

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

June 30, 2018

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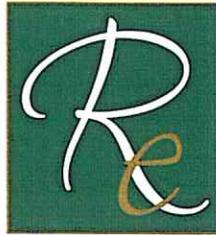
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# RISH & ENZASTIGA

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

The Newberry County Council  
Newberry, South Carolina

We have audited the accompanying primary government financial statements of the governmental activities and each major fund of Newberry County, South Carolina, as of and for the year ended June 30, 2018 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, 2018, 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, 2018, 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

### *Change in Accounting Principle*

The County adopted the provisions of GASB Statement 75 – Accounting and Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

### *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 12, 2018 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 12, 2018

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**INTRODUCTION**

This narrative overview gives an analysis of the financial activities of the County for the fiscal year ended June 30, 2018. 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, 2018, was \$15,878,460 which represented a decrease of \$6,833,415 from the prior year end.
- **Revenues and Expenditures:** Revenues totaled \$32,563,712 and expenditures totaled \$41,447,986 for all Governmental Funds at the fund level. Accordingly, expenditures exceeded revenues by \$8,884,274 before other financing activities. The general fund increased the fund balance by \$1,533,452. The debt service fund balance decreased \$374,916. The capital projects fund balance decreased \$7,604,158 from spending for lease purchase and sales tax projects.
- **Capital Assets:** The County had capital asset additions in the governmental activities of \$3,503,153 consisting of purchases of equipment and building improvements. Depreciation expense in governmental activities was \$4,764,726. This resulted in a net decrease of capital assets of \$1,231,573.
- **General Fund/Fund Balance:** Our principal operating fund, the General Fund, had \$26,209,613 in fiscal year 2018 Revenues, which primarily consisted of property taxes and intergovernmental sources. Net other financing uses were \$1,536,185, and \$23,139,976 in expenditures increased the fund balance \$1,533,452.
- **Debt:** The County retired \$5,437,500 in principal for governmental activities bonds and lease purchase outstanding. The Debt Service Fund Balance decreased from \$4,626,213 to \$4,251,297. Bonds payable are \$23,400,000 at June 30, 2018 and lease purchase payable is \$2,713,278. 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 \$18,183,399 – see Note G.

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2018**

**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, 2018**

**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, 2018**

**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 \$15,878,460 as of June 30, 2018. 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, 2018.

Current assets	\$	42,155,702
Non-current assets		31,282,282
Deferred outflow – pension		<u>4,598,003</u>
 Total assets and debits		 <u>78,035,987</u>
 Current liabilities		 4,984,711
Non-current liabilities		56,043,195
Deferred inflow		<u>1,129,621</u>
 Total liabilities & def inflows		 <u>62,157,527</u>
 Net position	\$	 <u>15,878,460</u>
Net position -		
Invested in capital assets,		
net of related debt	\$	23,144,003
Restricted		5,377,750
Unrestricted		<u>(12,643,293)</u>
 Total Net Position	\$	 <u>15,878,460</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2018**

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

- GO Bond principal payments of \$4,673,319 and bond issuance \$2,175,000
- Purchases of equipment and other assets of \$3,503,153 and depreciation of \$4,764,726
- GASB 68 - net pension liability - \$12,475,072
- GASB 75 - OPEB Liability - \$14,031,806

**Changes in net position:** The County's governmental activities revenues for the fiscal year ended June 30, 2018, were \$32,461,760. The total cost of all programs and services was \$37,512,567. The following table presents a summary of the activity that resulted in changes to total net position for the fiscal year ended June 30, 2018.

<b>REVENUES:</b>	Amount
Program revenues:	
Charges for services	\$ 833,649
Operating grants and contributions	175,271
Capital grants	--
General revenues:	
Property taxes	21,376,642
Intergovernmental sources	3,174,414
Fines and assessments	1,951,254
Sales tax	3,979,117
Miscellaneous	<u>971,413</u>
Total revenues	<u>32,461,760</u>
<b>EXPENSES:</b>	
Governmental - current	( 31,806,199)
Intergovernmental – capital	
Construction & improvements	( 6,502,187)
Interest and fees	<u>( 986,789)</u>
Total expenses	<u>( 39,295,175)</u>
Decrease in net position	<u>\$ (6,833,415)</u>

**NEWBERRY COUNTY, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) -  
CONTINUED  
YEAR ENDED JUNE 30, 2018**

**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	\$ 31,806,199	\$(30,797,279)
Intergovernmental – capital		
Construction & improvements	6,502,187	(6,502,187)
Debt Service - interest	<u>986,789</u>	<u>(986,789)</u>
 Total expenses	 <u>\$ 39,295,175</u>	 <u>\$(38,286,255)</u>

- The cost of all activities this year was \$39,295,175
- Net cost of governmental activities (\$38,286,255) was financed by general revenues (\$31,452,840), which are made up of primarily property taxes (\$21,376,642), intergovernmental sources (\$3,174,414), fines and assessments (\$1,951,254), sales tax (\$3,979,117), and other revenue (\$971,413).

**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, 2018**

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 \$39,664,106, a decrease of \$6,209,274 since June 30, 2017. A fund balance of \$13,330,522 or 33 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:

- \$ 18,236,453 assigned for future capital projects
- \$ 4,251,297 assigned for debt service
- \$ 575,242 committed for special revenue
- \$ 20,592 nonspendable for inventory - fuel

The General Fund is the principal operating fund of the County. The increase in fund balance in the General Fund for the fiscal year was \$1,533,452 was due to higher revenues and lower expenditures. The Debt Service Fund balance showed a decrease of \$374,916. The Capital Projects Funds showed a fund balance of \$18,196,618, a combination of remaining sales tax bond, lease purchase and GO Bonds proceeds. The Capital Projects had expenditures of \$10,525,220.

**BUDGETARY HIGHLIGHTS**

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

The County budgeted \$23,880,136 in General Fund Revenue with actual revenue totaling \$26,209,613 for a difference of \$2,329,477. The budget for expenditures was \$23,969,890 with the actual expenditures being \$23,139,976 for a difference of \$829,914. The general fund transferred \$1,536,185 to special revenue projects. The results from revenue, expenditures and other financing sources and uses caused the fund balance to increase by \$1,533,452. 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, 2018**

**CAPITAL ASSETS**

As of June 30, 2018, the County had invested \$31,282,282 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 \$4,764,726 for governmental activities.

The following schedule presents capital asset balances for the fiscal year ended June 30, 2018.

	Amount
Land	\$ 8,143,969
Buildings and improvements	36,049,549
Vehicles and equipment	21,444,825
Roads	11,340,105
Airport Improvements	<u>5,654,044</u>
 Total	 <u>\$ 82,632,492</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, 2018.

	Amount
General obligation bonds	\$ 22,165,000
Lease purchase	2,713,278
Accrued compensated absences	<u>719,152</u>
 Total	 <u>\$ 25,597,430</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, 2018**

**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 2018 - 2019 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, 2018**

**CURRENT AND PRIOR YEAR FINANCIAL ANALYSIS**

Tables I – II are presented for additional analysis of the County's finances for the FY 17 - 18.

Table I – Statement of Net Position – Governmental Activities – Total current assets decreased \$6,733,365 versus the prior year due to decreases in cash (debt service fund & capital projects fund). Capital assets decreased \$1,261,573 net as shown in Note N for capital asset additions for new buildings & equipment less depreciation expense. Total liabilities decreased \$375,995 due to the GO bond principal and lease purchase principal. Net position decreased \$6,833,415.

Table II – Statement of Activities – Governmental Activities – Total revenues decreased \$1,280,391 (Property taxes increased \$461,816, sales tax increased \$147,580, other – decrease bond premium on bond issuance \$2,486,631) Total expenses increased \$5,017,281 due to higher OPEB, Pension Liability and depreciation 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, 2018**

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

	Governmental Activities		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
<b>Assets</b>			
Total Current Assets	\$ 42,155,702	\$ 48,889,067	\$ (6,733,365)
Other Debits	4,598,003	3,812,475	785,528
Capital Assets, net of accumulated depreciation	<u>31,282,282</u>	<u>32,543,855</u>	<u>(1,261,573)</u>
Total Assets	<u>\$ 78,035,987</u>	<u>\$ 85,245,397</u>	<u>\$ (7,209,410)</u>
<b>Liabilities</b>			
Total Current Liabilities	\$ 4,984,711	\$ 7,627,360	\$ (2,642,649)
Non-Current Liabilities	56,043,195	47,396,650	8,646,545
Deferred Inflows	<u>1,129,621</u>	<u>670,990</u>	<u>458,631</u>
	<u>\$ 62,157,527</u>	<u>\$ 55,695,000</u>	<u>\$ 6,462,527</u>
<b>Net Position</b>			
Invested in capital assets, net of related debt	\$ 23,144,003	\$ 24,860,912	\$ (1,716,909)
Restricted	5,377,750	14,551,989	(9,174,239)
Unrestricted/(deficit)	<u>(12,643,293)</u>	<u>(9,862,504)</u>	<u>(2,780,789)</u>
Total Net Position	<u>\$ 15,878,460</u>	<u>\$ 29,550,397</u>	<u>\$ (13,671,937)</u>

**NEWBERRY COUNTY, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) - Continued**  
**YEAR ENDED JUNE 30, 2018**

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

	Governmental Activities		
	<u>2018</u>	<u>2017</u>	<u>Variance</u>
Revenues			
Program Revenues:			
Charges for Services	\$ 833,649	\$ 1,033,165	\$ (199,516)
Operating Grants	175,271	135,942	39,329
Capital Grants	-	-	-
General Revenue:			
Property Taxes	21,376,642	21,018,624	358,018
Intergovernmental Sources	3,174,414	1,909,720	1,264,694
Fines and Assessments	1,951,254	1,741,987	209,267
Sales Tax - Debt Service	3,979,117	3,831,537	147,580
Other	971,413	4,071,176	(3,099,763)
Total Revenues	<u>\$ 32,461,760</u>	<u>\$ 33,742,151</u>	<u>\$ (1,280,391)</u>
Expenses			
Current			
Legislative	\$ 322,656	\$ 330,474	\$ (7,818)
Administration	1,521,618	2,942,706	(1,421,088)
Tax assessment & collection	1,520,369	1,489,225	31,144
Election & registration	167,505	239,935	(72,430)
Administration of Justice	2,023,747	2,003,706	20,041
Law enforcement	4,609,418	4,189,851	419,567
Detention	1,922,750	1,914,864	7,886
Public safety	5,340,702	4,398,342	942,360
Public works & maintenance	8,190,195	7,906,720	283,475
Planning & development	1,710,387	1,613,907	96,480
Agriculture & home economics	126,972	127,230	(258)
Public health	25,339	23,123	2,216
Social services	294,363	300,649	(6,286)
Miscellaneous	3,664,330	2,988,170	676,160
Emergency telephone reporting	365,848	353,656	12,192
Capital Construction & Improvements - Intergovernmental	6,502,187	3,389,962	3,112,225
Interest and Fees	986,789	65,374	921,415
Total Expenses	<u>\$ 39,295,175</u>	<u>\$ 34,277,894</u>	<u>\$ 5,017,281</u>
Change in Net Position	(6,833,415)	(535,743)	(6,297,672)
Net Position, Beginning of Year	<u>22,711,875</u>	<u>23,247,618</u>	<u>(535,743)</u>
Net Position, End of Year	<u>\$ 15,878,460</u>	<u>\$ 22,711,875</u>	<u>\$ (6,833,415)</u>

