

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

June 30, 2017

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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, 2017 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, 2017, 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, 2017, 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), budgetary comparison (p. 25), Schedule of the County's Net OPEB Obligation (p.52) & Schedule of the County's Proportionate Share of the Net Pension Liability (p.53) 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 (p.55 - 85) 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 15, 2017 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 15, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2017. 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, 2017, was \$29,550,397 which represented an increase of \$446,865 from the prior year end.
- **Revenues and Expenditures:** Revenues totaled \$31,209,953 and expenditures totaled \$31,489,397 for all Governmental Funds at the fund level. Accordingly, expenditures exceeded revenues by \$279,444 before other financing activities. The general fund decreased the fund balance by \$401,344. The debt service fund balance increased \$1,728,306. The capital projects fund balance increased \$22,279,765 from spending for lease purchase and sales tax projects.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$800,479 consisting of purchases of equipment and building improvements. Depreciation expense in governmental activities was \$2,816,642. This resulted in a net decrease of capital assets of \$2,016,163.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$24,622,309 in fiscal year 2017 Revenues, which primarily consisted of property taxes and intergovernmental sources. Net other financing uses were \$1,569,931, and \$23,453,722 in expenditures decreased the fund balance \$401,344.
- **Debt:** The County retired \$2,604,104 in principal for governmental activities bonds and lease purchase outstanding. The Debt Service Fund Balance increased from \$2,897,907 to \$4,626,213. Bonds payable are \$25,078,319 at June 30, 2017 and lease purchase payable is \$2,977,459. 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 \$16,910,431 – see Note G.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2017**

**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, 2017**

**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, 2017**

**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 \$29,550,397 as of June 30, 2017. 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, 2017.

Current assets	\$ 48,889,067
Non-current assets	32,543,855
Deferred outflow – pension	<u>3,812,475</u>
Total assets and debits	<u>85,245,397</u>
Current liabilities	7,627,360
Non-current liabilities	47,396,650
Deferred inflow	<u>670,990</u>
Total liabilities & def inflows	<u>55,024,010</u>
Net position	<u>\$ 29,550,397</u>
Net position - Invested in capital assets, net of related debt	\$ 24,860,912
Restricted	14,551,989
Unrestricted	<u>(9,862,504)</u>
Total Net Position	<u>\$ 29,550,397</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2017**

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

- GO Bond principal payments of \$1,818,087 and Sales tax bond issuance \$19,125,000
- Purchases of equipment and other assets of \$880,479 and depreciation of \$2,816,642
- GASB 68 - net pension liability - \$16,910,431

**Changes in net position:** The County's governmental activities revenues for the fiscal year ended June 30, 2017, were \$33,742,151. The total cost of all programs and services was \$33,275,286. The following table presents a summary of the activity that resulted in changes to total net position for the fiscal year ended June 30, 2017.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 1,033,165
Operating grants and contributions	135,942
Capital grants	--
General revenues:	
Property taxes	21,018,624
Intergovernmental sources	1,909,720
Fines and assessments	1,767,168
Sales tax	3,831,537
Miscellaneous	<u>4,071,176</u>
Total revenues	<u>33,742,151</u>
<b>EXPENSES:</b>	
Governmental - current	( 29,819,950)
Intergovernmental – capital	
Construction & improvements	( 3,389,962)
Interest and fees	<u>( 65,374)</u>
Total expenses	<u>( 33,275,286)</u>
Increase in net position	<u>\$ 466,865</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2017**

**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	\$ 29,819,950	\$(28,650,843)
Intergovernmental – capital		
Construction & improvements	3,389,962	(3,389,962)
Debt Service - interest	<u>65,374</u>	<u>(65,374)</u>
 Total expenses	 <u>\$ 33,275,286</u>	 <u>\$(32,106,179)</u>

- The cost of all activities this year was \$33,275,286
- Net cost of governmental activities (\$32,106,179) was financed by general revenues (\$32,573,044), which are made up of primarily property taxes (\$21,018,624), intergovernmental sources (\$1,909,720), fines and assessments (\$1,741,987), sales tax (\$3,831,537), and other revenue (\$4,071,176).

**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, 2017**

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 \$45,873,380, an increase of \$23,718,738 since June 30, 2016. A fund balance of \$11,836,905 or 26 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:

- \$ 25,800,776 assigned for future capital projects
- \$ 4,626,213 assigned for debt service
- \$ 338,894 committed for special revenue
- \$ 20,592 nonspendable for inventory - fuel

The General Fund is the principal operating fund of the County. The decrease in fund balance in the General Fund for the fiscal year was \$401,344 was due to expenditures for economic development projects. The Debt Service Fund balance showed an increase of \$1,728,306. The Capital Projects Funds showed a fund balance of \$25,800,776, a combination of remaining sales tax bond, lease purchase and GO Bonds proceeds. The Capital Projects had expenditures of \$3,620,847.

**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 \$23,746,445 in General Fund Revenue with actual revenue totaling \$24,622,309 for a difference of \$875,864. The budget for expenditures was \$24,607,279 with the actual expenditures being \$24,453,722 for a difference of \$1,153,557. The general fund transferred \$1,646,482 to special revenue projects. The results from revenue, expenditures and other financing sources and uses caused the fund balance to decrease by \$401,344. 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, 2017**

**CAPITAL ASSETS**

As of June 30, 2017, the County had invested \$32,543,855 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 \$2,816,642 for governmental activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2017.

	Amount
Land	\$ 8,143,969
Buildings and improvements	36,049,549
Vehicles and equipment	18,375,899
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
 Total	 <u>\$ 79,563,566</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, 2017.

	Amount
General obligation bonds	\$ 25,078,319
Lease purchase	2,977,459
Accrued compensated absences	<u>634,026</u>
 Total	 <u>\$ 28,689,804</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, 2017**

**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 2017 - 2018 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, 2017**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I – II are presented for additional analysis of the County's finances for the FY 16-17.

Table I – Statement of Net Position – Governmental Activities – Total current assets increased \$22,802,291 versus the prior year due to decreases in cash (debt service fund & capital projects fund). Capital assets decreased \$2,016,363 net as shown in Note N for capital asset additions for new buildings & equipment less depreciation expense. Total liabilities increased \$22,335,626 due to the issuance of the sales tax bond and payments to GO bond principal and lease purchase principal. Net position increased \$466,865.

Table II – Statement of Activities – Governmental Activities – Total revenues increased \$3,103,698 (Property taxes increased \$461,816, sales tax increased \$157,423, bond premium on bond issuance \$2,486,631) Total expenses increased \$3,085,723 due to higher OPEB and Pension Liability expenses.

**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, 2017**

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

	Governmental Activities		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
<b>Assets</b>			
Total Current Assets	\$ 48,889,067	\$ 25,322,332	\$ 23,566,735
Other Debits	3,812,475	2,560,556	1,251,919
Capital Assets, net of accumulated depreciation	<u>32,543,855</u>	<u>34,560,218</u>	<u>(2,016,363)</u>
Total Assets	<u>\$ 85,245,397</u>	<u>\$ 62,443,106</u>	<u>\$ 22,802,291</u>
Total Current Liabilities	\$ 7,627,360	\$ 4,170,420	\$ 3,456,940
Non-Current Liabilities	47,396,650	28,202,188	19,194,462
Deferred Inflows	<u>670,990</u>	<u>986,766</u>	<u>(315,776)</u>
	<u>\$ 55,695,000</u>	<u>\$ 33,359,374</u>	<u>\$ 22,335,626</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 26,524,012	\$ 26,524,012	\$ -
Restricted	34,015,883	9,857,348	24,158,535
Unrestricted/(deficit)	<u>(30,989,498)</u>	<u>(7,297,828)</u>	<u>(23,691,670)</u>
Total Net Position	<u>\$ 29,550,397</u>	<u>\$ 29,083,532</u>	<u>\$ 466,865</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2017**

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

	Governmental Activities		
	<u>2017</u>	<u>2016</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 1,033,165	\$ 1,526,099	\$ (492,934)
Operating Grants	135,942	135,305	637
Capital Grants	-	608,072	(608,072)
General Revenue:			
Property Taxes	21,018,624	20,556,808	461,816
Intergovernmental Sources	1,909,720	2,058,717	(148,997)
Fines and Assessments	1,741,987	919,426	822,561
Sales Tax - Debt Service	3,831,537	3,674,114	157,423
Other	<u>4,071,176</u>	<u>1,159,912</u>	<u>2,911,264</u>
Total Revenues	<u>\$ 33,742,151</u>	<u>\$ 30,638,453</u>	<u>\$ 3,103,698</u>
Expenses			
Current			
Legislative	\$ 330,474	\$ 324,069	\$ 6,405
Administration	2,942,706	1,656,962	1,285,744
Tax assessment & collection	1,489,225	1,511,311	(22,086)
Election & registration	239,935	192,823	47,112
Administration of Justice	2,003,706	1,930,516	73,190
Law enforcement	4,189,851	4,302,730	(112,879)
Detention	1,914,864	1,885,052	29,812
Public safety	4,398,342	4,014,035	384,307
Public works & maintenance	7,906,720	7,524,530	382,190
Planning & development	1,613,907	1,038,718	575,189
Agriculture & home economics	127,230	120,895	6,335
Public health	23,123	22,957	166
Social services	300,649	265,515	35,134
Miscellaneous	1,985,562	2,016,116	(30,554)
Emergency telephone reporting	353,656	380,539	(26,883)
Capital Construction & Improvements - Intergovernmental	3,389,962	2,815,909	574,053
Interest and Fees	<u>65,374</u>	<u>186,886</u>	<u>(121,512)</u>
Total Expenses	<u>\$ 33,275,286</u>	<u>\$ 30,189,563</u>	<u>\$ 3,085,723</u>
Change in Net Position	466,865	448,890	17,975
Net Position, Beginning of Year	<u>29,083,532</u>	<u>28,634,642</u>	<u>448,890</u>
Net Position, End of Year	<u>\$ 29,550,397</u>	<u>\$ 29,083,532</u>	<u>\$ 466,865</u>

BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT

STATEMENT OF NET POSITION  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2017

