

**CITY OF NEWBERRY,
SOUTH CAROLINA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2017**

CITY OF NEWBERRY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2017

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INTRODUCTORY SECTION



CITY OF NEWBERRY

S O U T H C A R O L I N A

November 30, 2017

The Honorable Mayor, Members of City Council and Citizens of the City of Newberry, South Carolina:

State law requires Newberry City Council to provide for an independent annual audit of all financial records and transactions of the City of Newberry. State law further requires that such audits be made by a certified public accountant or public accountant or firm of such accountants who have no personal interest, direct or indirect, in the fiscal affairs of the City or any of its officers. The report of the audit must be made available for public inspection. Pursuant to these requirements, we hereby issue the comprehensive annual financial report of the City of Newberry (the "City") for the fiscal year ended June 30, 2017.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by McKinley, Cooper and Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2017,

"City of Friendly Folks"

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www.cityofnewberry.com www.visitnewberry.com

are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Newberry's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Newberry is located in and is the county seat of Newberry County, South Carolina. The City of Newberry's municipal charter was issued in 1832. The City encompasses an area of approximately seven and a half square miles, while Newberry County encompasses an area of six hundred thirty square miles. The population of the City as registered by the 2010 Census is 10,277, and the population of the County as registered by the 2010 Census is 37,508. Within the limitations established by the State of South Carolina, the City of Newberry is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by City Council.

The City of Newberry has operated under the council-manager form of government since 1948. The mayor is elected at-large for a term of four years. Policy-making and legislative authority are vested in City Council consisting of the mayor and six other members. Under the City's current single-member district plan, the City has been divided into six districts, each to be represented by a council member. City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City's manager and attorney. The City Manager is responsible for implementing the policies of City Council, directing day-to-day business and administrative procedures and appointing departmental officials and other City employees. As of June 30, 2017, the City Manager was assisted by nine staff departments, including Economic and Community Development overseen by the City Manager's office; Finance; Fire; Human Resources; Parks, Recreation, and Tourism; Planning and Development Services; Police; Public Works; and Utilities.

The City of Newberry provides a full range of services. These services include police and fire protection; sanitation services; the repair and maintenance of City streets and infrastructure; building regulation; planning; economic development and administration; zoning and code enforcement; water, sewer and electric utility services; and recreational and tourism-related activities.

The annual budget serves as the foundation for the City's financial planning and control. For 2016-2017 budget preparation, all departments of the City of Newberry were required to

submit requests for appropriations to the City Manager by mid-February of 2016. The City Manager used these requests as the starting point for developing a proposed budget. The City Manager then presented this proposed budget to the Council for review during June. City Council is required to hold public hearings on the proposed budget and to adopt a final budget before July 1, the beginning of the City's fiscal year. The line-item appropriated budget is prepared by fund and department (e.g., General Fund, Finance Department). Expenditures may not exceed budgeted appropriations for each fund except as authorized by City Council. The City Manager is authorized to transfer amounts between line items within any fund. Transfers between funds require the approval of City Council. Any revisions that increase the total expenditures of any fund also must be approved by City Council. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 33 as part of the basic financial statements for the governmental funds.

Local Economy and Major Initiatives

The City of Newberry is located in the central piedmont region of South Carolina. Historically, Newberry was a textile center and the hub of a thriving agricultural region. The decline of the textile industry in the 1970's and 1980's took its toll on the community, and Newberry suffered economically and physically. This decline continued into the mid-1990's at which point an aggressive community revitalization effort was successfully undertaken. Through sustained efforts the community and county as a whole have witnessed tremendous economic growth. Today, Newberry's economic base is diversified and comprised of textiles, agriculture, timber products and wood processing, and food processing. This diversity has enabled the region to weather recent changes in the economy.