**BASIC FINANCIAL STATEMENTS  
PRIMARY GOVERNMENT**

STATEMENT OF NET POSITION  
NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2018

	PRIMARY GOVERNMENT	
	Governmental Activities	Total
<b>ASSETS AND OTHER DEBITS</b>		
Current Assets		
Cash - Notes B & C	\$ 4,227,530	\$ 4,227,530
Investments - Note C	35,597,965	35,597,965
Receivables		
Property taxes - delinquent - Note E	673,356	673,356
Other	211,335	211,335
Due from other governments		
State shared revenue	403,085	403,085
Sales tax	1,021,839	1,021,839
Inventory - jet fuel	20,592	20,592
Total Current Assets	42,155,702	42,155,702
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	21,444,825	21,444,825
Airport improvements	5,654,044	5,654,044
Accumulated depreciation	(51,350,210)	(51,350,210)
DEFERRED OUTFLOW - Pension	4,598,003	4,598,003
<b>TOTAL ASSETS AND OTHER DEBITS</b>	\$ 78,035,987	\$ 78,035,987
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accrued expenses	\$ 387,433	\$ 387,433
Due to other taxing units and others	1,479,122	1,479,122
Accrued interest	64,716	64,716
Lease payable, current portion	766,726	766,726
Bonds payable, current portion	2,286,714	2,286,714
Total Current Liabilities	4,984,711	4,984,711
Bonds payable, less current portion	19,878,286	19,878,286
Compensated absences	719,152	719,152
Net Pension Liability	18,183,399	18,183,399
Landfill Post Closure	1,284,000	1,284,000
Net OPEB Obligation - See Note P	14,031,806	14,031,806
Lease purchase, less current portion	1,946,552	1,946,552
<b>TOTAL LIABILITIES</b>	61,027,906	61,027,906
<b>DEFERRED INFLOWS</b>		
Grant	19,297	19,297
Pension	1,110,324	1,110,324
<b>NET POSITION</b>		
Invested in capital assets, net of related debt, \$8,138,279	23,144,003	23,144,003
Restricted for:		
special projects, net of related debt, \$15,875,000	1,126,453	1,126,453
debt service	4,251,297	4,251,297
Unrestricted	(12,643,293)	(12,643,293)
<b>TOTAL NET POSITION</b>	15,878,460	15,878,460
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	\$ 78,035,987	\$ 78,035,987

STATEMENT OF ACTIVITIES

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	Expenses	Program Revenues			Net Revenue & Changes in Net Position	
		Charges for Services	Operating Grants	Capital Grants	Governmental Activities	Total
Governmental Activities						
Current						
Legislative	\$ 322,656	\$ -	\$ -	\$ -	\$ (322,656)	\$ (322,656)
Administration	1,521,618	-	-	-	(1,521,618)	(1,521,618)
Tax assessment & collection	1,520,369	-	-	-	(1,520,369)	(1,520,369)
Election & registration	167,505	-	-	-	(167,505)	(167,505)
Administration of Justice	2,023,747	-	167,629	-	(1,856,118)	(1,856,118)
Law enforcement	4,609,418	-	7,642	-	(4,601,776)	(4,601,776)
Detention	1,922,750	-	-	-	(1,922,750)	(1,922,750)
Public safety	5,340,702	528,604	-	-	(4,812,098)	(4,812,098)
Public works & maintenance	8,190,195	-	-	-	(8,190,195)	(8,190,195)
Planning & development	1,710,387	-	-	-	(1,710,387)	(1,710,387)
Agriculture & home economics	126,972	-	-	-	(126,972)	(126,972)
Public health	25,339	-	-	-	(25,339)	(25,339)
Social services	294,363	-	-	-	(294,363)	(294,363)
Miscellaneous	3,664,330	-	-	-	(3,664,330)	(3,664,330)
Emergency telephone reporting	365,848	305,045	-	-	(60,803)	(60,803)
Capital construction & improvements - intergovernmental	6,502,187	-	-	-	(6,502,187)	(6,502,187)
Debt service						
Interest & other bond costs	986,789	-	-	-	(986,789)	(986,789)
Total Governmental Activities	39,295,175	833,649	175,271	-	(38,286,255)	(38,286,255)
TOTAL	\$ 39,295,175	\$ 833,649	\$ 175,271	\$ -	(38,286,255)	(38,286,255)
General Revenues						
Property Taxes Levied For:						
General Purposes					19,804,155	19,804,155
Debt Service					1,572,487	1,572,487
Intergovernmental sources					3,174,414	3,174,414
Fines and assessments					1,951,254	1,951,254
Sales tax - debt service					3,979,117	3,979,117
Other					971,413	971,413
Total General Revenues					31,452,840	31,452,840
Change in Net Position					(6,833,415)	(6,833,415)
Net Position, Beginning of Year, As Restated					22,711,875	22,711,875
NET POSITION, END OF YEAR					\$ 15,878,460	\$ 15,878,460

BALANCE SHEET

GOVERNMENTAL FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2018

	<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	\$ 2,284,860	\$ 176,733	\$ 860,921	\$ 905,016	\$ 4,227,530
Investments - Note C	15,214,611	3,047,657	17,335,697	-	35,597,965
Receivables					
Property taxes - delinquent - Note E	62,544	5,068	-	-	67,612
Fines and fees	45,864	-	-	-	45,864
Other	165,471	-	-	-	165,471
Due from other governments					
State shared revenue	403,085	-	-	-	403,085
Sales tax	-	1,021,839	-	-	1,021,839
Inventory - jet fuel	-	-	-	20,592	20,592
Due from other funds - Note D	310,477	-	-	2,395	312,872
	<u>18,486,912</u>	<u>4,251,297</u>	<u>18,196,618</u>	<u>928,003</u>	<u>41,862,830</u>
<b>TOTAL ASSETS</b>					
<b>LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accrued expenses	\$ 387,433	\$ -	\$ -	\$ -	\$ 387,433
Due to taxing units and others	1,479,122	-	-	-	1,479,122
Due to other funds - Note D	-	-	-	312,872	312,872
	<u>1,866,555</u>	<u>-</u>	<u>-</u>	<u>312,872</u>	<u>2,179,427</u>
<b>TOTAL LIABILITIES</b>					
DEFERRED INFLOW - grant income	-	-	-	19,297	19,297
<b>FUND BALANCES</b>					
Reserved:					
Nonspendable - inventory - fuel	-	-	-	20,592	20,592
Committed for special revenue	-	-	-	575,242	575,242
Assigned for capital projects	39,835	-	18,196,618	-	18,236,453
Assigned for debt service	-	4,251,297	-	-	4,251,297
Assigned for econ development	3,250,000	-	-	-	3,250,000
Unreserved:					
Unassigned	13,330,522	-	-	-	13,330,522
	<u>16,620,357</u>	<u>4,251,297</u>	<u>18,196,618</u>	<u>595,834</u>	<u>39,664,106</u>
<b>TOTAL FUND BALANCES</b>					
<b>TOTAL LIABILITIES, DEFERRED INFLOW &amp; FUND BALANCES</b>					
	<u>\$ 18,486,912</u>	<u>\$ 4,251,297</u>	<u>\$ 18,196,618</u>	<u>\$ 928,003</u>	<u>\$ 41,862,830</u>

Reconciliation of governmental fund balances to statement of net position:

Total Fund Balances - Governmental Funds	\$ 39,664,106
Capital assets, net of accumulated depreciation	31,282,282
Bonds payable	(22,165,000)
Leases payable	(2,713,278)
Compensated absences	(719,152)
Net OPEB Obligation	(14,031,806)
Net Pension Adjustment	(14,695,720)
Land fill post closure costs	(1,284,000)
Accrued interest	(64,716)
Recognition of deferred taxes	605,744
Total Net Position - Governmental Activities	<u>\$ 15,878,460</u>

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

NEWBERRY COUNTY, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2018

Net change in fund balances - total governmental funds	\$	(6,209,274)
<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		3,503,153
Depreciation expense	<u>(4,764,726)</u>	(1,261,573)
<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>		
	(2,175,000)	
	<u>4,673,319</u>	2,498,319
<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>		
		(85,126)
<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	(500,000)	
Repayment of principal	<u>764,181</u>	264,181
<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:		7,207
<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>		
		(1,002,608)
<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>		
		(942,589)
<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>(101,952)</u>
Change in net position - governmental activities	\$	<u>(6,833,415)</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Non-Major Special Revenue</u>	<u>Totals</u>
<b>REVENUE</b>					
Taxes	\$ 19,902,752	\$ 1,575,842	\$ -	\$ -	\$ 21,478,594
Intergovernmental	3,174,414	-	-	175,271	3,349,685
Fines and fees	2,332,439	-	-	452,464	2,784,903
Sales tax	-	3,979,117	-	-	3,979,117
Other	800,008	21,436	51,144	98,825	971,413
<b>TOTAL REVENUE</b>	<b>26,209,613</b>	<b>5,576,395</b>	<b>51,144</b>	<b>726,560</b>	<b>32,563,712</b>
<b>EXPENDITURES</b>					
<b>Current</b>					
Legislative	322,656	-	-	-	322,656
Administration	1,521,618	-	-	-	1,521,618
Tax assessment & collection	1,518,405	-	-	-	1,518,405
Election & registration	167,505	-	-	-	167,505
Administration of Justice	1,909,039	-	-	105,710	2,014,749
Law enforcement	3,816,021	-	-	214,186	4,030,207
Detention	1,922,116	-	-	-	1,922,116
Public safety	3,777,178	-	-	-	3,777,178
Public works & maintenance	5,433,238	-	-	476,562	5,909,800
Planning & development	1,710,387	-	-	-	1,710,387
Agriculture & home economics	126,972	-	-	-	126,972
Public health	25,339	-	-	-	25,339
Social services	294,363	-	-	-	294,363
Miscellaneous	350,838	-	-	953,169	1,304,007
Emergency telephone reporting	-	-	-	365,848	365,848
<b>Capital outlays</b>					
Capital construction & improvements	244,301	-	10,525,220	-	10,769,521
<b>Debt service</b>					
Principal retirement - Note G	-	4,673,319	-	-	4,673,319
Interest	-	993,996	-	-	993,996
Fees & other bond service costs	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>23,139,976</b>	<b>5,667,315</b>	<b>10,525,220</b>	<b>2,115,475</b>	<b>41,447,986</b>
Excess/(Deficiency) of Revenue Over/(Under)					
Expenditures before Other Financing Sources	<u>3,069,637</u>	<u>(90,920)</u>	<u>(10,474,076)</u>	<u>(1,388,915)</u>	<u>(8,884,274)</u>
<b>OTHER FINANCING SOURCES</b>					
Bond proceeds	-	1,850,000	325,000	-	2,175,000
Lease purchase	-	-	500,000	-	500,000
Transfer In/(Out)	<u>(1,536,185)</u>	<u>(2,133,996)</u>	<u>2,044,918</u>	<u>1,625,263</u>	<u>-</u>
Excess/(Deficiency) of Revenue Over/ (Under) Expenditures	1,533,452	(374,916)	(7,604,158)	236,348	(6,209,274)
Fund Balance, Beginning 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>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 16,620,357</b>	<b>\$ 4,251,297</b>	<b>\$ 18,196,618</b>	<b>\$ 595,834</b>	<b>\$ 39,664,106</b>

STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND  
NEWBERRY COUNTY, SOUTH CAROLINA  
Year Ended June 30, 2018

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>REVENUE</b>				
Property taxes, current	\$ 16,193,479	\$ 16,193,479	\$ 16,521,530	\$ 328,051
Community service levies - taxes	1,000,000	1,000,000	1,016,409	16,409
Fee In Lieu	1,479,826	1,479,826	1,685,596	205,770
Delinquent taxes and cost	768,875	768,875	679,217	(89,658)
Intergovernmental	1,885,103	1,885,103	3,174,414	1,289,311
Fines and fees	1,890,500	1,890,500	2,332,439	441,939
Other	<u>662,353</u>	<u>662,353</u>	<u>800,008</u>	<u>137,655</u>
<b>TOTAL REVENUE</b>	<u>23,880,136</u>	<u>23,880,136</u>	<u>26,209,613</u>	<u>2,329,477</u>
Use of Fund Balance Reserves	<u>1,089,754</u>	<u>1,089,754</u>	<u>-</u>	<u>(1,089,754)</u>
<b>EXPENDITURES</b>				
Current				
Legislative	342,429	342,429	322,656	19,773
Administration	1,540,850	1,540,850	1,521,618	19,232
Tax assessment & collection	1,592,061	1,592,061	1,518,405	73,656
Election & registration	184,753	184,753	167,505	17,248
Administration of Justice	1,945,703	1,945,703	1,909,039	36,664
Law enforcement	3,989,363	3,989,363	3,816,021	173,342
Detention	2,068,238	2,068,238	1,922,116	146,122
Public safety	4,185,892	4,185,892	3,777,178	408,714
Public works & maintenance	5,784,215	5,784,215	5,433,238	350,977
Planning & development	1,137,014	1,137,014	1,710,387	(573,373)
Agriculture & home economics	120,935	120,935	126,972	(6,037)
Public health	25,746	25,746	25,339	407
Social services	299,218	299,218	294,363	4,855
Miscellaneous	410,099	410,099	350,838	59,261
Capital outlays				
Capital construction & improvements	<u>343,374</u>	<u>343,374</u>	<u>244,301</u>	<u>99,073</u>
<b>TOTAL EXPENDITURES</b>	<u>23,969,890</u>	<u>23,969,890</u>	<u>23,139,976</u>	<u>829,914</u>
Excess/(Deficiency) of Revenue Over/(Under)				
Expenditures before Other Financing Sources	<u>1,000,000</u>	<u>1,000,000</u>	<u>3,069,637</u>	<u>2,069,637</u>
<b>OTHER FINANCING SOURCES/(USES)</b>				
Transfer to special revenue (includes Community Service Levies)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(1,536,185)</u>	<u>(536,185)</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,533,452</u>	<u>1,533,452</u>
Fund Balance, Beginning of Year			<u>15,086,905</u>	
<b>FUND BALANCE, END OF YEAR</b>			<u>\$ 16,620,357</u>	

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUNDS - AGENCY FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2018

	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	\$ 775,940	\$ 454,828	\$ 35,334	\$ 50,000	\$ 1,316,102
Investments	<u>27,194,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,194,101</u>
<b>TOTAL ASSETS</b>	<u>\$ 27,970,041</u>	<u>\$ 454,828</u>	<u>\$ 35,334</u>	<u>\$ 50,000</u>	<u>\$ 28,510,203</u>
<b>LIABILITIES</b>					
Due to other entities	\$ 27,970,041	\$ 454,828	\$ 35,334	\$ 50,000	\$ 28,510,203
<b>TOTAL LIABILITIES</b>	<u>\$ 27,970,041</u>	<u>\$ 454,828</u>	<u>\$ 35,334</u>	<u>\$ 50,000</u>	<u>\$ 28,510,203</u>

The accompanying notes are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

#### 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, 2018

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, 2018

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, 2018

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, 2018

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, 2018. 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, 2018. 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, 2018

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, 2018

NOTE B - CASH

Deposits

At June 30, 2018, the carrying amount of the County's deposits was \$5,543,632 (\$4,227,530 for the primary government, and \$1,316,102 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, 2018.

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, 2018. 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 Amount	Market Value
	1	2	3		
Bank deposit accounts	\$ 5,543,632	\$ --	\$ --	\$ 5,543,632	\$ 5,543,632
Total	\$ 5,543,632	\$ --	\$ --		
State treasurer's investment pool				35,597,965	35,597,965
State treasurer's investment pool – Agency funds				27,194,101	27,194,101
Total Investments and Deposits				\$ 68,335,698	\$ 68,335,698

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

NOTE C – INVESTMENTS - Continued

The County has investments in the S. C. Local Government Investment Pool at June 30, 2018 of \$62,792,066 (\$35,597,965 for the primary government and \$27,194,101 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	\$ 310,477
Special Revenue	General	<u>2,395</u>
	Total	<u>\$ 312,872</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

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, 2018, 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, 2018 follows:

General Fund	\$ 629,648
Debt Service Fund	<u>43,708</u>
 Total Governmental Activities	 <u>\$ 673,356</u>
 General Fund	 \$ 629,648
Debt Service Fund	43,708
Net Deferred tax revenue – Collections after 60 days	 <u>(605,744)</u>
 Net taxes payable – Governmental Funds	 <u>\$ 67,612</u>

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

NOTE F - LONG-TERM DEBT

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2018:

	Balance, <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2018</u>
Bonds payable	\$ 24,663,319	\$ 2,175,000	\$ 4,673,319	\$ 22,165,000
Lease purchase agreement	2,977,459	500,000	764,181	2,713,278
Accrued vacation	<u>634,026</u>	<u>85,126</u>	<u>--</u>	<u>719,152</u>
<b>Total Long Term Debt</b>	<b><u>\$ 28,274,804</u></b>	<b><u>\$ 2,760,126</u></b>	<b><u>\$ 5,437,500</u></b>	<b><u>\$ 25,597,430</u></b>

Bonds payable at June 30, 2018, 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	\$ 3,185,000
\$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	580,000
\$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 \$10,000 for the construction of the industrial park building	1,200,000
\$19,125,000 – 2017 Bonds (Sales Tax) , due in annual Installments of \$2,200,000 to \$3,155,000 through March 2025; Interest rate 1.63%. Current amount \$1,525,000	15,875,000
\$1,000,000 General Obligation , Series 2018A, due in Annual installments of \$88,722 to \$114,260 through March 2028; Interest rate 3.15%. Current amount due \$88,722	1,000,000
\$325,000 General Obligation Bonds, Series 2018B, due in Annual installments of \$27,992 to \$38,326 through March 2028; Interest rate 3.94%. Current amount due \$27,992	<u>325,000</u>
<b>Total bonds payable</b>	<b><u>\$ 22,165,000</u></b>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA  
 Year Ended June 30, 2018

NOTE F - LONG-TERM DEBT – Continued

Outstanding bonds payable are due as follows at June 30, 2018:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,286,714	\$ 948,088	\$ 3,234,802
2020	3,595,956	869,439	4,465,395
2021	3,454,447	713,650	4,168,097
2022	3,618,161	558,036	4,176,197
2023	3,782,104	394,766	4,176,870
2024 – 2027	<u>5,427,618</u>	<u>311,479</u>	<u>5,739,097</u>
Totals	<u>\$ 22,165,000</u>	<u>\$ 3,795,458</u>	<u>\$ 25,960,458</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, 2018 assessed property valuation (\$136,156,312) the County is below its legal debt limit of \$10,892,504. Bond indebtedness applied to the debt limit was \$3,105,000, leaving \$7,787,504 debt capacity remaining.

Special Source Revenue Bonds

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

Sales Tax Bond Payable

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

The County’s bond rating was from Moody’s Aa3.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

NOTE F - LONG-TERM DEBT – Continued

Lease Purchase Agreements

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 2018 – 2027. Current principal amount due is \$117,885.

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 2018 – 2018. Current principal amount due is \$273,244.

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 2018 – 2019. Current principal amount due is \$140,057

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 2018 – 2020. Current principal amount due is \$139,848

Lease Purchase 2017 was used to buy equipment for \$500,000. The annual interest rate is 2.23%. Annual payments of \$104,517 of principal and interest are due in December from 2018 – 2021. Current principal amount due is \$95,692

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

Outstanding lease purchase agreements are due as follows at June 30, 2018:

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 766,726	\$ 58,869	\$ 825,595
2020	503,136	45,443	548,579
2021	368,509	35,589	404,098
2022	226,707	27,786	254,493
2023	130,835	25,506	156,341
2024 – 2028	<u>707,849</u>	<u>79,176</u>	<u>787,025</u>
Totals	<u>\$ 2,713,278</u>	<u>\$ 272,369</u>	<u>\$ 2,985,647</u>

Accrued Vacation

At June 30, 2018, the liability for accrued vacation benefits recorded in the governmental activities was \$719,152. 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, 2018

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 – 9.00% of salary; PORS Class II – 9.75% 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, 2018

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>2018</u>	<u>2017</u>	<u>2016</u>
Total payroll	\$4,702,211	\$ 4,764,253	\$4,488,298
Covered payroll	4,702,211	4,764,253	4,488,298
County's contribution	630,566	543,601	489,673
Employee's contribution	423,199	412,584	366,243
Group life	7,053	7,146	6,732
County's Contribution %	13.41%	11.41%	10.91%
Employee's contribution %	9.00%	8.66%	8.16%

**PORS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total payroll	\$3,571,991	\$3,713,087	\$3,524,119
Covered payroll	3,571,991	3,713,087	3,524,119
County's contribution	565,803	513,891	470,117
Employee's contribution	348,269	343,089	308,008
Group Life and AD	7,144	7,426	7,048
Accidental death	7,144	7,426	7,048
County's Contribution %	15.84%	13.84%	13.34%
Employee's contribution %	9.75%	9.24%	8.74%

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

NOTE G - PENSION PLAN - Continued

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

At June 30, 2018 the County reported the following for its proportionate share of the net pension asset (liability) for each of the Retirement Systems (A/C 73602). The net pension asset (liability) was measured as of June 30, 2017 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, 2017	\$ (10,642,813)	\$(7,540,586)
County's portion of the Plan's Total net pension (liability)	0.047277 %	0.27525 %

For the year ended June 30, 2018, the County recognized pension expense (credit) of \$706,230 for SCRS and \$536,678 for PORS. At June 30, 2018 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	1,828,839	
Investment Experience - SCRS		567,411
Payments made in 2018 – SCRS	630,566	
Liability Experience – PORS	1,572,795	
Investment Experience- PORS		542,913
Payments made in 2018 – PORS	565,803	

District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year June 30, 2018. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	SCRS	PORS
2019	\$ 541,719	422,852
2020	350,629	286,834
2021	(79,017)	17,741

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

Actuarial Assumptions

Actuarial cost method	Entry Age	Entry Age
Investment rate of return	7.25%	7.25%
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 2017. For actuarial purposes, the 7.25% 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, 2018

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

	<u>6.25%</u>	<u>7.25%</u>	<u>8.25%</u>
SCRS	\$ 13,717,124	\$ 10,642,813	\$ 8,777,429
PORS	\$ 10,181,226	\$ 7,540,586	\$ 5,460,590

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, 2017	June 30, 2017
Total pension asset/(liability)	\$ (48,244,437,494)	\$ (7,013,684,001)
Plan fiduciary net position	\$ 25,732,829,268	\$ 4,274,123,178
Employers Net Pension Liability	\$ 22,511,608,226	\$ 2,739,560,823
Ratio of plan net position to total pension (liability)	53.3 %	60.9 %

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, 2018

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		575,242
Assigned for debt service		4,251,297
Assigned for capital projects		18,236,453
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 2018-2019 on an economic development project.