	PRIMARY GOVERNMENT	
	Governmental Activities	Total
<b>ASSETS AND OTHER DEBITS</b>		
Current Assets		
Cash - Notes B & C	\$ 15,074,435	\$ 15,074,435
Investments - Note C	31,603,323	31,603,323
Receivables		
Property taxes - delinquent - Note E	704,201	704,201
Other	191,839	191,839
Due from other governments		
State shared revenue	336,519	336,519
Sales tax	958,158	958,158
Inventory - jet fuel	20,592	20,592
Total Current Assets	48,889,067	48,889,067
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	18,375,899	18,375,899
Airport improvements	5,654,044	5,654,044
Accumulated depreciation	(47,019,711)	(47,019,711)
DEFERRED OUTFLOW - Pension	3,812,475	3,812,475
TOTAL ASSETS AND OTHER DEBITS	\$ 85,245,397	\$ 85,245,397
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accrued expenses	\$ 1,387,239	\$ 1,387,239
Due to other taxing units and others	904,937	904,937
Accrued interest	71,923	71,923
Bond anticipation note	1,600,000	1,600,000
Lease payable, current portion	659,942	659,942
Bonds payable, current portion	3,003,319	3,003,319
Total Current Liabilities	7,627,360	7,627,360
Bonds payable, less current portion	22,075,000	22,075,000
Compensated absences	634,026	634,026
Net Pension Liability	16,910,431	16,910,431
Net OPEB Obligation - See Note P	5,459,676	5,459,676
Lease purchase, less current portion	2,317,517	2,317,517
TOTAL LIABILITIES	55,024,010	55,024,010
DEFERRED INFLOWS		
Grant	15,815	15,815
Pension	655,175	655,175
<b>NET POSITION</b>		
Invested in capital assets, net of related debt, \$7,682,943	24,860,912	24,860,912
Restricted for:		
special projects, net of related debt, \$19,125,000	9,925,776	9,925,776
debt service	4,626,213	4,626,213
Unrestricted	(9,862,504)	(9,862,504)
TOTAL NET POSITION	29,550,397	29,550,397
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 85,245,397	\$ 85,245,397

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Program Revenues			Net Revenue & Changes in Net Position		
	Expenses	Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Total
Governmental Activities						
Current						
Legislative	\$ 330,474	\$ -	\$ -	\$ -	\$ (330,474)	\$ (330,474)
Administration	2,942,706	-	-	-	(2,942,706)	(2,942,706)
Tax assessment & collection	1,489,225	-	-	-	(1,489,225)	(1,489,225)
Election & registration	239,935	-	-	-	(239,935)	(239,935)
Administration of Justice	2,003,706	-	130,383	-	(1,873,323)	(1,873,323)
Law enforcement	4,189,851	-	5,559	-	(4,184,292)	(4,184,292)
Detention	1,914,864	-	-	-	(1,914,864)	(1,914,864)
Public safety	4,398,342	168,475	-	-	(4,229,867)	(4,229,867)
Public works & maintenance	7,906,720	450,964	-	-	(7,455,756)	(7,455,756)
Planning & development	1,613,907	-	-	-	(1,613,907)	(1,613,907)
Agriculture & home economics	127,230	-	-	-	(127,230)	(127,230)
Public health	23,123	-	-	-	(23,123)	(23,123)
Social services	300,649	-	-	-	(300,649)	(300,649)
Miscellaneous	1,985,562	-	-	-	(1,985,562)	(1,985,562)
Emergency telephone reporting	353,656	413,726	-	-	60,070	60,070
Capital construction & improvements - intergovernmental	3,389,962	-	-	-	(3,389,962)	(3,389,962)
Debt service						
Interest & other bond costs	65,374	-	-	-	(65,374)	(65,374)
Total Governmental Activities	33,275,286	1,033,165	135,942	-	(32,106,179)	(32,106,179)
TOTAL	\$ 33,275,286	\$ 1,033,165	\$ 135,942	\$ -	(32,106,179)	(32,106,179)
General Revenues						
Property Taxes Levied For:						
General Purposes					19,600,371	19,600,371
Debt Service					1,418,253	1,418,253
Intergovernmental sources					1,909,720	1,909,720
Fines and assessments					1,741,987	1,741,987
Sales tax - debt service					3,831,537	3,831,537
Sales tax bond premium					2,486,631	2,486,631
Other					1,584,545	1,584,545
Total General Revenues					32,573,044	32,573,044
Change in Net Position					466,865	466,865
Net Position, Beginning of Year					29,083,532	29,083,532
NET POSITION, END OF YEAR					\$ 29,550,397	\$ 29,550,397

BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash - Notes B & C	\$ 6,994,821	\$ 41,700	\$ 7,167,081	\$ 870,833	\$ 15,074,435
Investments - Note C	10,190,707	2,778,921	18,633,695	-	31,603,323
Receivables					
Fines and fees	45,864	-	-	-	45,864
Other	145,975	-	-	-	145,975
Due from other governments					
State shared revenue	336,519	-	-	-	336,519
Sales tax	-	958,158	-	-	958,158
Inventory - jet fuel	-	-	-	20,592	20,592
Due from other funds - Note D	521,331	847,651	-	5,207	1,374,189
	<u>18,235,217</u>	<u>4,626,430</u>	<u>25,800,776</u>	<u>896,632</u>	<u>49,559,055</u>
<b>TOTAL ASSETS</b>	<b>\$ 18,235,217</b>	<b>\$ 4,626,430</b>	<b>\$ 25,800,776</b>	<b>\$ 896,632</b>	<b>\$ 49,559,055</b>
<b>LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 1,390,517	\$ 217	\$ -	\$ -	\$ 1,390,734
Due to taxing units and others	904,937	-	-	-	904,937
Due to other funds - Note D	852,858	-	-	521,331	1,374,189
	<u>3,148,312</u>	<u>217</u>	<u>-</u>	<u>521,331</u>	<u>3,669,860</u>
<b>TOTAL LIABILITIES</b>	<b>3,148,312</b>	<b>217</b>	<b>-</b>	<b>521,331</b>	<b>3,669,860</b>
DEFERRED INFLOW - grant income	-	-	-	15,815	15,815
<b>FUND BALANCES</b>					
Reserved:					
Nonspendable - inventory - fuel	-	-	-	20,592	20,592
Committed for special revenue	-	-	-	338,894	338,894
Assigned for capital projects	-	-	25,800,776	-	25,800,776
Assigned for debt service	-	4,626,213	-	-	4,626,213
Assigned for econ development	3,250,000	-	-	-	3,250,000
Unreserved:					
Unassigned	11,836,905	-	-	-	11,836,905
	<u>15,086,905</u>	<u>4,626,213</u>	<u>25,800,776</u>	<u>359,486</u>	<u>45,873,380</u>
<b>TOTAL FUND BALANCES</b>	<b>15,086,905</b>	<b>4,626,213</b>	<b>25,800,776</b>	<b>359,486</b>	<b>45,873,380</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>	<b>\$ 18,235,217</b>	<b>\$ 4,626,430</b>	<b>\$ 25,800,776</b>	<b>\$ 896,632</b>	<b>\$ 49,559,055</b>

Reconciliation of governmental fund balances to statement of net position:

Total Fund Balances - Governmental Funds	\$ 45,873,380
Capital assets, net of accumulated depreciation	32,543,855
Bonds payable	(26,678,319)
Leases payable	(2,977,459)
Compensated absences	(634,026)
Net OPEB Obligation	(5,459,676)
Net Pension Adjustment	(13,753,131)
Accrued interest	(71,923)
Recognition of deferred taxes	707,696
<b>Total Net Position - Governmental Activities</b>	<b>\$ 29,550,397</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, 2017

Net change in fund balances - total governmental funds	\$	23,718,738
<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		800,479
Depreciation expense	<u>(2,816,642)</u>	(2,016,163)
<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>		
	(21,596,000)	
	<u>1,818,087</u>	(19,777,913)
<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>		
		(27,131)
<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		(710,000)
Repayment of principal	<u>786,017</u>	76,017
<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:		12,327
<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>		
		(894,363)
<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>		
		(576,164)
<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>(48,483)</u>
Change in net position - governmental activities	\$	<u>466,865</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue</u>	<u>Totals</u>
REVENUE					
Taxes	\$ 19,631,355	\$ 1,418,253	\$ -	\$ -	\$ 21,049,608
Intergovernmental	1,956,796	-	-	539,830	2,496,626
Fines and fees	1,816,460	-	-	507,728	2,324,188
Sales tax	-	2,892,207	939,330	-	3,831,537
Other	1,217,698	1,407	31,878	257,011	1,507,994
	<u>24,622,309</u>	<u>4,311,867</u>	<u>971,208</u>	<u>1,304,569</u>	<u>31,209,953</u>
TOTAL REVENUE					
EXPENDITURES					
Current					
Legislative	330,474	-	-	-	330,474
Administration	1,351,082	-	-	-	1,351,082
Tax assessment & collection	1,489,194	-	-	-	1,489,194
Election & registration	239,935	-	-	-	239,935
Administration of Justice	1,875,166	-	-	116,447	1,991,613
Law enforcement	3,875,449	-	-	272,331	4,147,780
Detention	1,914,230	-	-	-	1,914,230
Public safety	3,723,307	-	-	-	3,723,307
Public works & maintenance	5,417,054	-	-	403,888	5,820,942
Planning & development	1,613,907	-	-	-	1,613,907
Agriculture & home economics	127,230	-	-	-	127,230
Public health	23,123	-	-	-	23,123
Social services	300,649	-	-	-	300,649
Miscellaneous	292,844	-	-	1,692,718	1,985,562
Emergency telephone reporting	-	-	-	353,656	353,656
Capital outlays					
Capital construction & improvements	880,078	-	3,620,847	-	4,500,925
Debt service					
Principal retirement - Note G	-	1,498,087	-	-	1,498,087
Interest	-	77,701	-	-	77,701
Fees & other bond service costs	-	-	-	-	-
	<u>23,453,722</u>	<u>1,575,788</u>	<u>3,620,847</u>	<u>2,839,040</u>	<u>31,489,397</u>
TOTAL EXPENDITURES					
Excess/(Deficiency) of Revenue Over/(Under) Expenditures before Other Financing Sources	<u>1,168,587</u>	<u>2,736,079</u>	<u>(2,649,639)</u>	<u>(1,534,471)</u>	<u>(279,444)</u>
OTHER FINANCING SOURCES					
County surplus sale	76,551	-	-	-	76,551
Bond proceeds	-	-	24,082,631	-	24,082,631
Lease purchase	-	-	710,000	-	710,000
Lease purchase payment	-	-	(871,000)	-	(871,000)
Transfer In/(Out)	(1,646,482)	(1,007,773)	1,007,773	1,646,482	-
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	(401,344)	1,728,306	22,279,765	112,011	23,718,738
Fund Balance, Beginning of Year,	<u>15,488,249</u>	<u>2,897,907</u>	<u>3,521,011</u>	<u>247,475</u>	<u>22,154,642</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,086,905</u>	<u>\$ 4,626,213</u>	<u>\$ 25,800,776</u>	<u>\$ 359,486</u>	<u>\$ 45,873,380</u>