Much of the current economic momentum in Newberry has its basis in the renovation of the Newberry Opera House, which was completed in the spring of 1998 and the renovated Newberry Firehouse Conference Center (NFCC). The Newberry Opera House, a performing arts and entertainment center is owned by the City but leased to and under the control, operation, and management of the Newberry Opera House Foundation. The Newberry Opera House project is accomplishing what it was intended to do – namely, to serve as a catalyst for economic development. The addition of over thirty new businesses, seven restaurants, seventeen second-floor apartments, a 73-room hotel, and the stimulation of numerous public-private partnerships are evidence of the catalytic impact of the project. The NFCC is adjacent to the Newberry Opera House on McKibben Street, and its planned reuse as a state-of-the-art meeting and special event facility. The City of Newberry received a Community Development Block Grant (CDBG) from the S.C. Department of Commerce in September 2004 to assist with project funding. This 11,500 square foot facility features a warming kitchen, offices for staff, a main assembly space, a decorative lobby, four breakout meeting rooms, and an executive-styled boardroom. Since its opening in September of 2007, the Newberry Firehouse Conference Center has hosted over 500

events ranging from conferences and business meetings to wedding receptions and community gatherings. Despite the recent economic downturn, the Newberry Firehouse Conference Center continues to perform at a high level, and its performance is forecast to continue to improve during fiscal year 2017-2018.

In 1999, three manufacturing facilities opened in the Newberry County Industrial Park located adjacent to Interstate 26 at the S.C. Highway 219 interchange. Today the Park hosts international companies such as Samsung, Komatsu, Kiswire, Doncasters, and Schweitzer-Mauduit. The largest single site is 11.65 total acres. These companies have created hundreds of jobs and a diversified industrial base for the county. In the summer of 2001, Millennium Teleservices invested \$1 million in a state-of-the-art call center on the U. S. Highway 76 bypass within the City of Newberry, and created approximately 200 jobs. In May of 2002, C. H. Guenther & Son, Inc., a San Antonio, Texas based manufacturer and marketer of branded and custom food products, acquired the former Kaiser Roth textile plant on U.S. Highway 76 and invested approximately \$32 million in plant renovations and production systems, and created 145 new jobs. The 227,000 square foot facility, which operates as Pioneer Frozen Foods, serves as a manufacturing plant for the company's line of frozen dough and baked products.

In 2007, Kraft Foods, the County's largest employer and City's largest electric customer, announced that over a three-year period, the company would invest approximately \$30 million to build a 75,000 square foot addition to the Louis Rich facility, construct additional production lines and make mechanical and electronic improvements to existing processing lines. This expansion resulted in the creation of approximately 1,279 new jobs and made its Newberry operation one of the largest Kraft Foods-owned facilities in the world.

During fiscal year 2008-2009, an exciting opportunity materialized for the City of Newberry and the residents of Oakland neighborhood. American Fiber & Finishing (AF&F) ceased operations within the Oakland Mill on Fair Avenue and sold the property to West Development of Newberry. Beginning in January of 2010, West Development, upon securing Federal funding for the preservation of the historic mill, rehabilitated and adapted it for mixed occupancy. The uses are to include Newberry College dormitories, market rate apartment units and amenities, to possibly include a wellness center, classrooms and complimentary light commercial activities. The first group of Newberry College students occupied the first two floors on the east side of the mill, which has been reserved for student housing, during the summer of 2011. During fiscal year 2011-2012, West Development completed the process of finishing out the student dormitory units on floors three and four of the east wing of the building. The City of Newberry has assisted the developer with the project through the services of a community development consultant. Additionally, the City has pursued improvements within the Oakland neighborhood that are designed to create an environment that is conducive to the long-term success of the mill project and the sustained revitalization of the neighborhood. These improvements include \$1.2 million of water and wastewater

upgrades, \$1.3 million of functional and aesthetic streetscape enhancements, and \$290,000 of distressed residential property acquisitions and clearances. This initiative is being underwritten by state and federal grants totaling \$2.2 million from the S.C. Department of Commerce and the S.C. State Housing Finance and Development Authority. Additionally, the City has facilitated \$24,000 of housing rehabilitation activity, which was funded by the S.C. State Housing Finance and Development Authority for qualifying owner-occupants, and has secured a \$500,000 Community Development Block Grant (CDBG) to complete the final phase of water and wastewater system upgrades in the Oakland neighborhood. These upgrades were implemented in fiscal year 2013-2014. In fiscal year 2014, the City also began pursuing streetscape enhancements on College Street adjacent the Oakland Mill Village. This project was over a \$900,000 investment funded through \$400,000 from SCDOT TEP and almost an additional \$600k from our local County Transportation Committee. In fiscal year 2017, a new tennis facility was added into the Oakland Community. This \$2.4 million dollar project will also be the home of Newberry College tennis and is another fine example of community revitalization efforts. This project runs .6 miles on College Street and was an effort to link the mill village improvements discussed earlier into the City's Central Business District.

