OUTFLOWS AND FUND BALANCE</b>	<u>\$ 287,726</u>	<u>\$ 59,465</u>	<u>\$ 81,434</u>	<u>\$ 94,338</u>	<u>\$ 153,732</u>	<u>\$ -</u>	<u>\$ 22,623</u>	<u>\$ 699,318</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
Revenue								
Intergovernmental								
Federal grants	\$ -	\$ 9,654	\$ -	\$ -	\$ 125,651	\$ -	\$ -	\$ 135,305
State grants	-	-	-	-	-	608,072	-	608,072
Other								
Assessments	45,937	-	67,581	346,094	-	-	-	459,612
Interest		12	15	-	27	-	-	54
Miscellaneous	<u>22,543</u>	<u>16,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,050</u>	<u>86,603</u>
Total Revenue	<u>68,480</u>	<u>25,676</u>	<u>67,596</u>	<u>346,094</u>	<u>125,678</u>	<u>608,072</u>	<u>48,050</u>	<u>1,289,646</u>
Expenditures								
Personnel	24,879	-	56,148	95,771	-	794,407	-	971,205
Operating	-	71,640	3,084	284,768	117,096	-	47,862	524,450
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,809</u>	<u>-</u>	<u>878,809</u>
Total Expenditures	<u>24,879</u>	<u>71,640</u>	<u>59,232</u>	<u>380,539</u>	<u>117,096</u>	<u>1,673,216</u>	<u>47,862</u>	<u>2,374,464</u>
Other financing sources								
Transfer in/(out)	-	-	-	-	-	999,502	-	999,502
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES								
	<u>43,601</u>	<u>(45,964)</u>	<u>8,364</u>	<u>(34,445)</u>	<u>8,582</u>	<u>(65,642)</u>	<u>188</u>	<u>(85,316)</u>
Fund balance, beginning 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>
FUND BALANCE, END OF YEAR								
	<u>\$ 271,911</u>	<u>\$ 51,260</u>	<u>\$ 20,401</u>	<u>\$ (97,551)</u>	<u>\$ 153,438</u>	<u>\$ (174,607)</u>	<u>\$ 22,623</u>	<u>\$ 247,475</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2016

REVENUE

Property Taxes	
2007A GO Bond	\$ 129,584
2007B GO Bond	72,814
2010A GO Bond	175,415
2010B GO Bond	189,006
Lease Purchase	891,466
2013 A Spec Building	28,624
Sales Taxes	3,674,114
Interest	<u>12,692</u>
 TOTAL REVENUE	 <u>5,173,715</u>

EXPENDITURES

Principal	
2007A GO Bond	109,009
2007B GO Bond	80,000
2010A GO Bond	153,000
2010B GO Bond	260,000
2014 GO Bond	892,000
Sales Tax Bond	2,400,000
Interest	
2007A GO Bond	14,663
2007B GO Bond	11,960
2010A GO Bond	15,392
2010B GO Bond	27,816
2014 GO Bond	1,632
Spec Building	24,000
Sales Tax Bond	<u>213,750</u>
 TOTAL EXPENDITURES	 <u>4,203,222</u>

OTHER FINANCING SOURCES/(USES)

Sales tax bond defeasance payment	(3,312,702)
Transfer to capital projects	<u>(850,000)</u>

EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,192,209)
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Fund balance, beginning of year	<u>6,090,116</u>
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FUND BALANCE, END OF YEAR	<u>\$ 2,897,907</u>
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STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2016

REVENUE

Interest	\$	<u>55</u>
TOTAL REVENUE		<u>55</u>

EXPENDITURES

Capital Outlays		
Lease purchase		1,067,788
Capital budgets - 070		2,145,555
Sales tax		
Town of Little Mtn		14,033
Miscellaneous		<u>1,844</u>
TOTAL EXPENDITURES		<u>3,229,220</u>

OTHER FINANCING SOURCES/(USES)

GO Bond proceeds	892,000
Lease purchase proceeds	700,000
Lease purchase payments	(873,100)
Transfer from debt service	<u>850,000</u>

EXCESS OF REVENUE OVER EXPENDITURES	(1,660,265)
--	-------------

Fund balance, beginning of year	<u>5,181,276</u>
---------------------------------	------------------

FUND BALANCE, END OF YEAR	<u><u>\$ 3,521,011</u></u>
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COMBINING BALANCE SHEET  
TRUST AND AGENCY FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
June 30, 2016

	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	\$ 94,627	\$ 1,701,565	\$ 194,927	\$ 395,920	\$ 50,000	\$ 414,999	\$ 2,852,038
Investments	<u>5,003,328</u>	<u>13,682,515</u>	<u>2,040,681</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,726,524</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,097,955</u>	<u>\$ 15,384,080</u>	<u>\$ 2,235,608</u>	<u>\$ 395,920</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 23,578,562</u>
LIABILITIES							
Due to taxing units and others	<u>\$ 5,097,955</u>	<u>\$ 15,384,080</u>	<u>\$ 2,235,608</u>	<u>\$ 395,920</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 23,578,562</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,097,955</u>	<u>\$ 15,384,080</u>	<u>\$ 2,235,608</u>	<u>\$ 395,920</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 23,578,562</u>



# 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, 2016, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated September 16, 2016.

## **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 "Rickon Eyster".

Lexington, South Carolina  
September 16, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2016

**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, 2016

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.

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2016

Assessments	\$	46,550
Surcharges		21,031
Interest		<u>15</u>
Expenditures		<u>59,232</u>
Increase in fund balance		8,364
Fund Balance, July 1, 2015		<u>12,037</u>
Fund Balance, June 30, 2016	\$	<u><u>20,401</u></u>

Schedule of Fines, Assessments and Surcharges

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Fines, Fees & Assessments	\$ 205,245	\$ 205,245	\$ -
DUI/DUS/BUI - Assessments, Surcharges	1,695	1,695	-
Surcharges	201,139	201,139	-
Other Assessments	266,370	266,370	-
General Sessions - Other Assessments	2,814	-	2,814
Magistrates Court - Other Assessments	32,732	-	32,732
General Sessions - Surcharges	11,318	-	11,318
Magistrates Court - Surcharges	<u>13,247</u>	<u>-</u>	<u>13,247</u>
	<u>\$ 734,560</u>	<u>\$ 674,449</u>	<u>\$ 60,111</u>

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

Newberry County, South Carolina

Year Ended June 30, 2016

**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.