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2017

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUE</b>				
Property taxes, current	\$ 16,075,706	\$ 16,075,706	\$ 16,147,554	\$ 71,848
Community service levies - taxes	1,000,000	1,000,000	1,016,409	16,409
Fee In Lieu	1,461,614	1,461,614	1,637,224	175,610
Delinquent taxes and cost	920,617	920,617	830,168	(90,449)
Intergovernmental	1,787,928	1,787,928	1,956,796	168,868
Fines and fees	1,936,600	1,936,600	1,816,460	(120,140)
Other	<u>563,980</u>	<u>563,980</u>	<u>1,217,698</u>	<u>653,718</u>
<b>TOTAL REVENUE</b>	<u>23,746,445</u>	<u>23,746,445</u>	<u>24,622,309</u>	<u>875,864</u>
Use of Fund Balance Reserves	<u>1,185,130</u>	<u>1,855,834</u>	<u>-</u>	<u>(1,855,834)</u>
<b>EXPENDITURES</b>				
Current				
Legislative	343,897	346,019	330,474	15,545
Administration	1,681,956	1,551,798	1,351,082	200,716
Tax assessment & collection	1,536,551	1,556,949	1,489,194	67,755
Election & registration	182,180	182,958	239,935	(56,977)
Administration of Justice	1,942,756	1,915,517	1,875,166	40,351
Law enforcement	3,946,524	3,986,371	3,875,449	110,922
Detention	2,077,569	2,104,388	1,914,230	190,158
Public safety	3,965,087	3,983,012	3,723,307	259,705
Public works & maintenance	5,854,800	5,904,081	5,417,054	487,027
Planning & development	1,303,682	1,933,313	1,613,907	319,406
Agriculture & home economics	125,339	125,339	127,230	(1,891)
Public health	26,352	26,352	23,123	3,229
Social services	293,399	294,953	300,649	(5,696)
Miscellaneous	340,754	343,801	292,844	50,957
Capital outlays				
Capital construction & improvements	<u>315,729</u>	<u>352,428</u>	<u>880,078</u>	<u>(527,650)</u>
<b>TOTAL EXPENDITURES</b>	<u>23,936,575</u>	<u>24,607,279</u>	<u>23,453,722</u>	<u>1,153,557</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>995,000</u>	<u>995,000</u>	<u>1,168,587</u>	<u>173,587</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
County surplus sale	5,000	5,000	76,551	71,551
Transfer to special revenue (includes Community Service Levies)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,646,482)</u>	<u>(646,482)</u>
Excess/(Deficiency) of Revenue Over/				
(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(401,344)</u>	<u>(401,344)</u>
Fund Balance, Beginning of Year			<u>15,488,249</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 15,086,905</u>	

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2017

	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	\$ 792,324	\$ 414,999	\$ 27,157	\$ 50,000	\$ 1,284,480
Investments	<u>25,078,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,078,362</u>
<b>TOTAL ASSETS</b>	<u>\$ 25,870,686</u>	<u>\$ 414,999</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 26,362,842</u>
<b>LIABILITIES</b>					
Due to other entities	<u>\$ 25,870,686</u>	<u>\$ 414,999</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 26,362,842</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 25,870,686</u>	<u>\$ 414,999</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 26,362,842</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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, 2017

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, 2017

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, 2017

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, 2017

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, 2017. 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, 2017. 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, 2017

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, 2017

NOTE B - CASH

Deposits

At June 30, 2017, the carrying amount of the County's deposits was \$16,358,915 (\$15,074,435 for the primary government, and \$1,284,480 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 \$116,937 cash on hand at June 30, 2017.

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, 2017. Category 1 includes investments that are insured or registered or for which securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the trust department or agent but not in the County's name.

	Category			Carrying	Market
	1	2	3	Amount	Value
Bank deposit accounts	\$ 15,074,435	\$ --	\$ --	\$ 15,074,435	\$ 15,074,435
Total	\$ 15,074,435	\$ --	\$ --		
State treasurer's investment pool				15,074,435	15,074,435
State treasurer's investment pool – Agency funds				25,078,362	25,078,362
Total Investments and Deposits				\$ 40,152,797	\$ 40,152,797

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2017

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2017 of \$40,152,797 (\$15,074,435 for the primary government and \$25,078,362 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	\$ 521,331
Special Revenue	General	5,207
Debt Service	General Fund	<u>847,651</u>
	Total	<u>\$ 1,374,189</u>

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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, 2017, 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, 2017 follows:

General Fund	\$ 662,423
Debt Service Fund	<u>41,778</u>
Total Governmental Activities	<u>\$ 704,201</u>
General Fund	\$ 662,423
Debt Service Fund	41,778
Net Refund – 60 days	(3,495)
Net Deferred tax revenue – Collections after 60 days	<u>(704,201)</u>
Net taxes payable – Governmental Funds	<u>\$ (3,495)</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2017

NOTE F - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2017:

	<u>Balance,</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance,</u> <u>June 30, 2017</u>
Bonds payable	\$ 6,900,406	\$ 19,996,000	\$ 1,818,087	\$ 25,078,319
Lease purchase agreement	3,053,476	710,000	786,017	2,977,459
Accrued vacation	<u>606,895</u>	<u>27,131</u>	<u>--</u>	<u>634,026</u>
<b>Total Long Term Debt</b>	<b><u>\$ 10,560,777</u></b>	<b><u>\$ 20,733,131</u></b>	<b><u>\$ 2,604,104</u></b>	<b><u>\$ 28,689,804</u></b>

Bonds payable at June 30, 2017, 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 \$330,000	\$ 3,515,000
\$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	85,000
\$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 \$117,319	117,319
\$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 \$166,000	166,000
\$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 \$290,000	870,000
\$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 – 2017 Bonds (Sales Tax) , due in annual Installments of \$2,200,000 to \$3,125,000 through March 2020; Interest rate 2.44%.	<u>19,125,000</u>
<b>Total bonds payable</b>	<b><u>\$ 25,078,319</u></b>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

NOTE F - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2017:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 3,003,319	\$ 1,039,762	\$ 4,043,081
2019	1,880,000	913,303	2,793,303
2020	2,403,668	829,032	3,232,700
2021	3,208,242	677,159	3,885,401
2022	3,352,907	525,594	3,878,501
2023 – 2027	<u>11,230,183</u>	<u>604,612</u>	<u>11,834,795</u>
Totals	<u>\$ 25,078,319</u>	<u>\$ 4,589,462</u>	<u>\$ 29,667,781</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, 2017 assessed property valuation (\$135,300,190) the County is below its legal debt limit of \$10,824,015. Bond indebtedness applied to the debt limit was \$2,438,319, leaving \$8,385,696 debt capacity remaining.

Special Source Revenue Bonds

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

Sales Tax Bond Payable

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

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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 2016. Current principal amount due is \$0.

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 2017 – 2027. Current principal amount due is \$114,853.

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 2017 – 2018. Current principal amount due is \$269,524.

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 2017 – 2019. Current principal amount due is \$135,788

Lease Purchase 2016 was used to buy equipment for \$710,000. The annual interest rate is 1.59%. Annual payments of \$144,461 of principal and interest are due in December from 2017 – 2020. Current principal amount due is \$137,659.

Lease purchase payments are budgeted and paid through a GO Bond issued annually.

Outstanding lease purchase agreements are due as follows at June 30, 2017:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 659,942	\$ 61,135	\$ 721,077
2019	671,034	50,044	721,078
2020	405,311	38,752	444,063
2021	268,502	31,080	299,582
2022	124,470	25,506	149,976
2023 – 2027	689,641	67,473	757,114
2028	<u>149,043</u>	<u>11,703</u>	<u>160,746</u>
Totals	<u>\$ 2,967,943</u>	<u>\$ 285,693</u>	<u>\$ 3,253,636</u>

Accrued Vacation

At June 30, 2017, the liability for accrued vacation benefits recorded in the governmental activities was \$634,026. 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, 2017

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 – 8.66% of salary; PORS Class II – 9.24% 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, 2017

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>2017</u>	<u>2016</u>	<u>2015</u>
Total payroll	\$4,764,253	\$ 4,488,298	\$4,271,819
Covered payroll	4,764,253	4,488,298	4,271,819
County's contribution	543,601	489,673	459,221
Employee's contribution	412,584	366,243	341,746
Group life	7,146	6,732	6,408
County's Contribution %	11.41%	10.91%	10.75%
Employee's contribution %	8.66%	8.16%	8.00%

**PORS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total payroll	\$3,713,087	\$3,524,119	\$3,425,356
Covered payroll	3,713,087	3,524,119	3,425,356
County's contribution	513,891	470,117	445,639
Employee's contribution	343,089	308,008	288,072
Group Life and AD	7,426	7,048	6,851
Accidental death	7,426	7,048	6,851
County's Contribution %	13.84%	13.34%	13.01%
Employee's contribution %	9.24%	8.74%	8.41%

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

NOTE G - PENSION PLAN - Continued

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

At June 30, 2017 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, 2016 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, 2016	\$ (9,899,437)	\$(7,010,994)
County's portion of the Plan's Total net pension (liability)	0.046346 %	0.276410 %

For the year ended June 30, 2017, the County recognized pension expense (credit) of \$706,230 for SCRS and \$536,678 for PORS. At June 30, 2017 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	1,549,541	
Investment Experience - SCRS		347,105
Payments made in 2017 – SCRS	543,601	
Liability Experience – PORS	1,205,442	
Investment Experience- PORS		308,070
Payments made in 2017 – PORS	513,891	

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year June 30, 2017. 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>
2018	\$ 289,002	196,720
2019	379,488	317,625
2020	191,305	181,035

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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, 2017

Discount Rate

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

	<u>6.50%</u>	<u>7.50%</u>	<u>8.50%</u>
SCRS	\$ 9,188,508	\$ 7,010,994	\$ 5,054,089
PORS	\$ 12,349,277	\$ 9,899,437	\$ 7,860,038

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, 2016	June 30, 2016
Total pension asset/(liability)	\$ (45,356,214,752)	\$ (6,412,510,458)
Plan fiduciary net position	\$ 23,996,362,354	\$ 3,876,035,732
Employers Net Pension Liability	\$ 21,359,852,398	\$ 2,536,474,726
Ratio of plan net position to total pension (liability)	52.9 %	60.4 %

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, 2017

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	\$	20,592
Committed for special revenue		338,894
Assigned for debt service		4,626,213
Assigned for capital projects		25,800,776
Assigned for econ development		3,250,000

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 GO Bond proceeds, Lease Purchase proceeds and Sales Tax Bond proceeds remaining. The assigned for economic development is funds to be spent in FY 2017-2018 on an economic development project.