Long-term financial planning. A continued emphasis on long range financial planning is a cornerstone of the City's success. Options and strategies introduced and continued in fiscal year 2017 include:

- Continue to promote revitalization and renewal in the City's downtown.
- Continue to monitor housing conditions, particularly in the area of rental housing, and housing needs in the City.
- Continue attention to long-range stabilization of the City's financial condition.
- Continue to promote sound economic development strategies and expansion of the City's utility system through fiber efforts.
- Continue to monitor electric industry trends as an important factor in our strategic plan.
- Continue to improve the City's technology and fiber infrastructure.
- Continue to promote projects that enhance the quality of life for Newberry citizens.
- Monitoring existing services to ensure that the service goals of City Council are met.

Relevant Financial Policies

Newberry City Council formally adopted the City of Newberry's Statement of Financial Policies on June 14, 2011. The Statement of Financial Policies covers budget policies, revenue policies, expenditure policies, capital improvement program policies, capital reserve fund policies, debt policies, interfund transfers/borrowings policies, fund balance policies for the General Fund, and accounting, auditing, and financial reporting policies. On April 21, 2015

these policies were amended and restated so they would include the Utility Fund. Two of the most important changes contained in the Statement of Financial Policies are in the areas of budget policies and fund balance policies.

In fiscal year 2010-2011 the City Manager was provided with expanded authority whereby he may authorize the transfer of appropriations within any fund to achieve the goals of the budget provided that no such transfers increase the total appropriation of any fund. Previously, the City Manager's authority was limited to approval of line item transfers within any department only. The expanded authority will allow the City Manager to respond to events and opportunities which present themselves during the course of the fiscal year while still working to achieve the goals of the budget provided by City Council.

In the area of fund balance policies, the City heretofore had no stated policy. Under the Statement of Financial Policies dated June 14, 2011, the City will strive to maintain the fund balance of the General Fund such that the unassigned portion of fund balance is between 33.0 percent and 67.0 percent of the total audited General Fund expenditures for the most recently audited fiscal year. If, at the end of a fiscal year, the minimum fund balance policy is not met, the City Manager will submit a plan of corrective action to City Council within six months of notification of the shortfall. Unless directed otherwise by City Council, any amount in excess of the maximum will be transferred to the General Capital Reserve Fund, which is used to fund or finance the acquisition of new or replacement capital items. As of receipt of audited fiscal year 2017 information, the unassigned portion of the fund balance of the General Fund stood at 69.53 percent of the total audited General Fund expenditures.

Under the amended and restated Statement of Financial Policies, the City will strive to maintain a minimum liquidity of 300 days' cash on hand in the Utility Fund (exclusive of Purchased Power Costs and Depreciation). Additionally, the City maintains a liquidity target for operational purposes of 365 days' cash on hand (exclusive of Purchased Power Costs and Depreciation). Such liquidity shall be exclusive of all reserves not anticipated to be readily available for use in emergencies. Should liquidity fall below 300 days' cash on hand, the City Manager shall prepare and submit a plan for expenditure reductions and/or revenue increases in the City's Utility Fund to the City Council and shall rebuild the balance within 18 months. In the event liquidity for operational purposes exceeds 365 days' cash on hand, the difference may be used to fund the following activities: the Utility's Capital Improvement Program, one time expenditures related to the utility, ongoing or new utility programs, or the Rate Stabilization Fund.

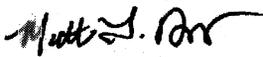
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Newberry for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. This was the twenty fourth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

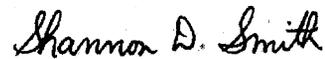
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this document, our comprehensive annual financial report, was made possible by the dedicated work of many individuals. Our sincere appreciation is extended to all those who have contributed to this endeavor and to the City's Mayor and Council who have continuously encouraged excellence in financial reporting.