NOTE L – BUDGET VARIANCES

The County had unfavorable variances in the general fund in Delinquent Taxes, & Planning and development (higher economic opportunity).

NOTES TO FINANCIAL STATEMENTS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

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 accrued a liability of \$1,284,000 for future estimated costs.

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, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance, <u>June 30, 2018</u>
Buildings and Land *	\$ 44,193,518	\$ --	\$ --	\$ 44,193,518
Vehicles and equipment	18,375,899	3,503,153	(434,227)	21,444,825
Roads	11,340,105	--	--	11,340,105
Airport Impr	5,654,044	--	--	5,654,044
Accumulated Depreciation	<u>(47,019,711)</u>	<u>(4,764,726)</u>	<u>434,227</u>	<u>(51,350,210)</u>
Total	<u>\$ 32,543,855</u>	<u>\$ (1,231,573)</u>	<u>\$ --</u>	<u>\$ 31,312,282</u>

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

The County recorded depreciation expense of \$4,764,726 shown in current expenses on the statement of activities – governmental activities. Depreciation was allocated as follows:

Administration	\$ --
Tax assessment	1,964
Admin of Justice	8,998
Law Enforcement	579,211
Detention	634
Public Safety	1,563,524
Public Works	2,610,395
Planning and Development	<u>--</u>
Total	<u>\$ 4,764,726</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, 2018

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, 2018

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

B. Funding Policy

As required an actuary will determine the County's OPEB Obligation at least once every two fiscal years. The amount is calculated in accordance with certain parameters.

Accounting standards do 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, 2018, the amount actually contributed to the plan, and changes in the County's Net OPEB Obligation/(Asset):

<u>Item</u>	<u>FYE 6/30/18</u>
Service cost	\$ 641,417
Interest on Net OPEB Obligation	469,710
Adjustment to Annual Required Contributions	<u>          --</u>
Annual OPEB cost	\$ 1,111,127
Benefit payments	<u>      (102,141)</u>
Increase in Net OPEB Obligation	\$ 1,008,986
Net OPEB Obligation – Beginning of Year	<u>      13,029,198</u>
Net OPEB Obligation – End of Year	<u>\$ 14,031,806</u>

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

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, 2018 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation/(Asset)</u>
06/30/16	\$849,833	\$126,280	14.86%	\$4,565,313
06/30/17	\$996,504	102,141	10.25%	\$5,459,676
06/30/18 **	1,111,127	102,141	9.19%	14,031,806

\*\* - Beginning with FY 2018 the County implemented GASB 75 which changed the presentation of the liabilities.

D. Funded Status and Funding Progress - The funded status of the plan as of June 30, 2018 was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2014	\$0	\$6,483,456	\$6,483,456	0.00%	\$7,773,864	83.40%
7/1/2016	\$0	11,105,433	11,105,433	0.00%	\$8,617,119	129%
6/30/2018	\$0	14,031,806	14,031,806	0.00%	8,135,387	172%

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 OPEB cost of the County are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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 June 30, 2018. The actuarial assumptions included a 3.62 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 5 percent.

NOTES TO FINANCIAL STATEMENTS  
 NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

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

Analysis

The discount rate used to measure the total pension liability was 3.62% and the healthcare cost trend rate was 5.0%. The following table presents the sensitivity of the net pension liability to changes in these rates.

	<u>-1.0%</u>	<u>Rate</u>	<u>+1.0%</u>
Discount	\$ 17,483,213	\$ 14,031,806	\$ 11,379,026
Healthcare Cost	\$ 10,915,439	\$ 14,031,806	\$ 18,283,239

NOTE Q – TRANSFERS

Individual fund transfers for the year ended June 30, 2018 were:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Special Revenue	\$ 1,625,263
Debt Service	Capital Projects	2,044,918

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, 2018. The County values its inventory at cost.

NOTES TO FINANCIAL STATEMENTS  
NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

NOTE S – NET POSITION

The County has an unrestricted net deficit in the governmental activities of \$12,643,293. This deficit was caused by the implementation of GASB 68 - Net Pension Liability and GASB 75 – OPEB Liability. The County anticipates paying the required contribution amounts for these liabilities.

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, 2018 the County has 19 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 \$5,045,014 on business property valued at \$240,099,562.

NOTE U – PRIOR PERIOD ADJUSTMENT

The County implemented GASB 75 as discussed in Note P – Other Post-retirement Benefits. This resulted in a prior period adjustment of \$5,554,522 to record the Net OPEB Liability.

The County hired an engineer to estimate the estimated post-closure cost of the landfill. The County has accrued a liability of \$1,284,000 for future estimated costs. This resulted in a prior period adjustment of \$1,284,000.

REQUIRED SUPPLEMENTAL INFORMATION

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2018

REVENUE

Interest	\$	51,144
Sales tax		<u>-</u>
<b>TOTAL REVENUE</b>		<u>51,144</u>

EXPENDITURES

Capital Outlays		
Sales tax projects		9,335,850
Capital budgets		<u>1,189,370</u>

**TOTAL EXPENDITURES** 10,525,220

OTHER FINANCING SOURCES/(USES)

Lease purchase proceeds	500,000
GO bond	325,000
Transfer In	<u>2,044,918</u>

**EXCESS OF REVENUE  
OVER EXPENDITURES** (7,604,158)

Fund balance, beginning of year 25,800,776

**FUND BALANCE, END OF YEAR** \$ 18,196,618

SCHEDULE OF THE COUNTY'S PROPORTIONATE  
SHARE OF THE NET PENSION LIABILITY  
NEWBERRY COUNTY  
FOR THE YEARS ENDED JUNE 30, 2015 - 2018

<b>SCRS</b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
County's proportion of the net pension liability	0.047277%	0.046346%	0.045572%	0.043778%
County's proportionate share of the net pension liability	10,642,813	9,899,437	8,642,950	7,536,604
County's covered payroll during the measurement period	4,702,211	4,764,253	4,488,298	4,271,819
County's contribution ***	630,566	543,601	489,673	459,221
Contribution percentage	13.41%	11.41%	10.91%	10.75%
County's share of the net pension liability as a percentage of its covered payroll	226.34%	207.79%	192.57%	176.43%
Plan fiduciary net position as a percentage of total pension liability	53.3%	52.9%	57.0%	59.9%
 <b>PORS</b>	 <b><u>2018</u></b>	 <b><u>2017</u></b>	 <b><u>2016</u></b>	 <b><u>2015</u></b>
County's proportion of the net pension liability	0.275250%	0.276410%	0.276520%	0.276450%
County's proportionate share of the net pension liability	7,540,586	7,010,994	6,026,656	5,292,435
County's covered payroll during the measurement period	3,571,991	3,713,087	3,524,119	3,425,356
County's contribution ***	565,803	513,891	470,117	445,639
Contribution percentage	15.84%	13.84%	13.34%	13.01%
County's share of the net pension liability as a percentage of its covered payroll	211.10%	188.82%	171.01%	154.51%
Plan fiduciary net position as a percentage of total pension liability	60.9%	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, 2018

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue			
Taxes			
Property taxes, current	\$ 16,193,479	\$ 16,521,530	\$ 328,051
Property taxes - Community Service Levies	1,000,000	1,016,409	16,409
Fee in lieu of taxes	1,479,826	1,685,596	205,770
Delinquent taxes	600,000	524,907	(75,093)
Delinquent tax cost	<u>168,875</u>	<u>154,310</u>	<u>(14,565)</u>
Total Taxes	<u>19,442,180</u>	<u>19,902,752</u>	<u>460,572</u>
Intergovernmental			
Local government	1,484,603	1,444,035	(40,568)
Merchant inventory tax	86,000	86,536	536
Salary supplements	6,300	6,300	-
Accomodations tax	3,200	75,748	72,548
National forestry fund	160,000	148,567	(11,433)
Solid waste - state grant	20,000	18,866	(1,134)
Grants	-	1,269,053	1,269,053
Disaster preparedness	<u>125,000</u>	<u>125,309</u>	<u>309</u>
Total Intergovernmental	<u>1,885,103</u>	<u>3,174,414</u>	<u>1,289,311</u>
Fines and fees			
Clerk of Court - fines and fees	130,000	125,482	(4,518)
CCCP fees	103,000	145,846	42,846
Clerk of Court - copies	22,000	24,839	2,839
Central Court	300,000	344,686	44,686
Registration and election	30,000	38,086	8,086
Animal control	31,000	35,149	4,149
Probate Judge - fees	65,000	91,699	26,699
Probate Judge - copies	1,000	2,490	1,490
Sheriff - fees	4,000	3,420	(580)
Forfeit land commission	3,000	46,967	43,967
Building Inspection	180,000	528,604	348,604
Bad check	500	2,009	1,509
Tipping fees	935,000	820,528	(114,472)