NOTE L – BUDGET VARIANCES

The County had unfavorable variances in the general fund in Delinquent Taxes, Registration and Election (\$56,977 - due to higher expenditures) & Capital construction & Improvements (higher economic opportunity)

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2017</u>
Buildings and Land *	\$ 44,193,518	\$ --	\$ --	\$ 44,193,518
Vehicles and equipment	18,072,568	800,479	(497,148)	18,375,899
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(44,700,217)</u>	<u>(2,816,642)</u>	<u>497,148</u>	<u>(47,019,711)</u>
Total	<u>\$ 34,560,018</u>	<u>\$ (2,016,163)</u>	<u>\$ --</u>	<u>\$ 32,543,855</u>

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

The County recorded depreciation expense of \$2,816,642 shown in current expenses on the statement of activities – governmental activities. Depreciation was allocated as follows:

Administration	\$ --
Tax assessment	31
Admin of Justice	12,093
Law Enforcement	42,071
Detention	634
Public Safety	675,035
Public Works	2,086,778
Planning and Development	<u>--</u>
Total	<u>\$ 2,816,642</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, 2017

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, 2017

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, 2017, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<b><u>Item</u></b>	<b><u>FYE 6/30/17</u></b>
Annual Required Contributions	\$ 996,504
Interest on Net OPEB Obligation	--
Adjustment to Annual Required Contributions	<u>                  --</u>
Annual OPEB cost	\$ 996,504
Contributions made including implicit subsidy	<u>          (102,141)</u>
Increase in Net OPEB Obligation	\$ 894,363
Net OPEB Obligation – Beginning of Year	<u>          4,565,313</u>
Net OPEB Obligation – End of Year	<u>\$ 5,459,676</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

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, 2017 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>
06/30/15	\$849,833	\$126,280	14.86%	\$3,841,760
06/30/16	\$849,833	\$126,280	14.86%	\$4,565,313
06/30/17	\$996,504	102,141	10.25%	\$5,459,676

D. Funded Status and Funding Progress - The funded status of the plan as of June 30, 2017 was as follows:

<b><u>Actuarial Valuation Date</u></b>	<b><u>Actuarial Value of Assets</u></b>	<b><u>Projected Unit Credit Actuarial 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>
7/1/2010	\$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%
7/1/2017	\$0	11,105,433	11,105,433	0.00%	\$8,617,119	129%

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, 2017

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, 2017 was 23 years.

NOTE Q – TRANSFERS

Individual fund transfers for the year ended June 30, 2017 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,646,482
Debt Service	Capital Projects	1,007,773

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 \$20,592 at June 30, 2017. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

NOTE S – NET POSITION

The County has an unrestricted net deficit in the governmental activities of \$9,862,504. This deficit was caused by the implementation of GASB 68 and the Net Pension Liability.

NOTE T – TAX ABATEMENTS

The County enters into various agreements with businesses for economic incentives to create jobs in the County. County Council votes for and approves the fee in lieu of tax agreements. As of June 30, 2017 the County has 17 active fee in lieu agreements. These agreements result in a net reduction of property tax revenue for the general fund and debt service fund of \$1,867,360 on business property valued at \$236,098,142.

REQUIRED SUPPLEMENTAL INFORMATION

SCHEDULE OF THE COUNTY'S  
NET OPEB OBLIGATION  
NEWBERRY COUNTY  
FOR THE YEARS ENDED JUNE 30, 2011 - 2017

<b>Fiscal Year Ended</b>	<b>Annual OPEB Cost</b>	<b>Actual Contribution</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation/ (Asset)</b>
6/30/2009	545,329	57,598	10.56%	487,731
6/30/2010	545,329	56,712	10.40%	976,348
6/30/2011	496,023	56,764	11.44%	1,415,607
6/30/2012	496,023	67,308	13.57%	1,844,322
6/30/2013	707,753	66,243	9.36%	2,485,832
6/30/2014	707,753	75,378	10.65%	3,118,207
6/30/2015	849,833	126,280	14.86%	3,841,760
6/30/2016	849,833	126,280	14.86%	4,565,313
6/30/2017	996,504	102,141	10.25%	5,459,676

\*\* - The County began presenting the OPEB Obligation schedule beginning June 30, 2009.  
As the information is accumulated the schedule will present the last 10 years of information.

SCHEDULE OF THE COUNTY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
NEWBERRY COUNTY  
FOR THE YEARS ENDED JUNE 30, 2015 - 2017

<b>SCRS</b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
County's proportion of the net pension liability	0.046346%	0.045572%	0.043778%
County's proportionate share of the net pension liability	9,899,437	8,642,950	7,536,604
County's covered payroll during the measurement period	4,764,253	4,488,298	4,271,819
County's contribution ***	543,601	489,673	459,221
Contribution percentage	11.41%	10.91%	10.75%
County's share of the net pension liability as a percentage of its covered payroll	207.79%	192.57%	176.43%
Plan fiduciary net position as a percentage of total pension liability	52.9%	57.0%	59.9%
 <b>PORS</b>	 <b><u>2017</u></b>	 <b><u>2016</u></b>	 <b><u>2015</u></b>
County's proportion of the net pension liability	0.276410%	0.276520%	0.276450%
County's proportionate share of the net pension liability	7,010,994	6,026,656	5,292,435
County's covered payroll during the measurement period	3,713,087	3,524,119	3,425,356
County's contribution ***	513,891	470,117	445,639
Contribution percentage	13.84%	13.34%	13.01%
County's share of the net pension liability as a percentage of its covered payroll	188.82%	171.01%	154.51%
Plan fiduciary net position as a percentage of total pension liability	60.4%	64.6%	67.5%

\*\* - The County began presenting the Pension Liability schedule beginning June 30, 2015. As the information is accumulated, the schedule will present the last 10 years of information.

\*\*\* The County's contribution is equal to the required contractual contribution.

SUPPLEMENTAL INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue			
Taxes			
Property taxes, current	\$ 16,075,706	\$ 16,147,554	\$ 71,848
Property taxes - Community Service Levies	1,000,000	1,016,409	16,409
Fee in lieu of taxes	1,461,614	1,637,224	175,610
Delinquent taxes	761,312	666,319	(94,993)
Delinquent tax cost	<u>159,305</u>	<u>163,849</u>	<u>4,544</u>
Total Taxes	<u>19,457,937</u>	<u>19,631,355</u>	<u>173,418</u>
Intergovernmental			
Local government	1,416,000	1,441,238	25,238
Merchant inventory tax	86,000	86,536	536
Salary supplements	4,728	6,300	1,572
Accomodations tax	3,200	77,415	74,215
National forestry fund	160,000	155,430	(4,570)
Solid waste - state grant	18,000	19,776	1,776
Grants	-	8,005	8,005
Disaster preparedness	<u>100,000</u>	<u>162,096</u>	<u>62,096</u>
Total Intergovernmental	<u>1,787,928</u>	<u>1,956,796</u>	<u>168,868</u>
Fines and fees			
Clerk of Court - fines and fees	130,000	128,199	(1,801)
CCCP fees	98,000	100,120	2,120
Clerk of Court - copies	21,000	23,530	2,530
Central Court	354,000	280,359	(73,641)
Registration and election	12,000	58,360	46,360
Animal control	28,000	34,166	6,166
Probate Judge - fees	80,000	65,025	(14,975)
Probate Judge - copies	-	1,510	1,510
Sheriff - fees	6,500	4,395	(2,105)
Forfeit land commission	3,000	5,877	2,877
Building Inspection	200,000	168,475	(31,525)
Bad check	2,500	-	(2,500)
Tipping fees	900,000	839,941	(60,059)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Fines and fees - continued			
Recycle revenue	50,000	42,721	(7,279)
Zoning fee	32,000	38,222	6,222
Cable/phone franchise	19,600	25,560	5,960
Total Fines and fees	<u>1,936,600</u>	<u>1,816,460</u>	<u>(120,140)</u>
Other			
Interest	10,000	61,275	51,275
Veterans affairs	5,000	4,704	(296)
Mobile home licenses	600	955	355
Assessor's GIS	500	2,912	2,412
Soil and Water Conservation	44,839	34,914	(9,925)
School resource officer	335,841	364,410	28,569
Special project	-	235,731	235,731
FFP	30,000	69,762	39,762
Miscellaneous	137,200	443,035	305,835
Total Other	<u>563,980</u>	<u>1,217,698</u>	<u>653,718</u>
Balance brought forward	<u>1,855,834</u>	-	<u>(1,855,834)</u>
TOTAL REVENUE	<u>25,602,279</u>	<u>24,622,309</u>	<u>(979,970)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
LEGISLATIVE			
County Council			
Personnel	152,790	159,122	(6,332)
Social security	11,688	11,235	453
Retirement	17,364	18,759	(1,395)
Travel - council	28,146	21,725	6,421
Insurance	81,593	80,151	1,442
Workers compensation	4,018	2,620	1,398
Advertising	2,000	1,270	730
Audit and accounting	34,000	27,538	6,462
Contingency	5,000	-	5,000
Bookbinding	1,000	124	876
Contracted maintenance	1,000	-	1,000
Office expenses	1,500	1,465	35
Postage	400	120	280
Telephone	5,000	6,345	(1,345)
Subsistence	<u>520</u>	<u>-</u>	<u>520</u>
 TOTAL LEGISLATIVE	 <u>346,019</u>	 <u>330,474</u>	 <u>15,545</u>
 ADMINISTRATION			
County Administrator			
Personnel	428,648	432,245	(3,597)
Social security	32,791	30,124	2,667
Retirement	47,427	49,964	(2,537)
Insurance	55,579	57,722	(2,143)
Workers compensation	7,921	5,132	2,789
Advertising	3,000	763	2,237
Maintenance	8,500	8,339	161
Copier machine	1,000	-	1,000
Memberships & Dues	1,200	767	433
Office expense	4,675	4,294	381
Postage	3,700	3,353	347
Printing	2,500	2,491	9
Telephone	4,500	5,234	(734)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
County Administrator - continued			
Training	3,000	2,897	103
Travel	2,000	9,724	(7,724)
Subsistence	<u>5,000</u>	<u>4,997</u>	<u>3</u>
Total County Administrator	<u>611,441</u>	<u>618,046</u>	<u>(6,605)</u>
Miscellaneous Operating			
Contracted maintenance	17,000	17,409	(409)
Insurance	50,183	-	50,183
Tort insurance	120,000	107,792	12,208
Insurance - buildings	99,599	88,966	10,633
RPRS to Vehicle	3,600	755	2,845
Subsistence	12,500	11,989	511
Unemployment insurance	10,000	4	9,996
Employee service recognition	1,600	3,500	(1,900)
Fuel	35,498	-	35,498
Medical	3,996	1,026	2,970
Workmens Comp	30,000	12,459	17,541
Payroll service	65,000	25,773	39,227
IT Department	247,202	234,050	13,152
Accrued salaries	50,000	-	50,000
Legals	<u>194,179</u>	<u>229,313</u>	<u>(35,134)</u>
Total Miscellaneous Operating	<u>940,357</u>	<u>733,036</u>	<u>207,321</u>
TOTAL ADMINISTRATION	<u>1,551,798</u>	<u>1,351,082</u>	<u>200,716</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	190,534	196,872	(6,338)
Overtime	1,379	1,944	(565)
Social security	14,681	14,762	(81)
Retirement	21,238	22,880	(1,642)
Insurance	34,955	34,644	311
Workers compensation	4,014	2,600	1,414
Advertising	201	98	103
Contracted maintenance	20,000	19,113	887
Professional services	46,619	45,536	1,083
Membership & dues	300	155	145