Sincerely,



Matt T. DeWitt
City Manager



Shannon D. Smith
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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**City of Newberry
South Carolina**

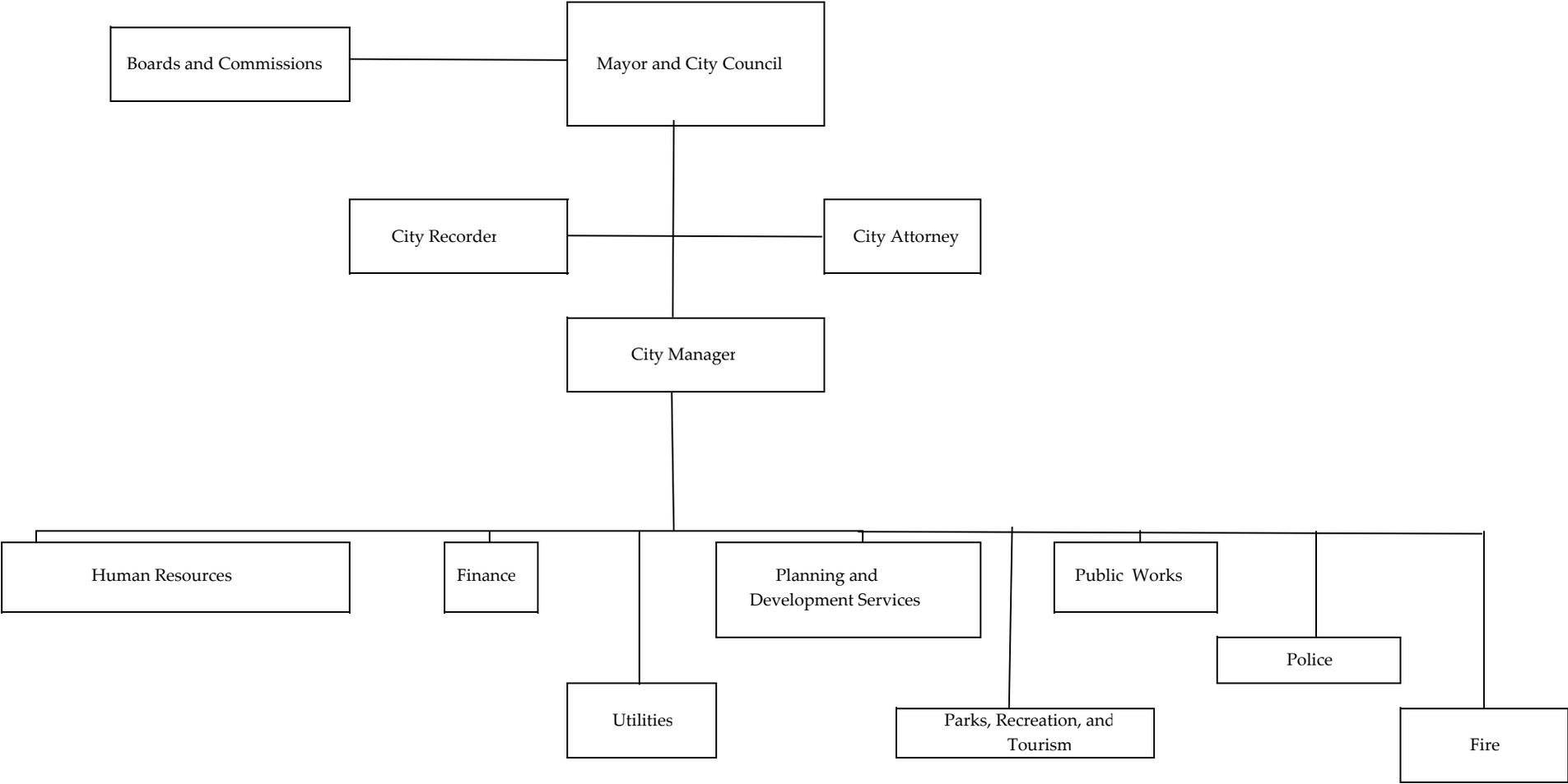
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