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Fines and fees - continued			
Recycle revenue	23,000	35,531	12,531
Zoning fee	45,000	64,692	19,692
Cable/phone franchise	<u>18,000</u>	<u>22,411</u>	<u>4,411</u>
Total Fines and fees	<u>1,890,500</u>	<u>2,332,439</u>	<u>441,939</u>
Other			
Interest	30,000	116,781	86,781
Veterans affairs	5,000	4,704	(296)
Mobile home licenses	600	900	300
Assessor's GIS	2,500	1,901	(599)
Soil and Water Conservation	48,215	51,105	2,890
School resource officer	341,538	344,245	2,707
FFP	34,000	17,172	(16,828)
Miscellaneous	<u>200,500</u>	<u>263,200</u>	<u>62,700</u>
Total Other	<u>662,353</u>	<u>800,008</u>	<u>137,655</u>
Balance brought forward	<u>1,089,754</u>	<u>-</u>	<u>(1,089,754)</u>
TOTAL REVENUE	<u>24,969,890</u>	<u>26,209,613</u>	<u>1,239,723</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Expenditures			
LEGISLATIVE			
County Council			
Personnel	153,017	154,988	(1,971)
Social security	11,706	11,272	434
Retirement	19,621	19,589	32
Travel - council	27,320	14,955	12,365
Insurance	81,744	79,098	2,646
Workers compensation	4,202	3,644	558
Advertising	1,999	971	1,028
Audit and accounting	30,000	22,419	7,581
Contingency	1,500	623	877
Bookbinding	500	5,370	(4,870)
Contracted maintenance	1,000	1,000	-
Office expenses	1,500	1,468	32
Postage	200	200	-
Telephone	7,600	7,059	541
Subsistence	520	-	520
	<u>342,429</u>	<u>322,656</u>	<u>19,773</u>
TOTAL LEGISLATIVE			
ADMINISTRATION			
County Administrator			
Personnel	445,777	445,541	236
Social security	34,102	33,052	1,050
Retirement	56,012	55,892	120
Insurance	49,596	53,517	(3,921)
Workers compensation	11,475	9,948	1,527
Advertising	2,000	996	1,004
Maintenance	7,500	8,379	(879)
Copier machine	1,000	160	840
Memberships & Dues	1,200	255	945
Office expense	4,175	4,198	(23)
Postage	3,700	2,319	1,381
Printing	2,500	2,500	-
Telephone	5,000	4,839	161

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
County Administrator - continued			
Training	4,000	2,156	1,844
Travel	5,000	1,605	3,395
Subsistence	<u>6,000</u>	<u>4,379</u>	<u>1,621</u>
Total County Administrator	<u>639,037</u>	<u>629,736</u>	<u>9,301</u>
Miscellaneous Operating			
Contracted maintenance	42,000	16,935	25,065
Insurance	25,000	2,688	22,312
Tort insurance	120,000	103,709	16,291
Insurance - buildings	110,000	97,838	12,162
Repairs to vehicle	3,000	-	3,000
Subsistence	13,500	17,648	(4,148)
Unemployment insurance	5,000	149	4,851
Employee service recognition	2,650	1,800	850
Fuel	14,750	-	14,750
Medical	2,000	2,028	(28)
Workmens Comp	14,908	3,953	10,955
Payroll service	65,000	32,594	32,406
IT Department	289,090	294,461	(5,371)
Legals	<u>194,915</u>	<u>318,079</u>	<u>(123,164)</u>
Total Miscellaneous Operating	<u>901,813</u>	<u>891,882</u>	<u>9,931</u>
TOTAL ADMINISTRATION	<u>1,540,850</u>	<u>1,521,618</u>	<u>19,232</u>
TAX ASSESSMENT & COLLECTION			
Treasurer's Office			
Personnel	193,006	194,531	(1,525)
Overtime	1,379	-	1,379
Social security	14,870	14,418	452
Retirement	24,415	24,410	5
Insurance	35,284	35,752	(468)
Workers compensation	3,140	2,724	416
Advertising	200	75	125
Contracted maintenance	20,000	19,819	181
Professional services	46,619	43,397	3,222
Membership & dues	200	155	45

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Treasurer's Office - continued			
Office expense	5,000	4,579	421
Postage	45,000	28,788	16,212
Printing	10,000	8,799	1,201
Telephone	2,000	1,182	818
Training	1,455	1,095	360
Travel	2,700	766	1,934
Subsistence	2,770	1,750	1,020
Office Furniture/Equipment	-	-	-
	<u>408,038</u>	<u>382,240</u>	<u>25,798</u>
Auditor's Office			
Personnel	216,644	216,644	-
Social security	16,573	15,991	582
Retirement	27,210	27,167	43
Insurance	29,715	30,110	(395)
Workers compensation	3,299	2,860	439
Advertising	200	200	-
Contracted maintenance	21,000	19,252	1,748
Professional services	46,620	44,381	2,239
Memberships & dues	200	105	95
Office expense	3,000	2,307	693
Postage	1,200	1,140	60
Printing	6,500	5,795	705
Subscriptions & books	600	459	141
Telephone	2,050	1,819	231
Training	1,495	1,215	280
Travel	2,730	1,721	1,009
Subsistence	3,070	2,299	771
Office furniture	-	-	-
	<u>382,106</u>	<u>373,465</u>	<u>8,641</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Assessor's Office			
Personnel	376,114	375,175	939
Overtime	1,000	-	1,000
Social security	28,849	27,964	885
Retirement	47,366	46,770	596
Insurance	63,996	71,462	(7,466)
Workers compensation	7,691	6,668	1,023
Advertising	500	46	454
Contracted maintenance	101,290	93,176	8,114
Vehicle insurance	3,100	3,036	64
Memberships & dues	290	150	140
Office expense	5,182	3,943	1,239
Postage	1,014	1,111	(97)
Printing	722	509	213
Subscriptions	1,669	972	697
Telephone	1,347	1,173	174
Training	3,660	1,870	1,790
Travel	719	660	59
Subsistence	1,700	1,361	339
Gas, oil, grease	2,728	1,321	1,407
Uniforms	896	747	149
	<hr/>	<hr/>	<hr/>
Total Assessor's Office	649,833	638,114	11,719
	<hr/>	<hr/>	<hr/>
Tax Collector			
Personnel	44,222	41,573	2,649
Overtime	3,148	1,509	1,639
Social security	3,624	6,484	(2,860)
Retirement	5,950	4,999	951
Insurance	5,768	5,840	(72)
Workers compensation	1,297	1,124	173
Advertising	17,000	11,509	5,491
Contracted maintenance	5,500	4,238	1,262
Professional fees	5,000	3,414	1,586
Consulting	19,700	13,450	6,250
Memberships & dues	125	80	45
Office expense	1,500	269	1,231

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Tax Collector - continued			
Postage	30,000	23,828	6,172
Printing	800	626	174
Supplies	800	285	515
Subscriptions	150	121	29
Telephone	700	549	151
Training	900	325	575
Travel	1,200	436	764
Subsistence	500	297	203
Review board and appeals	<u>4,200</u>	<u>3,630</u>	<u>570</u>
 Total Tax Collector	 <u>152,084</u>	 <u>124,586</u>	 <u>27,498</u>
 TOTAL TAX ASSESSMENT & COLLECTION	 <u>1,592,061</u>	 <u>1,518,405</u>	 <u>73,656</u>
 REGISTRATION & ELECTION BOARD			
Personnel	81,908	80,872	1,036
Precinct personnel	15,200	1,260	13,940
Board members	10,706	12,360	(1,654)
Social security	6,266	6,187	79
Retirement	10,315	10,156	159
Insurance	12,459	12,647	(188)
Advertising	2,000	461	1,539
Contracted maintenance	21,542	21,542	-
Utilities	-	3,820	(3,820)
Memberships and dues	360	400	(40)
Office expense	1,921	1,257	664
Postage	3,200	2,844	356
Printing	4,375	3,042	1,333
Supplies	3,001	2,769	232
Telephone	1,500	991	509
Training	1,880	590	1,290
Travel	4,040	3,220	820
Subsistence	2,000	1,007	993
Other Equipment	<u>2,080</u>	<u>2,080</u>	<u>-</u>
 TOTAL REGISTRATION & ELECTION BOARD	 <u>184,753</u>	 <u>167,505</u>	 <u>17,248</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ADMINISTRATION OF JUSTICE</b>			
<b>Criminal &amp; Civil Court</b>			
Solicitor's office	121,867	121,867	-
Personnel - bailiff	16,057	15,744	313
Jury fees	35,000	35,000	-
Contracted maintenance	8,500	8,258	242
Office	3,600	3,585	15
Postage	2,500	2,500	-
Printing	1,500	1,079	421
Telephone	1,500	1,243	257
DJJ	<u>1,000</u>	<u>788</u>	<u>212</u>
Total Criminal & Civil Court	<u>191,524</u>	<u>190,064</u>	<u>1,460</u>
<b>Clerk of Court</b>			
Personnel	211,573	238,066	(26,493)
Social security	16,185	17,278	(1,093)
Retirement	26,574	30,124	(3,550)
Insurance	37,769	60,574	(22,805)
Workers compensation	3,347	2,900	447
Contracted maintenance	79,000	77,284	1,716
Memberships & dues	125	125	-
Office expense	7,500	7,857	(357)
Postage	30,000	16,629	13,371
Printing	4,000	3,064	936
Telephone	1,600	1,329	271
Training	700	300	400
Subsistence	1,500	607	893
Travel	<u>800</u>	<u>227</u>	<u>573</u>
Total Clerk of Court	<u>420,673</u>	<u>456,364</u>	<u>(35,691)</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Family Court - Clerk of Court			
Personnel	142,763	114,792	27,971
Social security	10,921	8,723	2,198
Retirement	17,804	14,120	3,684
Insurance	29,517	17,519	11,998
Workers compensation	443	384	59
Contracted maintenance	28,000	24,246	3,754
Office expense	3,999	3,373	626
Postage	5,000	5,000	-
Printing	10,300	2,766	7,534
Telephone	1,600	1,600	-
Training	500	300	200
	<u>250,847</u>	<u>192,823</u>	<u>58,024</u>
Total Family Court - Clerk of Court			
Probate Judge			
Personnel	183,779	183,779	-
Social security	14,059	13,308	751
Retirement	26,846	25,947	899
Insurance	40,236	36,622	3,614
Workers compensation	3,667	3,180	487
Advertising	200	167	33
Contracted maintenance	3,243	3,243	-
Membership & dues	570	570	-
Office expense	5,147	4,964	183
Postage	2,000	1,384	616
Printing	600	283	317
Telephone	1,601	1,528	73
Education & training	3,021	2,460	561
Travel	5,174	5,176	(2)
Office furniture/equipment	5,000	4,980	20
	<u>295,143</u>	<u>287,591</u>	<u>7,552</u>
Total Probate Judge			
Probation & Parole Office			
P.O. Box rent	-	-	-
Telephone	950	1,025	(75)
	<u>950</u>	<u>1,025</u>	<u>(75)</u>
Total Probation & Parole Office			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Defender			
Personnel	63,315	62,804	511
Social security	4,844	4,492	352
Retirement	6,337	7,210	(873)
Insurance	12,214	12,393	(179)
Workmens Comp	221	192	29
Copier Machine	100	-	100
Office Expense	250	-	250
Postage	50	-	50
Telephone	1,100	113	987
Training	750	695	55
	<u>89,181</u>	<u>87,899</u>	<u>1,282</u>
Total Public Defender			
Coroner			
Personnel	64,790	64,839	(49)
Social security	4,956	4,739	217
Retirement	6,248	9,542	(3,294)
Insurance	5,768	10,341	(4,573)
Workers compensation	2,231	1,936	295
Contracted maintenance	750	750	-
Vehicle insurance	1,950	1,749	201
Memberships & dues	600	350	250
Office expense	1,183	1,455	(272)
Postage	100	98	2
Repairs	1,101	395	706
Telephone	1,550	1,515	35
Training	1,650	1,389	261
Travel	1,000	633	367
Subsistence	1,600	279	1,321
Fuel	3,000	3,192	(192)
Supplies	2,550	2,489	61
Uniforms	800	492	308
Post Mortems & BA	55,000	63,695	(8,695)
Capital outlay	18,007	18,007	-
	<u>174,834</u>	<u>187,885</u>	<u>(13,051)</u>
Total Coroner			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Magistrate District 2</b>			
Personnel	316,981	312,004	4,977
Jury fees	20,000	20,000	-
Social security	23,742	23,244	498
Retirement	43,806	43,918	(112)
Insurance	54,606	54,377	229
Workers compensation	974	844	130
Contracted maintenance	23,500	22,559	941
Consulting & tech fees	1,000	-	1,000
Memberships	550	370	180
Office expense	11,012	11,012	-
Postage	10,001	6,177	3,824
Printing	300	-	300
Telephone	2,000	1,264	736
Training	2,600	900	1,700
Travel	2,500	938	1,562
Subsistence	4,000	2,832	1,168
Capital outlay	4,979	4,949	30
	<u>522,551</u>	<u>505,388</u>	<u>17,163</u>
<b>TOTAL ADMINISTRATION OF JUSTICE</b>			
	<u>1,945,703</u>	<u>1,909,039</u>	<u>36,664</u>
<b>LAW ENFORCEMENT - Sheriff's Department</b>			
Personnel	1,932,892	1,897,842	35,050
Overtime	125,000	100,217	24,783
School resource officer - salary and benefits	339,161	351,640	(12,479)
Social security	157,429	149,839	7,590
Retirement	331,167	303,552	27,615
Insurance	364,075	365,536	(1,461)
Workers compensation	73,450	63,681	9,769
Contracted maintenance	68,000	55,012	12,988
Professional services	1,200	449	751
Vehicle insurance	66,187	62,402	3,785
Membership & dues	8,000	6,306	1,694
Office expense	4,236	4,158	78
Postage	900	885	15