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Treasurer's Office - continued			
Office expense	5,183	5,079	104
Postage	56,000	43,888	12,112
Printing	12,817	9,811	3,006
Telephone	2,536	1,905	631
Training	1,455	1,090	365
Travel	2,700	878	1,822
Subsistence	2,770	1,713	1,057
Office Furniture/Equipment	2,380	2,264	116
	<u>419,762</u>	<u>405,232</u>	<u>14,530</u>
Auditor's Office			
Personnel	214,018	214,635	(617)
Social security	16,373	15,886	487
Retirement	23,683	25,771	(2,088)
Insurance	29,420	24,770	4,650
Workers compensation	4,218	2,732	1,486
Advertising	200	100	100
Contracted maintenance	21,000	19,644	1,356
Professional services	46,620	45,955	665
Memberships & dues	200	155	45
Office expense	3,000	1,808	1,192
Postage	1,200	1,075	125
Printing	8,500	7,962	538
Subscriptions & books	600	470	130
Telephone	2,050	1,857	193
Training	1,460	1,385	75
Travel	2,730	2,247	483
Subsistence	2,995	2,371	624
Office furniture	2,340	2,264	76
	<u>380,607</u>	<u>371,087</u>	<u>9,520</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Assessor's Office			
Personnel	360,080	350,737	9,343
Overtime	1,000	7,313	(6,313)
Social security	27,622	20,525	7,097
Retirement	39,904	40,725	(821)
Insurance	63,429	72,002	(8,573)
Workers compensation	10,007	6,436	3,571
Advertising	500	62	438
Contracted maintenance	49,530	42,862	6,668
Vehicle insurance	3,100	3,036	64
Memberships & dues	765	150	615
Office expense	9,300	3,943	5,357
Postage	1,500	1,111	389
Printing	500	509	(9)
Subscriptions	1,600	972	628
Telephone	1,900	1,173	727
Training	3,690	1,870	1,820
Travel	790	660	130
Subsistence	1,900	1,361	539
Gas, oil, grease	5,000	1,321	3,679
Uniforms	1,000	747	253
	<u>583,117</u>	<u>557,515</u>	<u>25,602</u>
Total Assessor's Office			
Tax Collector			
Personnel	59,421	63,606	(4,185)
Overtime	3,148	1,762	1,386
Social security	4,787	4,844	(57)
Retirement	6,927	7,088	(161)
Insurance	5,634	5,740	(106)
Workers compensation	1,631	1,048	583
Advertising	17,000	13,424	3,576
Contracted maintenance	5,500	5,121	379
Professional fees	5,800	3,915	1,885
Consulting	18,789	14,193	4,596
Memberships & dues	125	50	75
Office expense	1,800	924	876

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Tax Collector - continued			
Postage	30,000	24,728	5,272
Printing	3,211	3,335	(124)
Supplies	800	-	800
Subscriptions	150	121	29
Telephone	700	579	121
Training	900	335	565
Travel	1,200	497	703
Subsistence	500	285	215
Review board and appeals	<u>5,440</u>	<u>3,765</u>	<u>1,675</u>
 Total Tax Collector	 <u>173,463</u>	 <u>155,360</u>	 <u>18,103</u>
 TOTAL TAX ASSESSMENT & COLLECTION	 <u>1,556,949</u>	 <u>1,489,194</u>	 <u>67,755</u>
REGISTRATION & ELECTION BOARD			
Personnel	80,448	84,393	(3,945)
Precinct personnel	12,200	75,549	(63,349)
Board members	10,706	6,725	3,981
Social security	5,766	6,456	(690)
Retirement	8,340	9,756	(1,416)
Insurance	11,564	12,397	(833)
Advertising	2,000	1,325	675
Contracted maintenance	21,774	17,541	4,233
Utilities	3,000	4,062	(1,062)
Memberships and dues	360	359	1
Office expense	2,019	1,947	72
Postage	3,700	2,432	1,268
Printing	4,375	4,245	130
Supplies	3,681	3,368	313
Telephone	1,500	993	507
Training	1,700	838	862
Travel	4,433	4,433	-
Subsistence	2,392	699	1,693
Other Equipment	<u>3,000</u>	<u>2,417</u>	<u>583</u>
 TOTAL REGISTRATION & ELECTION BOARD	 <u>182,958</u>	 <u>239,935</u>	 <u>(56,977)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>ADMINISTRATION OF JUSTICE</b>			
<b>Criminal &amp; Civil Court</b>			
Solicitor's office	121,867	121,867	-
Personnel - bailiff	16,056	17,814	(1,758)
Jury fees	40,000	40,000	-
Advertising	600	-	600
Contracted maintenance	3,500	1,920	1,580
Office	4,100	2,307	1,793
Postage	3,050	2,298	752
Printing	1,500	1,408	92
Telephone	1,500	1,165	335
DJJ	<u>1,500</u>	<u>722</u>	<u>778</u>
<b>Total Criminal &amp; Civil Court</b>	<u>193,673</u>	<u>189,501</u>	<u>4,172</u>
<b>Clerk of Court</b>			
Personnel	207,211	218,686	(11,475)
Social security	15,762	16,049	(287)
Retirement	22,931	25,277	(2,346)
Insurance	29,243	43,830	(14,587)
Workers compensation	3,425	2,216	1,209
Contracted maintenance	89,000	79,750	9,250
Memberships & dues	125	125	-
Office expense	8,000	7,147	853
Postage	33,000	20,936	12,064
Printing	5,000	1,694	3,306
Telephone	2,000	1,358	642
Training	700	400	300
<b>Clerk of Court - continued</b>			
Subsistence	1,500	877	623
Travel	<u>800</u>	<u>670</u>	<u>130</u>
<b>Total Clerk of Court</b>	<u>418,697</u>	<u>419,015</u>	<u>(318)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Family Court - Clerk of Court			
Personnel	142,764	132,722	10,042
Social security	10,922	9,943	979
Retirement	15,802	15,332	470
Insurance	37,420	25,309	12,111
Workers compensation	573	356	217
Contracted maintenance	28,000	23,966	4,034
Office expense	4,500	3,323	1,177
Postage	6,000	6,000	-
Printing	10,300	9,234	1,066
Telephone	2,000	1,556	444
Training	500	500	-
	<u>258,781</u>	<u>228,241</u>	<u>30,540</u>
Total Family Court - Clerk of Court			
Probate Judge			
Personnel	181,147	186,962	(5,815)
Social security	13,858	13,486	372
Retirement	22,496	23,844	(1,348)
Insurance	38,400	37,462	938
Workers compensation	3,244	2,216	1,028
Advertising	150	79	71
Contracted maintenance	3,000	2,964	36
Membership & dues	570	570	-
Office expense	5,070	5,010	60
Postage	2,000	1,588	412
Printing	600	506	94
Telephone	1,600	1,577	23
Education & training	3,405	2,865	540
Travel	4,907	4,907	-
Office furniture/equipment	7,562	7,562	-
	<u>288,009</u>	<u>291,598</u>	<u>(3,589)</u>
Total Probate Judge			
Probation & Parole Office			
P.O. Box rent	49	-	49
Telephone	875	959	(84)
	<u>924</u>	<u>959</u>	<u>(35)</u>
Total Probation & Parole Office			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Public Defender</b>			
Personnel	59,850	62,152	(2,302)
Social security	4,579	4,446	133
Retirement	6,619	7,185	(566)
Insurance	12,107	12,161	(54)
Workmens Comp	287	188	99
Copier Machine	200	-	200
Office Expense	500	-	500
Postage	100	-	100
Telephone	2,200	107	2,093
Training	750	-	750
	<u>87,192</u>	<u>86,239</u>	<u>953</u>
<b>Total Public Defender</b>			
<b>Coroner</b>			
Personnel	63,575	62,112	1,463
Social security	4,743	4,716	27
Retirement	6,363	8,009	(1,646)
Insurance	2,000	2,028	(28)
Workers compensation	2,849	1,860	989
Contracted maintenance	841	-	841
Vehicle insurance	2,350	2,189	161
Memberships & dues	350	150	200
Office expense	1,000	499	501
Postage	100	98	2
Repairs	1,500	342	1,158
Telephone	1,150	826	324
Training	1,300	875	425
Travel	1,250	131	1,119
Subsistence	1,900	1,527	373
Fuel	3,000	2,651	349
Supplies	3,002	2,898	104
Uniforms	707	707	-
Post Mortems & BA	40,000	64,675	(24,675)
	<u>137,980</u>	<u>156,293</u>	<u>(18,313)</u>
<b>Total Coroner</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Magistrate District 2			
Personnel	314,305	325,894	(11,589)
Jury fees	25,000	9,407	15,593
Social security	23,684	24,241	(557)
Retirement	40,495	42,762	(2,267)
Insurance	62,615	56,578	6,037
Workers compensation	1,262	816	446
Contracted maintenance	23,500	21,302	2,198
Consulting & tech fees	2,200	-	2,200
Memberships	550	220	330
Office expense	10,750	9,467	1,283
Postage	12,000	5,000	7,000
Printing	500	-	500
Telephone	3,000	1,362	1,638
Training	2,600	1,595	1,005
Travel	2,500	1,358	1,142
Subsistence	5,300	3,318	1,982
	<u>530,261</u>	<u>503,320</u>	<u>26,941</u>
Total Magistrate District 2			
	<u>530,261</u>	<u>503,320</u>	<u>26,941</u>
TOTAL ADMINISTRATION OF JUSTICE			
	<u>1,915,517</u>	<u>1,875,166</u>	<u>40,351</u>
LAW ENFORCEMENT - Sheriff's Department			
Personnel	1,990,667	1,925,231	65,436
Overtime	55,461	128,162	(72,701)
School resource officer - salary and benefits	340,770	362,445	(21,675)
Social security	156,529	153,244	3,285
Retirement	287,486	290,657	(3,171)
Insurance	309,875	361,911	(52,036)
Workers compensation	91,096	59,027	32,069
Contracted maintenance	70,000	70,427	(427)
Professional services	657	207	450
Vehicle insurance	72,325	62,510	9,815
Membership & dues	6,845	5,729	1,116
Office expense	4,235	3,635	600
Postage	900	778	122
Printing	2,000	1,038	962