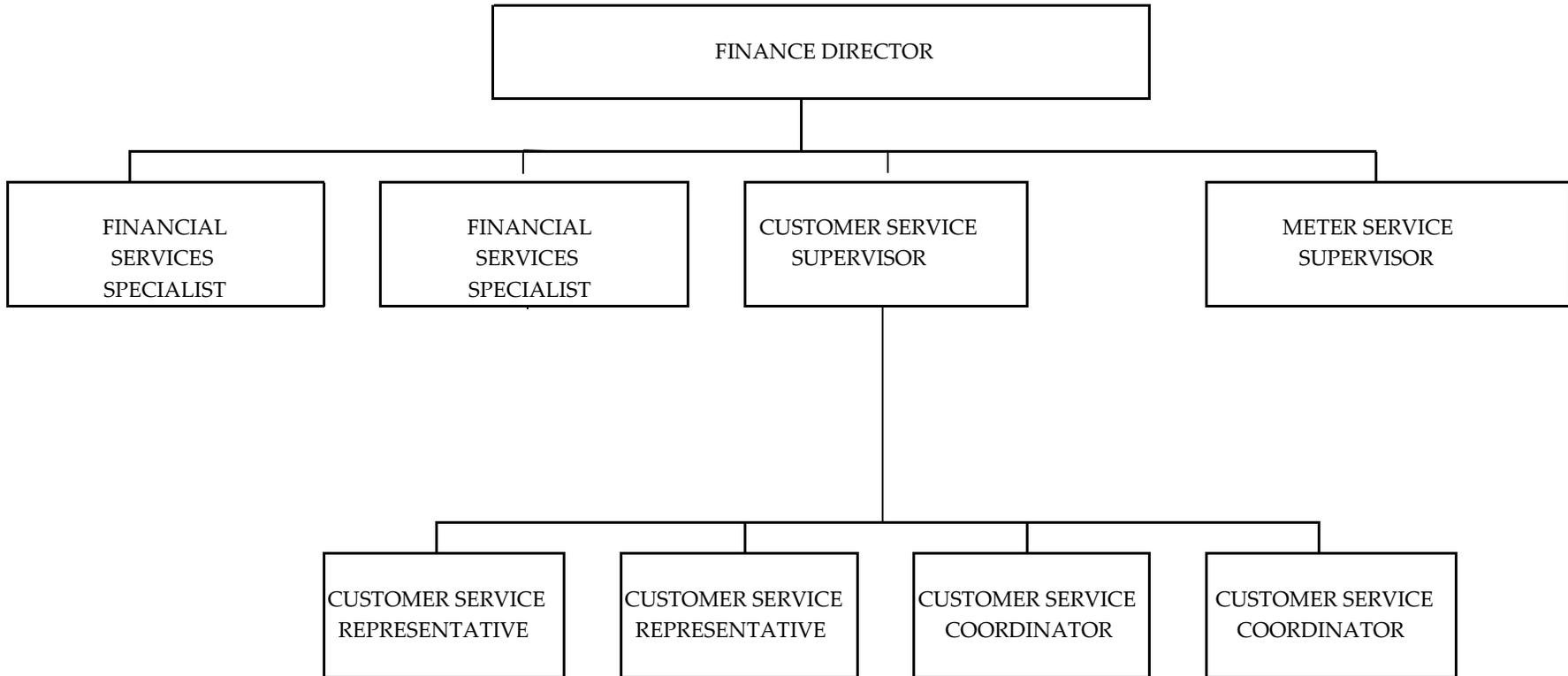
City of Newberry Organizational Chart

JUNE 30, 2017



**City of Newberry
Finance Department
Organizational Chart**

JUNE 30, 2017



CITY OF NEWBERRY, SOUTH CAROLINA

List of Principal Officers

June 30, 2017

<u>Title</u>	<u>Name</u>
Mayor	G. Foster Senn, Jr.
Council Member, District 1	R. Lemont Glasgow
Council Member, District 2	Edwin E. Wicker
Council Member, District 3, Mayor Pro Tem	Zebbie D. Goudelock
Council Member, District 4	David T. Force
Council Member, District 5	Thomas Louis Boyd
Council Member, District 6	David E. Dubose
City Manager	Matthew T. DeWitt
City Attorney	Robert C. Lake, III
City Recorder	William F. Partridge
Human Resources Director	Tamra F. Tootle
Planning and Development Services Director	C. Ward Braswell
Finance Director	Shannon D. Smith
Fire Chief	Keith K. Minick
Utilities Director	Timothy W. Baker
Interim Police Chief	Roy H. McClurkin
Public Works Director	Norris M. Bartley
Parks, Recreation, and Tourism Director	Scott S. Sawyer
City Clerk	M. Jennifer O'Shields

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Newberry
Newberry, South Carolina

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, South Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic 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 an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 opinion.

Members
American Institute of Certified Public Accountants
S.C. Association of Certified Public Accountants



To the Honorable Mayor and City Council
City of Newberry
November 30, 2017

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, South Carolina as of June 30, 2017, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension plan schedules, as listed in the table of contents, 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 consisted 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 conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Newberry, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Mayor and City Council
City of Newberry
November 30, 2017

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
November 30, 2017

Management's Discussion and Analysis

As management of the City of Newberry, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-7 of this report, and the City of Newberry's financial statements and other information, which begin on page 27 of this report.

Financial Highlights

Key financial highlights for fiscal year 2017 are as follows:

- The assets and deferred outflows of resources of the City of Newberry, including all governmental and business-type activities, exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$60,008,833 (net position), an increase from the previous fiscal year of \$4,591,121 or 8.3 percent. Of this amount, \$16,278,798 is considered unrestricted. Unrestricted net position does not include assets with externally imposed restrictions or restrictions imposed by law. The unrestricted net position of the City's governmental activities is \$1,572,342. The unrestricted net position of the City's business-type activities is \$14,706,456 and may be used to meet the obligations of the City's combined public utility system consisting of electric, water, and sewer services.