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Printing	2,000	1,772	228
Transportation of Prisoners	2,500	2,397	103
Repairs to vehicle	10,000	9,707	293
Telephone	-	162	(162)
Training	3,000	2,650	350
Travel	500	-	500
Subsistence	2,500	1,548	952
Ammo & guns	3,000	2,949	51
Cleaning supplies	5,000	2,975	2,025
Gas, oil, grease	174,000	154,109	19,891
Photo supplies	2,500	2,537	(37)
Police supplies	7,500	7,475	25
CIRT supplies	3,000	2,975	25
Uniforms	32,000	31,733	267
Special law enforcement	1,000	995	5
Supplies	4,500	4,608	(108)
Crime prevention	1,000	999	1
School safety	3,000	2,923	77
Capital replacement	<u>260,666</u>	<u>221,988</u>	<u>38,678</u>
 Total Sheriff's Department	 <u>3,989,363</u>	 <u>3,816,021</u>	 <u>173,342</u>
 TOTAL LAW ENFORCEMENT	 <u>3,989,363</u>	 <u>3,816,021</u>	 <u>173,342</u>
 DETENTION			
Corrections			
Personnel	999,419	903,468	95,951
Overtime	80,000	68,101	11,899
Social security	82,576	72,785	9,791
Retirement	164,502	146,354	18,148
Insurance	184,354	205,881	(21,527)
Workers compensation	60,507	52,460	8,047
Contracted maintenance	65,000	61,321	3,679
Utilities	75,000	89,247	(14,247)
Vehicle insurance	2,500	3,178	(678)
Memberships & dues	1,000	925	75
Office expense	4,000	4,225	(225)
Ammo & Gunns	1,000	892	108

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Postage	230	225	5
Printing	800	800	-
Training	2,950	710	2,240
Travel	1,500	-	1,500
Bedding	3,000	2,987	13
Subsistence	3,000	2,453	547
Chemicals	7,500	7,428	72
Cleaning materials	10,000	9,986	14
Food	115,000	99,491	15,509
Fuel	2,500	-	2,500
Medical	155,000	153,625	1,375
Supplies	3,900	3,560	340
Uniforms	10,000	10,000	-
Clothing	8,000	7,334	666
DYS Juvenile	5,000	1,800	3,200
Kitchen supplies	2,500	2,023	477
Other equipment	17,500	10,857	6,643
	<u>2,068,238</u>	<u>1,922,116</u>	<u>146,122</u>
Total Corrections			
	<u>2,068,238</u>	<u>1,922,116</u>	<u>146,122</u>
TOTAL DETENTION			
	<u>2,068,238</u>	<u>1,922,116</u>	<u>146,122</u>
<b>PUBLIC SAFETY</b>			
Public Safety			
Personnel	89,752	89,752	-
Social security	6,866	6,781	85
Retirement	3,184	11,255	(8,071)
Insurance	24,610	24,979	(369)
Workers compensation	5,793	5,024	769
Contracted maintenance	10,000	10,600	(600)
Vehicle insurance	1,500	619	881
Office expense	1,403	1,145	258
Postage	200	-	200
Telephone	1,000	1,175	(175)
Training	2,000	1,888	112
	<u>146,308</u>	<u>153,218</u>	<u>(6,910)</u>
Total Public Safety			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Animal Control			
Personnel	150,618	144,374	6,244
Overtime	8,000	2,774	5,226
Social security	12,134	11,106	1,028
Retirement	19,922	16,100	3,822
Insurance	23,071	24,562	(1,491)
Workers compensation	3,792	3,288	504
Advertising	3,198	3,000	198
Utilities	29,000	30,144	(1,144)
Insurance vehicles	3,360	-	3,360
Memberships and dues	400	420	(20)
Office expense	2,500	1,489	1,011
Contracted Maintenance	3,400	2,153	1,247
Postage	100	49	51
Telephone	3,500	3,072	428
Training	1,350	745	605
Travel	300	-	300
Subsistence	1,400	595	805
Cleaning supplies	2,000	694	1,306
Dog food	3,000	2,167	833
Gas, oil and grease	8,000	5,111	2,889
Medical and surgical	60,500	53,307	7,193
Medication	19,000	12,224	6,776
Tools	1,000	152	848
Uniforms	2,000	510	1,490
Supplies	1,500	-	1,500
Capital Outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Animal Control	363,045	318,036	45,009
	<hr/>	<hr/>	<hr/>
Communications			
Personnel	431,067	419,517	11,550
Overtime	50,000	58,161	(8,161)
Social security	37,816	35,845	1,971
Retirement	62,418	60,243	2,175
Insurance	89,678	88,269	1,409
Workers compensation	1,476	1,368	108

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Contracted maintenance	56,600	55,752	848
Memberships and dues	125	125	-
Office expense	5,000	3,502	1,498
Printing	140	-	140
Telephone	355,000	48,398	306,602
Training	1,200	700	500
Travel	750	-	750
Subsistence	1,001	77	924
Capital Outlay	<u>76,000</u>	<u>74,531</u>	<u>1,469</u>
Total Communications	<u>1,168,271</u>	<u>846,488</u>	<u>321,783</u>
Board of Rescue Squads			
Grant Match Funds	10,000	-	10,000
Workers compensation	21,683	18,800	2,883
Nominal Reimb - Volunteers	32,000	30,354	1,646
Contracted maintenance	13,000	7,645	5,355
Utilities	24,000	24,000	-
Vehicle insurance	25,000	25,980	(980)
Repairs to equipment	15,000	10,824	4,176
Telephone	4,000	3,655	345
Training	10,000	2,766	7,234
Gas, oil, grease	17,100	14,415	2,685
Medical supplies	11,514	11,514	-
Rescue supplies	56,740	56,715	25
Capital outlay	<u>59,245</u>	<u>58,539</u>	<u>706</u>
Total Board of Rescue Squads	<u>299,282</u>	<u>265,207</u>	<u>34,075</u>
Hazardous Materials			
Nominal Reimb - Volunteers	6,952	2,687	4,265
Repair to Radio	75	-	75
Telephone	480	815	(335)
Training	3,980	2,804	1,176
Supplies	<u>3,400</u>	<u>2,984</u>	<u>416</u>
Total Hazardous Materials	<u>14,887</u>	<u>9,290</u>	<u>5,597</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
GIS Department			
Personnel	42,784	42,784	-
Overtime	1,000	-	1,000
Social security	3,349	3,216	133
Retirement	5,499	4,919	580
Insurance	5,768	5,840	(72)
Workers compensation	135	116	19
Contracted maintenance	64,104	50,050	14,054
Office expense	1,580	1,479	101
Training	1,440	365	1,075
Travel	400	247	153
Subsistence	1,110	108	1,002
	<u>127,169</u>	<u>109,124</u>	<u>18,045</u>
Total GIS Department			
Board of Rural Fire Control			
Grant match	10,000	8,750	1,250
Workers compensation	14,455	12,532	1,923
Nominal Reimb - Volunteers	104,586	115,435	(10,849)
Contracted services	27,000	27,228	(228)
Shared revenue	131,000	126,513	4,487
Contracted maintenance	39,077	35,745	3,332
Utilities	79,200	79,200	-
Vehicle insurance	48,000	48,951	(951)
Office	500	405	95
Postage	200	134	66
Repairs to equipment	77,860	76,278	1,582
Repairs to radio	4,140	4,140	-
Telephone	6,000	5,939	61
Training	4,988	3,438	1,550
Cleaning supplies	2,000	1,933	67
Gas, oil, grease	32,296	22,740	9,556
Medical	22,000	21,865	135
Fire supplies	12,500	12,265	235
Capital	60,000	58,951	1,049
	<u>675,802</u>	<u>662,442</u>	<u>13,360</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Building Inspections</b>			
Personnel	102,640	105,379	(2,739)
Contracted personnel	13,500	25,708	(12,208)
Social security	7,852	7,810	42
Retirement	12,892	13,242	(350)
Insurance	15,807	16,022	(215)
Workers compensation	1,934	1,676	258
Contracted maintenance	4,000	3,369	631
Vehicle insurance	650	661	(11)
Memberships	300	145	155
Office	4,000	2,021	1,979
Postage	500	190	310
Printing	1,200	774	426
Subscriptions	1,000	53	947
Telephone	2,200	2,044	156
Training	2,000	909	1,091
Travel	1,750	109	1,641
Subsistence	1,000	396	604
Fuel	2,500	1,861	639
Uniforms	200	163	37
Capital outlay	-	26,956	(26,956)
	<u>175,925</u>	<u>209,488</u>	<u>(33,563)</u>
<b>Total Building Inspections</b>			
<b>Ambulance</b>			
Contracted maintenance	2,685	1,917	768
Vehicle insurance	20,000	21,669	(1,669)
Repairs to vehicle	22,139	16,377	5,762
Training	1,500	373	1,127
Gas, oil, grease	49,999	50,723	(724)
Uniforms	14,000	10,564	3,436
Appropriations	1,050,600	1,050,600	-
Capital outlay	17,176	17,176	-
	<u>1,178,099</u>	<u>1,169,399</u>	<u>8,700</u>
<b>Total Ambulance</b>			