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Transportation of Prisoners	2,500	-	2,500
RPRS to vehicle	10,000	9,416	584
Telephone	2,175	1,320	855
Training	1,200	750	450
Travel	510	-	510
Subsistence	2,500	2,206	294
Ammo & guns	3,000	2,914	86
Cleaning supplies	5,000	2,605	2,395
Gas, oil, grease	255,000	132,468	122,532
Photo supplies	2,500	2,421	79
Police supplies	7,974	6,756	1,218
CIRT supplies	3,500	1,480	2,020
Uniforms	30,000	24,575	5,425
Special law enforcement	1,000	980	20
Supplies	4,000	2,621	1,379
Crime prevention	1,000	944	56
School safety	3,000	2,532	468
Capital replacement	<u>262,666</u>	<u>256,460</u>	<u>6,206</u>
 Total Sheriff's Department	 <u>3,986,371</u>	 <u>3,875,449</u>	 <u>110,922</u>
 TOTAL LAW ENFORCEMENT	 <u>3,986,371</u>	 <u>3,875,449</u>	 <u>110,922</u>
 DETENTION			
Corrections			
Personnel	996,279	947,741	48,538
Overtime	80,000	82,464	(2,464)
Social security	82,335	71,355	10,980
Retirement	152,098	145,000	7,098
Insurance	223,065	193,491	29,574
Workers compensation	46,999	30,072	16,927
Contracted maintenance	65,000	64,016	984
Utilities	75,000	89,770	(14,770)
Vehicle insurance	2,500	1,906	594
Memberships & dues	252	250	2
Office expense	3,500	3,199	301
Ammo & Gunns	750	705	45
Postage	230	225	5

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Printing	830	-	830
Telephone	3,300	1,185	2,115
Training	2,950	2,315	635
Travel	1,500	382	1,118
Bedding	3,000	2,987	13
Subsistence	3,000	733	2,267
Chemicals	7,500	1,886	5,614
Cleaning materials	10,000	5,992	4,008
Food	129,900	77,915	51,985
Fuel	2,500	-	2,500
Medical	165,000	153,581	11,419
Supplies	3,400	2,440	960
Uniforms	10,000	9,872	128
Clothing	9,000	8,897	103
DYS Juvenile	5,000	557	4,443
Capital Outlay	14,788	14,788	
Kitchen supplies	2,000	506	1,494
Other equipment	2,712	-	2,712
	<u>2,104,388</u>	<u>1,914,230</u>	<u>190,158</u>
Total Corrections			
	<u>2,104,388</u>	<u>1,914,230</u>	<u>190,158</u>
TOTAL DETENTION			
	<u>2,104,388</u>	<u>1,914,230</u>	<u>190,158</u>
 PUBLIC SAFETY			
Public Safety			
Personnel	89,306	92,741	(3,435)
Social security	6,831	7,006	(175)
Retirement	9,883	10,721	(838)
Insurance	24,433	24,522	(89)
Workers compensation	7,504	4,844	2,660
Contracted maintenance	9,500	8,458	1,042
Vehicle insurance	1,308	1,529	(221)
Office expense	1,400	1,155	245
Postage	200	-	200
Telephone	1,000	1,098	(98)
Training	2,000	1,679	321
Fuel	400	-	400
	<u>153,765</u>	<u>153,753</u>	<u>12</u>
Total Public Safety			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Animal Control			
Personnel	149,992	143,159	6,833
Overtime	8,000	4,069	3,931
Social security	12,087	11,098	989
Retirement	17,487	15,319	2,168
Insurance	21,485	22,108	(623)
Workers compensation	5,277	3,392	1,885
Advertising	5,600	3,250	2,350
Utilities	29,000	27,723	1,277
Insurance vehicles	3,360	2,536	824
Memberships and dues	400	400	-
Office expense	2,500	1,216	1,284
Contracted Maintenance	1,900	1,020	880
Postage	150	56	94
Telephone	3,500	3,247	253
Training	3,500	725	2,775
Travel	300	296	4
Subsistence	1,400	446	954
Cleaning supplies	2,600	1,175	1,425
Dog food	4,000	2,701	1,299
Gas, oil and grease	13,500	4,580	8,920
Medical and surgical	66,081	65,080	1,001
Medication	13,419	13,419	-
Tools	1,000	452	548
Uniforms	2,000	1,105	895
Supplies	1,500	1,106	394
Capital Outlay	21,312	21,312	-
	<u>391,350</u>	<u>350,990</u>	<u>40,360</u>
Total Animal Control			
Communications			
Personnel	438,262	434,327	3,935
Overtime	50,000	49,376	624
Social security	37,392	34,946	2,446
Retirement	54,102	55,404	(1,302)
Insurance	93,309	89,250	4,059

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Workers compensation	1,953	1,316	637
Contracted maintenance	108,000	108,000	-
Memberships and dues	125	-	125
Office expense	5,000	4,970	30
Printing	140	-	140
Telephone	20,000	17,080	2,920
Training	1,200	487	713
Travel	750	-	750
Subsistence	1,000	205	795
Capital Outlay	<u>76,000</u>	<u>65,495</u>	<u>10,505</u>
Total Communications	<u>887,233</u>	<u>860,856</u>	<u>26,377</u>
Board of Rescue Squads			
Grant Match Funds	10,000	-	10,000
Workers compensation	44,866	29,248	15,618
Nominal Reimb - Volunteers	27,767	31,462	(3,695)
Contracted maintenance	13,000	13,000	-
Utilities	24,000	24,000	-
Vehicle insurance	30,000	24,369	5,631
Repairs to equipment	20,000	17,845	2,155
Telephone	4,000	3,651	349
Training	12,500	6,347	6,153
Gas, oil, grease	18,632	11,793	6,839
Medical supplies	11,404	7,255	4,149
Rescue supplies	53,597	55,048	(1,451)
Capital outlay	<u>60,000</u>	<u>59,969</u>	<u>31</u>
Total Board of Rescue Squads	<u>329,766</u>	<u>283,987</u>	<u>45,779</u>
Hazardous Materials			
Nominal Reimb - Volunteers	6,952	5,010	1,942
Repair to Radio	75	-	75
Telephone	600	456	144
Training	5,050	2,543	2,507
Gas, oil, grease	50	-	50
Supplies	<u>4,525</u>	<u>3,820</u>	<u>705</u>
Total Hazardous Materials	<u>17,252</u>	<u>11,829</u>	<u>5,423</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
GIS Department			
Personnel	42,571	44,208	(1,637)
Overtime	1,000	-	1,000
Social security	3,333	3,326	7
Retirement	4,822	5,110	(288)
Insurance	5,371	5,740	(369)
Workers compensation	168	108	60
Contracted maintenance	59,650	58,934	716
Office expense	2,080	2,036	44
Training	1,440	440	1,000
Travel	400	250	150
Subsistence	810	505	305
	<u>121,645</u>	<u>120,657</u>	<u>988</u>
Total GIS Department			
Board of Rural Fire Control			
Grant match	10,000	7,390	2,610
Workers compensation	31,231	20,380	10,851
Nominal Reimb - Volunteers	104,586	100,005	4,581
Contracted services	27,000	28,337	(1,337)
Shared revenue	140,000	136,984	3,016
Contracted maintenance	20,500	15,556	4,944
Utilities	79,200	70,274	8,926
Vehicle insurance	51,616	47,784	3,832
Office	500	-	500
Postage	200	235	(35)
Repairs to equipment	55,000	53,945	1,055
Repairs to radio	10,000	6,782	3,218
Telephone	6,000	5,933	67
Training	10,000	3,182	6,818
Cleaning supplies	2,000	670	1,330
Gas, oil, grease	32,296	22,232	10,064
Medical	30,000	24,443	5,557
Fire supplies	12,500	11,626	874
Capital	60,000	59,921	79
	<u>682,629</u>	<u>615,679</u>	<u>66,950</u>
Total Board of Rural Fire Control			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Building Inspections</b>			
Personnel	102,130	106,058	(3,928)
Contracted personnel	13,501	6,098	7,403
Social security	7,812	7,878	(66)
Retirement	11,302	12,260	(958)
Insurance	15,662	15,735	(73)
Workers compensation	2,506	1,620	886
Contracted maintenance	4,016	3,953	63
Vehicle insurance	650	612	38
Memberships	500	160	340
Office	4,000	3,697	303
Postage	500	184	316
Printing	1,700	1,232	468
Subscriptions	1,000	660	340
Telephone	2,200	2,269	(69)
Training	2,000	100	1,900
Travel	250	159	91
Subsistence	1,000	402	598
Fuel	2,684	1,728	956
Uniforms	200	126	74
	<u>173,613</u>	<u>164,931</u>	<u>8,682</u>
<b>Total Building Inspections</b>			
<b>Ambulance</b>			
Contracted maintenance	9,000	3,671	5,329
Vehicle insurance	19,267	22,323	(3,056)
Repairs to vehicle	18,000	5,703	12,297
Training	1,500	96	1,404
Gas, oil, grease	80,000	45,556	34,444
Uniforms	16,000	11,125	4,875
Appropriations	1,020,000	1,020,000	-
Capital outlay	20,000	17,484	2,516
	<u>1,183,767</u>	<u>1,125,958</u>	<u>57,809</u>
<b>Total Ambulance</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Safety - Substations			
Lake Murray - Utilities	17,520	15,474	2,046
Silverstreet - Utilities	5,000	2,147	2,853
Whitmire - Utilities and maintenance	<u>19,472</u>	<u>17,046</u>	<u>2,426</u>
Total Public Safety - Substations	<u>41,992</u>	<u>34,667</u>	<u>7,325</u>
TOTAL PUBLIC SAFETY	<u>3,983,012</u>	<u>3,723,307</u>	<u>259,705</u>
PUBLIC WORKS & MAINTENANCE			
Public Works			
Personnel	587,845	597,538	(9,693)
Overtime	11,440	8,391	3,049
Social security	45,847	44,976	871
Retirement	67,694	70,045	(2,351)
Insurance	130,156	134,178	(4,022)
Workers compensation	63,346	40,902	22,444
Advertising	500	193	307
Contracted maintenance	60,000	53,137	6,863
Utilities	27,031	18,668	8,363
Vehicle insurance	28,673	30,676	(2,003)
Memberships	350		350
Rent/Rental Equipment	8,000	1,850	6,150
Office expense	5,500	2,670	2,830
Postage	600	248	352
Printing	-		-
Repairs to vehicles & equipment	32,000	29,826	2,174
Supplies	4,500	4,040	460
Telephone	5,100	4,281	819
Training	3,500	240	3,260
Travel	400	95	305
Subsistence	1,300	303	997
Cleaning materials	200	66	134
Bridge materials	500	-	500
Fertilizer, plants, seeds	3,000	49	2,951
Gas, oil, grease	34,029	34,029	-
Diesel fuel	61,972	17,277	44,695
Safety supplies	3,800	2,145	1,655
Gravel	71,600	64,588	7,012