- Revenues and other financing sources totaled \$11,274,934 and expenditures and other financing uses totaled \$11,568,255 for all governmental funds at the fund level. Accordingly, combined revenues and other financing sources were less than expenditures and other financing uses by \$293,321. As of the close of fiscal year 2017, the City of Newberry's governmental funds reported combined ending fund balances of \$10,203,032. On a combined basis, \$27,874 is considered nonspendable, \$934,878 is restricted for specific purposes, \$769,393 has been committed by City Council, \$2,206,089 has been assigned to specific purposes by management, and \$6,264,798 is unassigned at June 30, 2017.
- At the end of fiscal year 2017, unassigned fund balance for the general fund, the City's principal operating fund, was \$6,264,798, an increase of \$438,987 from the previous fiscal year.
- The City's maximum/minimum fund balance policy as described in the footnotes allows the transfer of a portion of the unassigned general fund balance to a general capital reserve account. In fiscal year 2018, the City will transfer \$227,628 to the General Capital Reserve Fund in accordance with this policy.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Newberry's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Newberry's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government'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).

Both of the government-wide financial statements distinguish functions of the City that are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Newberry include general government; public safety; public works; parks, recreation, and tourism; community development; community promotions and projects; and interest on long-term debt. The business-type activity of the City of Newberry is the Combined Public Utility System (electric, water, and sewer).

The government-wide financial statements include only the City itself (known as the primary government) because the City of Newberry has no component units. The government-wide financial statements can be found on pages 27-28 of this report.

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 City of Newberry, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Newberry can be divided into two categories: governmental funds and proprietary funds. Traditional users of governmental financial statements will find the fund financial statements familiar. However, under GASB 34, the focus is on major funds, rather than fund types as in pre-GASB 34 reports.

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 and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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 City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund only, since no other governmental fund is considered to be a major fund. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided on pages 83-99 of this report. The City adopts an annual appropriated budget for most of its funds, including its general fund. Annual budgets are not adopted for the volunteer fire fund which can be used only as specified in South Carolina law, for the seizure fund, and for the federal equitable sharing fund.

The basic governmental fund financial statements can be found on pages 29-33 of this report.