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Public Safety - Substations			
Lake Murray - Utilities	16,204	16,204	-
Silverstreet - Utilities	3,000	2,122	878
Whitmire - Utilities and maintenance	17,900	16,160	1,740
	<u>37,104</u>	<u>34,486</u>	<u>2,618</u>
Total Public Safety - Substations			
	<u>4,185,892</u>	<u>3,777,178</u>	<u>408,714</u>
<b>TOTAL PUBLIC SAFETY</b>			
 <b>PUBLIC WORKS &amp; MAINTENANCE</b>			
Public Works			
Personnel	590,889	572,482	18,407
Overtime	11,440	14,049	(2,609)
Social security	46,192	43,280	2,912
Retirement	75,538	74,106	1,432
Insurance	136,748	139,388	(2,640)
Workers compensation	48,809	42,312	6,497
Advertising	500	256	244
Contracted maintenance	60,000	44,500	15,500
Utilities	22,000	18,381	3,619
Vehicle insurance	30,270	31,188	(918)
Memberships	350	-	350
Rent/Rental Equipment	1,000	103	897
Office expense	5,500	2,981	2,519
Postage	600	355	245
Repairs to vehicles & equipment	45,000	43,253	1,747
Supplies	4,500	4,274	226
Telephone	4,000	4,091	(91)
Training	3,500	-	3,500
Travel	400	-	400
Subsistence	1,300	-	1,300
Cleaning materials	200	-	200
Bridge materials	10,000	9,564	436
Fertilizer, plants, seeds	2,000	299	1,701
Gas, oil, grease	33,000	39,292	(6,292)
Diesel fuel	23,000	25,599	(2,599)
Safety supplies	3,800	978	2,822
Gravel	65,000	59,255	5,745

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Public Works - continued</b>			
Asphalt	24,000	5,655	18,345
Pipe	10,000	3,857	6,143
Tools	5,000	2,919	2,081
Road signs	8,000	5,555	2,445
219 Beautification Project	48,000	49,253	(1,253)
Uniforms	7,500	5,663	1,837
Capital outlay	103,511	100,023	3,488
Road paving and improvements	<u>40,000</u>	<u>24,060</u>	<u>15,940</u>
Total Public Works	<u>1,471,547</u>	<u>1,366,971</u>	<u>104,576</u>
<b>Central Maintenance</b>			
Contracted maintenance	550,513	544,017	6,496
Utilities	11,000	14,166	(3,166)
Fuel	2,662	1,937	725
Tools	250	76	174
Other Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Central Maintenance	<u>564,425</u>	<u>560,196</u>	<u>4,229</u>
<b>Building Maintenance</b>			
Personnel	289,783	289,323	460
Social security	22,167	21,853	314
Retirement	36,397	36,523	(126)
Insurance	42,541	43,084	(543)
Workers compensation	14,399	12,654	1,745
Contracted maintenance	36,000	29,771	6,229
Utilities	258,000	231,716	26,284
Vehicle insurance	4,000	4,567	(567)
Office Expense	1,501	1,501	-
Supplies	57,321	56,983	338
Telephone	8,000	8,205	(205)
Cleaning Supplies	23,500	21,725	1,775
Floor Cleaning	1,700	-	1,700
Gas, oil, grease	12,020	13,390	(1,370)
Tools	1,500	1,072	428
Uniforms	1,400	1,226	174

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>Building Maintenance - continued</b>			
Capital Repairs Bldgs	218,300	213,998	4,302
Capital outlay	<u>38,000</u>	<u>36,022</u>	<u>1,978</u>
Total Building Maintenance	<u>1,066,529</u>	<u>1,023,613</u>	<u>42,916</u>
<b>Community Hall</b>			
Contracted maintenance	5,200	3,345	1,855
Utilities	14,000	10,998	3,002
Repairs building	<u>5,390</u>	<u>4,186</u>	<u>1,204</u>
Total Community Hall	<u>24,590</u>	<u>18,529</u>	<u>6,061</u>
<b>Collections</b>			
Personnel	34,321	34,321	-
Social security	2,626	2,315	311
Retirement	4,311	4,304	7
Insurance	16,003	16,241	(238)
Workers compensation	106	92	14
Advertising	1,500	202	1,298
Contingency	8,500	-	8,500
Contracted personnel	316,285	315,704	581
Contracted maintenance	441,833	433,346	8,487
Repairs to equipment	7,499	2,967	4,532
Utilities	20,541	23,151	(2,610)
Vehicle insurance	2,500	2,223	277
Membership and dues	235	-	235
Office	1,500	697	803
Postage	200	-	200
Printing	100	-	100
Supplies	2,000	1,538	462
Telephone	5,224	6,084	(860)
Training	500	-	500
Travel	200	180	20
Subsistence	750	232	518
Gas, oil, grease	7,500	7,624	(124)
Supplies	750	609	141
Tools and other equipment	500	-	500

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Collections - continued			
Road Signs	500	-	500
Keep America Beautiful Program	2,500	2,585	(85)
Capital Outlay	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Total Collections	<u>880,984</u>	<u>854,415</u>	<u>26,569</u>
Transfer Station			
Personnel	28,921	28,291	630
Social security	2,212	2,135	77
Retirement	3,632	3,541	91
Insurance	5,768	5,840	(72)
Workmens Comp	87	57	30
Contracted services	1,714,450	1,556,563	157,887
Repairs to equipment	7,500	1,713	5,787
Utilities	7,500	5,762	1,738
Sewer disposal	3,500	3,000	500
Office	70	115	(45)
Supplies	2,500	2,497	3
Equipment	<u>-</u>	<u>-</u>	<u>-</u>
Total Transfer Station	<u>1,776,140</u>	<u>1,609,514</u>	<u>166,626</u>
TOTAL PUBLIC WORKS & MAINTENANCE	<u>5,784,215</u>	<u>5,433,238</u>	<u>350,977</u>
PLANNING & DEVELOPMENT			
Central Midlands Regional PC	<u>20,423</u>	<u>20,423</u>	<u>-</u>
Economic Development			
Personnel	130,791	149,937	(19,146)
Additional Personnel Cost	-	-	-
Social Security	10,005	11,237	(1,232)
Retirement	16,405	18,049	(1,644)
Insurance	12,214	12,393	(179)
Workers compensation	3,553	3,080	473

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	Final <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Economic Devleopment	30,000	11,421	18,579
Contracted Services	20,000	601	19,399
Contracted Maintenance	20,000	37,105	(17,105)
Special source revenue bond	429,826	429,826	-
Vehicle Insurance	650	990	(340)
Memberships	2,500	2,500	-
Office	5,000	3,139	1,861
Postage	750	300	450
Printing	1,500	400	1,100
Subscriptions	150	60	90
Telephone	2,500	2,498	2
Training	6,501	6,209	292
Site Inventory Costs	100,000	205,651	(105,651)
Travel	8,500	2,645	5,855
Subsistence	5,000	3,908	1,092
MCCP	-	525,926	(525,926)
Small business dev center	5,000	5,000	-
Regional Marketing Org	72,000	72,000	-
Fuel	1,000	506	494
	<u>883,845</u>	<u>1,505,381</u>	<u>(621,536)</u>
<b>Total Economic Development</b>			
<b>Comprehensive Planning</b>			
Personnel	113,923	113,923	-
Social security	8,715	8,538	177
Retirement	14,309	14,286	23
Insurance	28,176	28,572	(396)
Workers compensation	2,453	2,128	325
Advertising	1,000	626	374
Contracted Maintenance	4,000	3,369	631
Consulting	38,850	2,111	36,739
Vehicle insurance	1,206	1,206	-
Memberships and dues	1,500	864	636
Office expense	4,000	2,762	1,238
Postage	1,500	887	613
Printing	500	202	298
Books	1,000	733	267
Telephone	1,800	1,587	213

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Comprehensive Planning - continued			
Training	3,445	225	3,220
Subsistence	2,944	558	2,386
Fuel	1,500	1,530	(30)
Supplies	<u>1,925</u>	<u>476</u>	<u>1,449</u>
Total Comprehensive Planning	<u>232,746</u>	<u>184,583</u>	<u>48,163</u>
TOTAL PLANNING & DEVELOPMENT	<u>1,137,014</u>	<u>1,710,387</u>	<u>(573,373)</u>
AGRICULTURE & HOME ECONOMICS			
Clemson Extension	<u>28,500</u>	<u>28,957</u>	<u>(457)</u>
Newberry Soil & Water Conservation	<u>92,435</u>	<u>98,015</u>	<u>(5,580)</u>
TOTAL AGRICULTURE & HOME ECONOMICS	<u>120,935</u>	<u>126,972</u>	<u>(6,037)</u>
PUBLIC HEALTH			
Health Department			
Telephone and supplies	<u>6,496</u>	<u>6,065</u>	<u>431</u>
Total Health Department	<u>6,496</u>	<u>6,065</u>	<u>431</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>1,500</u>	<u>1,524</u>	<u>(24)</u>
TOTAL PUBLIC HEALTH	<u>25,746</u>	<u>25,339</u>	<u>407</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>SOCIAL SERVICES</b>			
Department of Social Services			
Utilities	56,000	54,865	1,135
Office	84	90	(6)
Telephone	8,760	8,821	(61)
Emergency	5,000	5,000	-
Paupers funeral	3,000	900	2,100
	<u>72,844</u>	<u>69,676</u>	<u>3,168</u>
Total Department of Social Services			
Veteran's Affairs			
Personnel	104,897	104,897	-
Social security	8,026	7,973	53
Retirement	13,175	13,205	(30)
Insurance	23,733	24,087	(354)
Workers compensation	1,531	1,628	(97)
Contracted maintenance	250	97	153
Membership fees	150	135	15
Office expense	2,600	2,314	286
Postage	1,350	1,276	74
Subscriptions & Books	50	-	50
Telephone	1,000	1,013	(13)
Training	240	140	100
Travel	585	346	239
Subsistence	2,242	1,031	1,211
Other equipment	-	-	-
	<u>159,829</u>	<u>158,142</u>	<u>1,687</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>299,218</u>	<u>294,363</u>	<u>4,855</u>