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Works - continued			
Asphalt	22,000	7,967	14,033
Pipe	10,000	7,464	2,536
Tools	5,000	2,277	2,723
Road signs	8,000	2,444	5,556
219 Beautification Project	52,000	53,357	(1,357)
Uniforms	7,500	4,071	3,429
Capital outlay	7,908	7,552	356
Road paving and improvements	<u>70,000</u>	<u>53,843</u>	<u>16,157</u>
Total Public Works	<u>1,441,291</u>	<u>1,299,386</u>	<u>141,905</u>
Central Maintenance			
Contracted maintenance	537,684	532,131	5,553
Utilities	13,000	8,775	4,225
Fuel	2,898	2,898	-
Tools	500	76	424
Other Equipment	<u>18,000</u>	<u>17,112</u>	<u>888</u>
Total Central Maintenance	<u>572,082</u>	<u>560,992</u>	<u>11,090</u>
Building Maintenance			
Personnel	288,344	295,524	(7,180)
Social security	22,059	22,323	(264)
Retirement	31,351	34,163	(2,812)
Insurance	35,208	42,348	(7,140)
Workers compensation	21,770	14,034	7,736
Contracted maintenance	35,000	27,802	7,198
Utilities	250,000	217,867	32,133
Vehicle insurance	4,200	2,675	1,525
Office Expense	2,000	509	1,491
Supplies	57,321	40,015	17,306
Telephone	5,000	6,651	(1,651)
Cleaning Supplies	23,500	19,977	3,523
Floor Cleaning	10,000	-	10,000
Gas, oil, grease	12,550	12,550	-
Tools	1,500	906	594
Uniforms	1,800	1,672	128
Other Equipment	4,311	-	4,311

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Building Maintenance - continued			
Capital Repairs Bldgs	213,035	170,496	42,539
Capital outlay	<u>55,689</u>	<u>55,689</u>	<u>-</u>
Total Building Maintenance	<u>1,074,638</u>	<u>965,201</u>	<u>109,437</u>
Community Hall			
Contracted maintenance	5,200	2,956	2,244
Utilities	14,000	10,490	3,510
Repairs building	<u>6,000</u>	<u>671</u>	<u>5,329</u>
Total Community Hall	<u>25,200</u>	<u>14,117</u>	<u>11,083</u>
Collections			
Personnel	34,150	35,464	(1,314)
Social security	3,755	2,406	1,349
Retirement	2,639	4,100	(1,461)
Insurance	15,882	15,943	(61)
Workers compensation	2,195	1,432	763
Advertising	2,500	382	2,118
Contingency	23,500	1,852	21,648
Contracted personnel	316,286	310,469	5,817
Contracted maintenance	482,190	417,842	64,348
Repairs to equipment	3,000	2,887	113
Utilities	24,226	22,002	2,224
Vehicle insurance	4,000	2,223	1,777
Membership and dues	235	-	235
Office	1,500	196	1,304
Postage	200	-	200
Printing	100	-	100
Supplies	1,500	328	1,172
Telephone	5,224	5,466	(242)
Training	500	-	500
Travel	200	-	200
Subsistence	1,000	376	624
Gas, oil, grease	9,300	7,349	1,951
Supplies	1,192	514	678
Tools and other equipment	1,000	141	859
Road Signs	3,000	2,500	500

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Collections - continued			
Keep America Beautiful Program	-	-	-
Capital Outlay	<u>13,058</u>	<u>13,840</u>	<u>(782)</u>
Total Collections	<u>952,332</u>	<u>847,712</u>	<u>104,620</u>
Transfer Station			
Personnel	28,150	29,233	(1,083)
Social security	2,153	2,207	(54)
Retirement	3,117	3,379	(262)
Insurance	5,712	5,740	(28)
Workmens Comp	113	72	41
Contracted services	1,768,124	1,675,060	93,064
Repairs to equipment	10,000	1,300	8,700
Utilities	10,000	7,136	2,864
Sewer disposal	3,500	3,000	500
Office	70	-	70
Supplies	3,199	2,519	680
Equipment	<u>4,400</u>	<u>-</u>	<u>4,400</u>
Total Transfer Station	<u>1,838,538</u>	<u>1,729,646</u>	<u>108,892</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>5,904,081</u>	<u>5,417,054</u>	<u>487,027</u>
PLANNING & DEVELOPMENT			
Central Midlands Regional PC	<u>20,513</u>	<u>20,423</u>	<u>90</u>
Economic Development			
Personnel	92,199	134,169	(41,970)
Additional Personnel Cost	37,500	-	37,500
Social Security	10,114	10,045	69
Retirement	15,115	15,510	(395)
Insurance	17,316	12,161	5,155
Workers compensation	4,709	3,044	1,665
Economic Development	30,000	39,141	(9,141)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Contingency	-	-	-
Contracted Services	20,500	1,390	19,110
Contracted Maintenance	30,000	14,737	15,263
Special source revenue bond	428,914	428,914	-
Vehicle Insurance	650	605	45
Memberships	2,000	1,500	500
Office	5,000	3,117	1,883
Postage	750	289	461
Printing	1,500	441	1,059
Subscriptions	150	79	71
Telephone	3,000	2,761	239
Training	6,500	3,371	3,129
Site Inventory Costs	250,000	83,169	166,831
Travel	6,000	6,012	(12)
Subsistence	8,000	5,103	2,897
MCCP	638,500	560,700	77,800
Small business dev center	5,000	5,000	-
Regional Marketing Org	72,000	72,000	-
Fuel	820	820	-
	<u>1,686,237</u>	<u>1,404,078</u>	<u>282,159</u>
<b>Total Economic Development</b>			
Comprehensive Planning			
Personnel	118,356	117,740	616
Social security	8,673	8,831	(158)
Retirement	12,548	13,611	(1,063)
Insurance	27,923	28,050	(127)
Workers compensation	3,177	2,040	1,137
Advertising	1,260	422	838
Contracted Maintenance	3,200	3,148	52
Consulting	30,250	6,141	24,109
Vehicle insurance	1,060	1,206	(146)
Memberships and dues	1,940	670	1,270
Office expense	4,000	3,038	962
Postage	2,000	784	1,216
Printing	500	181	319
Books	1,377	245	1,132
Telephone	2,000	1,593	407

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Comprehensive Planning - continued			
Training	3,885	-	3,885
Subsistence	2,244	-	2,244
Fuel	1,700	1,428	272
Supplies	<u>470</u>	<u>278</u>	<u>192</u>
 Total Comprehensive Planning	 <u>226,563</u>	 <u>189,406</u>	 <u>37,157</u>
 TOTAL PLANNING & DEVELOPMENT	 <u>1,933,313</u>	 <u>1,613,907</u>	 <u>319,406</u>
 AGRICULTURE & HOME ECONOMICS			
Clemson Extension	<u>33,500</u>	<u>34,177</u>	<u>(677)</u>
Newberry Soil & Water Conservation	<u>91,839</u>	<u>93,053</u>	<u>(1,214)</u>
 TOTAL AGRICULTURE & HOME ECONOMICS	 <u>125,339</u>	 <u>127,230</u>	 <u>(1,891)</u>
 PUBLIC HEALTH			
Health Department			
Telephone and supplies	<u>4,550</u>	<u>3,971</u>	<u>579</u>
Total Health Department	<u>4,550</u>	<u>3,971</u>	<u>579</u>
Beckman Mental Health	<u>12,750</u>	<u>12,750</u>	<u>-</u>
Newberry Free Medical Clinic	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Westview Behavioral	<u>4,052</u>	<u>1,402</u>	<u>2,650</u>
 TOTAL PUBLIC HEALTH	 <u>26,352</u>	 <u>23,123</u>	 <u>3,229</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>SOCIAL SERVICES</b>			
Department of Social Services			
Utilities	50,000	54,105	(4,105)
Office	270	88	182
Telephone	6,199	8,120	(1,921)
Emergency	5,000	5,000	-
Paupers funeral	3,000	3,000	-
	<u>64,469</u>	<u>70,313</u>	<u>(5,844)</u>
Total Department of Social Services			
Veteran's Affairs			
Personnel	101,625	107,998	(6,373)
Social security	7,774	8,211	(437)
Retirement	11,247	12,485	(1,238)
Insurance	27,828	23,662	4,166
Workers compensation	1,885	1,228	657
Contracted maintenance	945	584	361
Membership fees	150	145	5
Office expense	2,455	2,382	73
Postage	1,100	637	463
Subscriptions & Books	50	-	50
Telephone	2,600	980	1,620
Training	200	180	20
Travel	1,236	775	461
Subsistence	890	570	320
Other equipment	3,954	3,954	-
	<u>163,939</u>	<u>163,791</u>	<u>148</u>
Total Veteran's Affairs			
Council on Aging			
	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Rape Crisis Network			
	<u>4,250</u>	<u>4,250</u>	<u>-</u>
Sistercare, Inc.			
	<u>2,295</u>	<u>2,295</u>	<u>-</u>
<b>TOTAL SOCIAL SERVICES</b>			
	<u>294,953</u>	<u>300,649</u>	<u>(5,696)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
MISCELLANEOUS			
Airport			
Contingency	<u>22,500</u>	<u>5,824</u>	<u>16,676</u>
Total Airport	<u>22,500</u>	<u>5,824</u>	<u>16,676</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>
Medically indigent Appropriation	<u>79,742</u>	<u>79,281</u>	<u>461</u>
Fairgrounds			
Contracted maintenance	1,200	-	1,200
Utilities	10,000	8,734	1,266
Repairs to building	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Fairgrounds	<u>12,200</u>	<u>8,734</u>	<u>3,466</u>
Helena Community Center			
Contracted maintenance	1,200	375	825
Utilities	5,000	4,180	820
Repairs to building	<u>2,500</u>	<u>1,178</u>	<u>1,322</u>
Total Helena Community Center	<u>8,700</u>	<u>5,733</u>	<u>2,967</u>
Newberry Opera House	25,000	25,000	-
Newberry County Literacy	6,000	6,000	-