Proprietary funds. The City of Newberry maintains one enterprise fund, a type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The City of Newberry uses an enterprise fund to account for its combined public utility system, comprised of electric, water, and sewer operations which were legally combined into one combined public utility system in 1948. Proprietary funds provide the same types of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

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. The notes to the financial statements can be found on pages 38-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, the report also presents certain required supplementary information in the form of a general fund budgetary comparison. This comparison may be found on pages 77-78 of this report.

Other information, including combined and individual fund statements and schedules, begin on page 74 of this report. Statistical tables that provide multi-year historical data begin on page 108.

Government-wide Financial Analysis

The government-wide statements, which are found on pages 27-28, are reported under the GASB 34 model. GASB 34 reports use the economic resources measurement focus and the accrual basis of accounting, the common method of reporting in today's business world. Following the notes to the financial statements, report users will still find individual fund statements and combined statements in the format found in the City's previous comprehensive annual financial reports.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Newberry, assets and deferred outflows of the City of \$128,155,681 and \$2,305,350, respectively, exceeded liabilities and deferred inflows by \$60,008,833 as of June 30, 2017. This is an increase in total net position of \$4,591,121 for the fiscal year. Net position is reported in three categories: Net investment in capital assets, net of related debt of \$41,888,169, restricted net position of \$1,841,866, and unrestricted net position of \$16,278,798.

The largest portion of the City's net position (70 percent) reflects its investment in capital assets (e.g. land, building, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Newberry's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The category of restricted net position represents resources that are subject to restrictions that are externally imposed. At June 30, 2017, the City had \$10,000 restricted for the Japanese Gardens permanent fund, \$780,293 restricted for utility system debt service, \$126,695 restricted for maintenance of the utility system and \$924,878 restricted for various special revenue fund purposes.

The balance of unrestricted net assets \$16,278,798 may be used to meet the City's ongoing obligations to its citizens and creditors.

The following table presents a summary of the City's net position as of June 30, 2017, with comparative data for June 30, 2016:

City of Newberry's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$11,143,245	\$11,421,466	\$33,891,429	\$41,387,024	\$45,034,674	\$52,808,490
Capital assets	10,377,657	9,200,364	72,743,350	63,886,613	83,121,007	73,086,977
Total assets	21,520,902	20,621,830	106,634,779	105,273,637	128,155,681	125,895,467
Deferred outflows of resources	1,613,745	720,422	691,605	308,752	2,305,350	1,029,174
Long-term liabilities outstanding	10,603,011	9,577,465	55,981,799	57,608,619	66,584,810	67,186,084
Other liabilities	494,865	479,193	3,197,099	3,674,161	3,691,964	4,153,354
Total liabilities	11,097,876	10,056,658	59,178,898	61,282,780	70,276,774	71,339,438
Deferred inflows of resources	159,756	117,244	15,668	50,247	175,424	167,491
Net assets:						
Net investment in capital assets	9,369,795	8,034,933	32,518,374	30,352,537	41,888,169	38,387,470
Restricted	934,878	10,000	906,988	1,001,647	1,841,866	1,011,647
Unrestricted	1,572,342	3,123,417	14,706,456	12,895,178	16,278,798	16,018,595
Total net position	11,877,015	11,168,350	48,131,818	44,249,362	60,008,833	55,417,712

Impact of GASB Statement on Net Position of the City

The GASB (Government Accounting Standards Board) Statement No. 68 *“Accounting and Financial Reporting for Pensions”* is effective for the City for the fiscal years ending on or after June 30, 2015.

Employers who participate in a cost-sharing multiple employer plan are required to recognize a liability for the employer’s proportionate share of the net pension liability of that plan. In accordance with the GASB 68 standard, the City must report its proportionate share of the pension liability for the state’s defined benefit retirement plans. It is GASB’s intention that GASB No. 68 will provide citizens and other users of the financial statements with a clearer picture of the size and nature of the City’s financial obligations to current and former employees for past services rendered.

Following is the City’s net position with the GASB 68 impact reported discretely.