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
<b>MISCELLANEOUS</b>			
Airport			
Contingency	92,500	100,219	(7,719)
Total Airport	92,500	100,219	(7,719)
Government Association	200	200	-
S.C. Association of Counties	9,146	9,146	-
National Association of Counties	750	750	-
Medically indigent			
Appropriation	79,742	61,916	17,826
Fairgrounds			
Contracted maintenance	-	-	-
Utilities	12,200	8,809	3,391
Repairs to building	-	-	-
Total Fairgrounds	12,200	8,809	3,391
Helena Community Center			
Contracted maintenance	-	-	-
Utilities	8,700	3,972	4,728
Repairs to building	-	-	-
Total Helena Community Center	8,700	3,972	4,728
Newberry Opera House	25,000	25,000	-
Newberry County Literacy	6,000	-	6,000
Recreation			
Personnel	45,700	48,971	(3,271)
Part Time Personnel	15,250	1,562	13,688
Social security	4,663	3,564	1,099
Retirement	7,655	6,088	1,567
Insurance	10,700	7,899	2,801

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Recreation - continued			
Maybinton ballfield	2,500	2,085	415
Workmens Comp	2,392	2,072	320
Land improvements	6,001	5,368	633
Telephone	1,254	1,254	-
Fuel	1,000	437	563
Recreation appropriation	<u>78,746</u>	<u>61,526</u>	<u>17,220</u>
Total Recreation	<u>175,861</u>	<u>140,826</u>	<u>35,035</u>
TOTAL MISCELLANEOUS	<u>410,099</u>	<u>350,838</u>	<u>59,261</u>
 CAPITAL CONSTRUCTION & IMPROVEMENTS			
Road Paving, Etc, Land Improvements			
Contingency	<u>343,374</u>	<u>244,301</u>	<u>99,073</u>
TOTAL CAPITAL CONSTRUCTION & IMPROVEMENTS	<u>343,374</u>	<u>244,301</u>	<u>99,073</u>
TOTAL EXPENDITURES	<u>23,969,890</u>	<u>23,139,976</u>	<u>829,914</u>
Excess/(Deficiency) of Revenue over Expenditures	1,000,000	3,069,637	2,069,637
 OTHER FINANCING SOURCES/ (USES)			
Transfers to special revenue (includes Community Service Levies)	<u>(1,000,000)</u>	<u>(1,536,185)</u>	<u>(536,185)</u>
TOTAL OTHER FINANCING SOURCES/(USES)	<u>(1,000,000)</u>	<u>(1,536,185)</u>	<u>(536,185)</u>
Excess of Revenue over Expenditures after other financing sources	<u>-</u>	<u>1,533,452</u>	<u>1,533,452</u>

COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2018

	Sheriff's Funds	Sheriff's Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>ASSETS</b>								
Cash	\$ 325,700	\$ 120,012	\$ 114,774	\$ 116,419	\$ 228,111	\$ -	\$ -	\$ 905,016
Due from general fund	-	1,133	-	-	1,262	-	-	2,395
Inventory	-	-	-	-	-	-	20,592	20,592
<b>TOTAL ASSETS</b>	<u>\$ 325,700</u>	<u>\$ 121,145</u>	<u>\$ 114,774</u>	<u>\$ 116,419</u>	<u>\$ 229,373</u>	<u>\$ -</u>	<u>\$ 20,592</u>	<u>\$ 928,003</u>
<b>LIABILITIES</b>								
Due to general fund	<u>48,614</u>	<u>7,194</u>	<u>73,198</u>	<u>-</u>	<u>-</u>	<u>174,607</u>	<u>9,259</u>	<u>312,872</u>
<b>DEFERRED OUTFLOWS</b>								
Deferred Outflow - grant income	<u>19,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,297</u>
<b>FUND BALANCE</b>								
Reserved for special revenue	<u>257,789</u>	<u>113,951</u>	<u>41,576</u>	<u>116,419</u>	<u>229,373</u>	<u>(174,607)</u>	<u>11,333</u>	<u>595,834</u>
<b>TOTAL FUND BALANCE</b>	<u>257,789</u>	<u>113,951</u>	<u>41,576</u>	<u>116,419</u>	<u>229,373</u>	<u>(174,607)</u>	<u>11,333</u>	<u>595,834</u>
<b>TOTAL LIABILITIES, OUTFLOWS AND FUND BALANCE</b>	<u>\$ 325,700</u>	<u>\$ 121,145</u>	<u>\$ 114,774</u>	<u>\$ 116,419</u>	<u>\$ 229,373</u>	<u>\$ -</u>	<u>\$ 20,592</u>	<u>\$ 928,003</u>

COMBINING STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

	Sheriff's Funds	Sheriff Grants	Victim's Advocate	Emergency 911	DSS Clerk of Court	Miscellaneous	Airport	Total
<b>Revenue</b>								
Intergovernmental								
Federal grants	\$ -	\$ 7,642	\$ -	\$ -	\$ 167,629	\$ -	\$ -	\$ 175,271
State grants	-	-	-	-	-	-	-	-
Other								
Assessments	74,988	-	72,431	305,045	-	-	-	452,464
Interest	-	-	21	-	-	-	-	21
Miscellaneous	21,147	7,101	-	-	-	19,171	51,385	98,804
Total Revenue	<u>96,135</u>	<u>14,743</u>	<u>72,452</u>	<u>305,045</u>	<u>167,629</u>	<u>19,171</u>	<u>51,385</u>	<u>726,560</u>
<b>Expenditures</b>								
Personnel	-	-	56,445	98,434	-	50,926	-	205,805
Operating	8,342	85,884	-	267,414	105,710	476,562	63,515	1,007,427
Intergovernmental	-	-	-	-	-	902,243	-	902,243
Total Expenditures	<u>8,342</u>	<u>85,884</u>	<u>56,445</u>	<u>365,848</u>	<u>105,710</u>	<u>1,429,731</u>	<u>63,515</u>	<u>2,115,475</u>
Other financing sources								
Transfer in/(out)	-	-	-	214,703	-	1,410,560	-	1,625,263
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>87,793</u>	<u>(71,141)</u>	<u>16,007</u>	<u>153,900</u>	<u>61,919</u>	<u>-</u>	<u>(12,130)</u>	<u>236,348</u>
Fund balance, beginning 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>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 257,789</u>	<u>\$ 113,951</u>	<u>\$ 41,576</u>	<u>\$ 116,419</u>	<u>\$ 229,373</u>	<u>\$ (174,607)</u>	<u>\$ 11,333</u>	<u>\$ 595,834</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

DEBT SERVICE FUND

Year Ended June 30, 2018

REVENUE

Property Taxes	
2007A GO Bond	\$ 7,316
2007B GO Bond	2,766
2010A GO Bond	142,247
2010B GO Bond	341,550
2018 GO Bond	233,189
Lease Purchase	790,664
2013 A Spec Building	58,110
Sales tax	3,979,117
Interest	<u>21,436</u>
TOTAL REVENUE	<u>5,576,395</u>

EXPENDITURES

Principal	
2007A GO Bond	117,319
2007B GO Bond	85,000
2010A GO Bond	166,000
2010B GO Bond	290,000
2016 GO Bond	1,600,000
Sales Tax	1,565,000
Lease Purchase GO Bond	850,000
Interest	
2007A GO Bond	2,194
2007B GO Bond	1,768
2010A GO Bond	5,345
2010B GO Bond	21,228
2016 GO Bond	13,727
Sales Tax	921,008
Lease Purchase GO Bond	4,726
Spec Building	<u>24,000</u>
TOTAL EXPENDITURES	<u>5,667,315</u>

OTHER FINANCING SOURCES/(USES)

2018 GO Bond	1,000,000
2018 GO Bond - Lease Purchase	850,000
Transfer to capital projects	<u>(2,133,996)</u>

EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	(374,916)
Fund balance, beginning of year	<u>4,626,213</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,251,297</u>

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE

CAPITAL PROJECTS FUND

Year Ended June 30, 2018

REVENUE

Interest	\$	51,144
Sales tax		<u>-</u>
<b>TOTAL REVENUE</b>		<u>51,144</u>

EXPENDITURES

Capital Outlays		
Sales tax projects		9,335,850
Capital budgets		<u>864,370</u>

**TOTAL EXPENDITURES** 10,200,220

OTHER FINANCING SOURCES/(USES)

Lease purchase proceeds		500,000
Transfer In		<u>2,044,918</u>

**EXCESS OF REVENUE  
OVER EXPENDITURES** (7,604,158)

Fund balance, beginning of year 25,800,776

**FUND BALANCE, END OF YEAR** \$ 18,196,618

COMBINING BALANCE SHEET

TRUST AND AGENCY FUND

NEWBERRY COUNTY, SOUTH CAROLINA

June 30, 2018

	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	\$ 212,775	\$ 328,073	\$ 235,092	\$ 35,334	\$ 50,000	\$ 454,828	\$ 1,316,102
Investments	<u>3,793,818</u>	<u>20,646,397</u>	<u>2,753,886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,194,101</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,006,593</u>	<u>\$ 20,974,470</u>	<u>\$ 2,988,978</u>	<u>\$ 35,334</u>	<u>\$ 50,000</u>	<u>\$ 454,828</u>	<u>\$ 28,510,203</u>
<b>LIABILITIES</b>							
Due to taxing units and others	<u>\$ 4,006,593</u>	<u>\$ 20,974,470</u>	<u>\$ 2,988,978</u>	<u>\$ 35,334</u>	<u>\$ 50,000</u>	<u>\$ 454,828</u>	<u>\$ 28,510,203</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 4,006,593</u>	<u>\$ 20,974,470</u>	<u>\$ 2,988,978</u>	<u>\$ 35,334</u>	<u>\$ 50,000</u>	<u>\$ 454,828</u>	<u>\$ 28,510,203</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, 2018, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated September 12, 2018.

## **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.

A handwritten signature in blue ink, appearing to read "Dish on Engertys".

Lexington, South Carolina  
September 12, 2018

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### NEWBERRY COUNTY, SOUTH CAROLINA

Year Ended June 30, 2018

#### 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, 2018

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

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

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

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

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

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

VICTIMS SERVICES FUND

SPECIAL REVENUE FUND

NEWBERRY COUNTY, SOUTH CAROLINA

For the Year Ended June 30, 2018

Assessments	\$	51,400
Surcharges		21,031
Interest		<u>21</u>
Expenditures		<u>56,445</u>
Increase in fund balance		16,007
Fund Balance, July 1, 2017		<u>25,569</u>
Fund Balance, June 30, 2018	\$	<u><u>41,576</u></u>

**Schedule of Fines, Assessments and Surcharges**

	<u>Total</u>	<u>State Portion</u>	<u>County Portion</u>
Fines, Fees & Assessments	\$ 201,214	\$ 201,214	\$ -
DUI/DUS/BUI - Assessments, Surcharges	18,442	18,442	-
Surcharges	183,945	183,945	-
Other Assessments	273,238	273,238	-
General Sessions - Other Assessments	746	-	746
Magistrates Court - Other Assessments	34,122	-	34,122
General Sessions - Surcharges	14,130	-	14,130
Magistrates Court - Surcharges	<u>16,780</u>	<u>-</u>	<u>16,780</u>
	<u>\$ 742,617</u>	<u>\$ 676,839</u>	<u>\$ 65,778</u>

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

Newberry County, South Carolina

Year Ended June 30, 2018

**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.