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Recreation			
Personnel	58,473	53,891	4,582
Part Time Personnel	-	-	-
Social security	4,473	3,816	657
Retirement	6,471	6,225	246
Insurance	12,729	10,875	1,854
Maybinton ballfield	5,500	2,728	2,772
Workmens Comp	3,097	2,000	1,097
Road paving	8,465	7,975	490
Recreation appropriation	<u>80,000</u>	<u>64,666</u>	<u>15,334</u>
Total Recreation	<u>179,208</u>	<u>152,176</u>	<u>27,032</u>
TOTAL MISCELLANEOUS	<u>343,801</u>	<u>292,844</u>	<u>50,957</u>
CAPITAL CONSTRUCTION & IMPROVEMENTS			
Road Paving, Etc, Land Improvements			
Contingency	<u>352,428</u>	<u>880,078</u>	<u>(527,650)</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>352,428</u>	<u>880,078</u>	<u>(527,650)</u>
TOTAL EXPENDITURES	<u>24,607,279</u>	<u>23,453,722</u>	<u>1,153,557</u>
Excess/(Deficiency) of Revenue over Expenditures	995,000	1,168,587	173,587
OTHER FINANCING SOURCES/ (USES)			
County Surplus Sale	5,000	76,551	71,551
Transfers to special revenue (includes Community Service Levies)	<u>(1,000,000)</u>	<u>(1,646,482)</u>	<u>(646,482)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(995,000)</u>	<u>(1,569,931)</u>	<u>(574,931)</u>
Excess of Revenue over Expenditures after other financing sources	<u>-</u>	<u>(401,344)</u>	<u>(401,344)</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2017

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>ASSETS</b>								
Cash	\$ 237,907	\$ 191,213	\$ 97,314	\$ 178,208	\$ 166,191	\$ -	\$ -	\$ 870,833
Due from general fund	-	1,073	-	-	1,263	-	2,871	5,207
Inventory	-	-	-	-	-	-	20,592	20,592
<b>TOTAL ASSETS</b>	<u>\$ 237,907</u>	<u>\$ 192,286</u>	<u>\$ 97,314</u>	<u>\$ 178,208</u>	<u>\$ 167,454</u>	<u>\$ -</u>	<u>\$ 23,463</u>	<u>\$ 896,632</u>
<b>LIABILITIES</b>								
Due to general fund	<u>52,096</u>	<u>7,194</u>	<u>71,745</u>	<u>215,689</u>	<u>-</u>	<u>174,607</u>	<u>-</u>	<u>521,331</u>
<b>DEFERRED OUTFLOWS</b>								
Deferred Outflow - grant income	<u>15,815</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,815</u>
<b>FUND BALANCE</b>								
Reserved for special revenue	<u>169,996</u>	<u>185,092</u>	<u>25,569</u>	<u>(37,481)</u>	<u>167,454</u>	<u>(174,607)</u>	<u>23,463</u>	<u>359,486</u>
<b>TOTAL FUND BALANCE</b>	<u>169,996</u>	<u>185,092</u>	<u>25,569</u>	<u>(37,481)</u>	<u>167,454</u>	<u>(174,607)</u>	<u>23,463</u>	<u>359,486</u>
<b>TOTAL LIABILITIES, OUTFLOWS AND FUND BALANCE</b>	<u>\$ 237,907</u>	<u>\$ 192,286</u>	<u>\$ 97,314</u>	<u>\$ 178,208</u>	<u>\$ 167,454</u>	<u>\$ -</u>	<u>\$ 23,463</u>	<u>\$ 896,632</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
Revenue								
Intergovernmental								
Federal grants	\$ -	\$ 5,559	\$ -	\$ -	\$ 130,383	\$ -	\$ -	\$ 135,942
State grants	-	-	-	-	-	403,888	-	403,888
Other								
Assessments	1,900	-	92,102	413,726	-	-	-	507,728
Interest	-	-	17	-	80	-	-	97
Miscellaneous	<u>81,565</u>	<u>128,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,076</u>	<u>256,914</u>
Total Revenue	<u>83,465</u>	<u>133,832</u>	<u>92,119</u>	<u>413,726</u>	<u>130,463</u>	<u>403,888</u>	<u>47,076</u>	<u>1,304,569</u>
Expenditures								
Personnel	53,828	-	57,285	100,385	51,068	1,584,978	-	1,847,544
Operating	131,552	-	29,666	253,271	65,379	6,627	46,236	532,731
Intergovernmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>458,765</u>	<u>-</u>	<u>458,765</u>
Total Expenditures	<u>185,380</u>	<u>-</u>	<u>86,951</u>	<u>353,656</u>	<u>116,447</u>	<u>2,050,370</u>	<u>46,236</u>	<u>2,839,040</u>
Other financing sources								
Transfer in/(out)	-	-	-	-	-	1,646,482	-	1,646,482
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES								
	<u>(101,915)</u>	<u>133,832</u>	<u>5,168</u>	<u>60,070</u>	<u>14,016</u>	<u>-</u>	<u>840</u>	<u>112,011</u>
Fund balance, beginning 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>
FUND BALANCE, END OF YEAR								
	<u>\$ 169,996</u>	<u>\$ 185,092</u>	<u>\$ 25,569</u>	<u>\$ (37,481)</u>	<u>\$ 167,454</u>	<u>\$ (174,607)</u>	<u>\$ 23,463</u>	<u>\$ 359,486</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2017

REVENUE

Property Taxes	
2007A GO Bond	\$ 101,965
2007B GO Bond	43,743
2010A GO Bond	163,789
2010B GO Bond	269,977
Lease Purchase	819,633
2013 A Spec Building	19,146
Sales tax	2,892,207
Interest	<u>1,407</u>
TOTAL REVENUE	<u>4,311,867</u>

EXPENDITURES

Principal	
2007A GO Bond	113,087
2007B GO Bond	85,000
2010A GO Bond	159,000
2010B GO Bond	270,000
Lease Purchase GO Bond	871,000
Interest	
2007A GO Bond	10,658
2007B GO Bond	8,736
2010A GO Bond	10,465
2010B GO Bond	21,228
Lease Purchase GO Bond	2,614
Spec Building	<u>24,000</u>
TOTAL EXPENDITURES	<u>1,575,788</u>

OTHER FINANCING SOURCES/(USES)

Transfer to capital projects	<u>(1,007,773)</u>
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	1,728,306
Fund balance, beginning of year	<u>2,897,907</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 4,626,213</u></u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2017

REVENUE

Interest	\$	31,878
Sales tax		939,330
		971,208
TOTAL REVENUE		971,208

EXPENDITURES

Capital Outlays		
Emer Ser Radio System		3,370,000
Capital budgets		250,847
		3,620,847

TOTAL EXPENDITURES		3,620,847
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OTHER FINANCING SOURCES/(USES)

GO Bond proceeds		2,471,000
Sales tax bond		19,125,000
Sales tax bond premium		2,486,631
Lease purchase proceeds		710,000
Lease purchase payments		(871,000)
Transfer from debt service		1,007,773
		22,279,765

EXCESS OF REVENUE OVER EXPENDITURES		22,279,765
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Fund balance, beginning of year		3,521,011
		3,521,011

FUND BALANCE, END OF YEAR	\$	25,800,776
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COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2017

	Newberry County Schools Construction	Newberry County Schools Operations	Newberry Schools Sinking Funds	Magistrates/ Clerk of Court	Market St Escrow	Fire/Rescue Squads	Total
<b>ASSETS</b>							
Cash	\$ 157,054	\$ 400,178	\$ 235,092	\$ 27,157	\$ 50,000	\$ 414,999	\$ 1,284,480
Investments	<u>2,953,097</u>	<u>19,775,210</u>	<u>2,350,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,078,362</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,110,151</u>	<u>\$ 20,175,388</u>	<u>\$ 2,585,147</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 26,362,842</u>
<b>LIABILITIES</b>							
Due to taxing units and others	<u>\$ 3,110,151</u>	<u>\$ 20,175,388</u>	<u>\$ 2,585,147</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 26,362,842</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 3,110,151</u>	<u>\$ 20,175,388</u>	<u>\$ 2,585,147</u>	<u>\$ 27,157</u>	<u>\$ 50,000</u>	<u>\$ 414,999</u>	<u>\$ 26,362,842</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, 2017, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated September 15, 2017.

## **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 three 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.



Lexington, South Carolina  
September 15, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2017

**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, 2017

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.

3. Wire Transfer Fraud – June 30, 2017

*Condition:* The School District requests wire transfers from the County from time to time to draw on funds the County Treasurer holds on behalf of the District. The Treasurer received a false request from an outside source impersonating the District's accounting department. This resulted in the County sending funds to the impersonator.

*Criteria:* The County has controls in place to wire funds. The Treasurer receives written authorization and then requests that the County Finance department wires the funds in accordance with the instructions and authorization.

*Effect:* Wire transfers to unauthorized parties could be initiated if both verbal and written authorization is not received.

*Recommendation:* Wire transfers should be written, authorized and then verbally confirmed before sending funds via wire transfer

*Response:* The Treasurer received an email from the District's email authorizing the transfer. Although the email appeared valid, the system had been compromised and an impersonator sent a false request and authorization. Wire transfer requests will be scrutinized more carefully and both written and verbal confirmation is required.

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

Newberry County, South Carolina

Year Ended June 30, 2017

## **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.

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2017

Assessments and surcharges	\$	92,102
Interest		<u>17</u>
Expenditures		<u>86,951</u>
Increase in fund balance		5,168
Fund Balance, July 1, 2016		<u>20,401</u>
Fund Balance, June 30, 2017	\$	<u><u>25,569</u></u>

**Schedule of Fines, Assessments and Surcharges**

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Fines, Fees & Assessments	\$ 198,618	\$ 198,618	\$ -
DUI/DUS/BUI - Assessments, Surcharges	15,569	15,569	-
Surcharges	167,903	167,903	-
Other Assessments	253,322	253,322	-
General Sessions - Other Assessments	1,637	-	1,637
Magistrates Court - Other Assessments	31,359	-	31,359
General Sessions - Surcharges	12,187	-	12,187
Magistrates Court - Surcharges	<u>14,475</u>	<u>-</u>	<u>14,475</u>
	<u>\$ 695,070</u>	<u>\$ 635,412</u>	<u>\$ 59,658</u>