	<u>2017</u>	<u>2016</u>	<u>Increase/ (Decrease)</u>
Net Position			
Net Investment in Capital Assets	\$ 41,888,169	\$ 38,387,470	\$ 3,500,699
Restricted	1,841,866	1,011,647	830,219
Unrestricted (exclusive of GASB 68)	27,302,980	26,645,724	657,256
Unrestricted (GASB 68 portion)	<u>(11,024,182)</u>	<u>(10,627,129)</u>	<u>(397,053)</u>
 Total Net Position	 <u>\$ 60,008,833</u>	 <u>\$ 55,417,712</u>	 <u>\$ 4,591,121</u>

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The following table shows a recap of revenues and expenses for fiscal year 2017, with comparative data for fiscal year 2016:

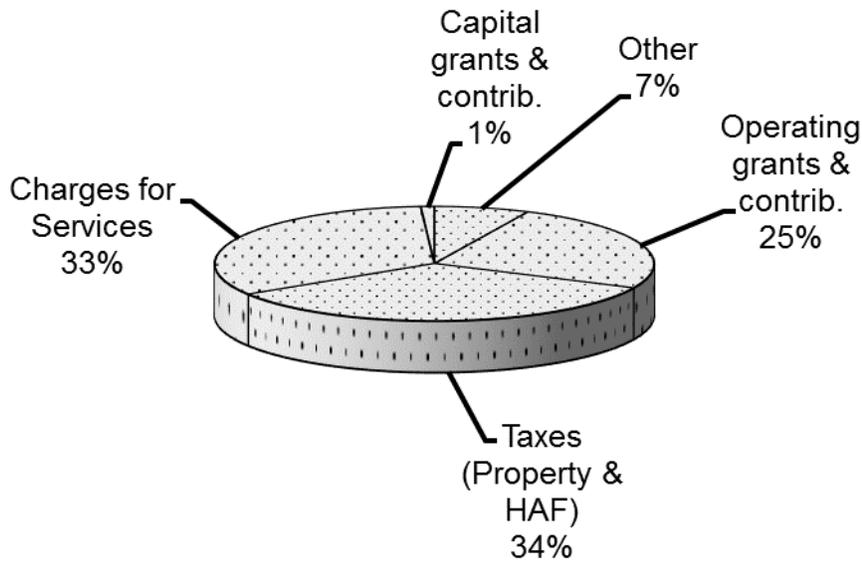
City of Newberry's Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for Services	\$3,055,797	\$3,125,059	\$36,956,770	\$36,180,215	\$40,012,567	\$39,305,274
Operating grants and contributions	2,292,761	837,886	1,726,585	103,106	4,019,346	940,992
Capital grants and contributions	18,300	227,443	884,223	409,593	902,523	637,036
General Revenues:						
Taxes	3,207,200	3,336,700	-	-	3,207,200	3,336,700
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	663,017	1,172,025	138,688	468,303	801,705	1,640,328
Total revenues	9,237,075	8,699,113	39,706,266	37,161,217	48,943,341	45,860,330
Expenses:						
General government	1,367,851	1,398,601	-	-	1,367,851	1,398,601
Public safety	4,693,817	4,668,707	-	-	4,693,817	4,668,707
Public Works	2,341,691	1,718,116	-	-	2,341,691	1,718,116
Parks, Recreation, & Tourism	951,086	848,809	-	-	951,086	848,809
Community development	426,670	746,775	-	-	426,670	746,775
Community promotions and projects	580,045	487,751	-	-	580,045	487,751
Interest on long-term debt	33,159	39,291	-	-	33,159	39,291
Combined electric, water, and sewer utilities	-	-	33,957,901	33,263,055	33,957,901	33,263,055
Total expenses	10,394,319	9,908,050	33,957,901	33,263,055	44,352,220	43,171,105
Increase(decrease) in net position before transfers	(1,157,244)	(1,208,937)	5,748,365	3,898,162	4,591,121	2,689,225
Transfers	1,865,909	1,865,909	(1,865,909)	(1,865,909)	-	-
Increase in net position	708,665	656,972	3,882,456	2,032,253	4,591,121	2,689,225
Net position, July 1	11,168,350	10,511,378	44,249,362	42,217,109	55,417,712	52,728,487
Net position, June 30	\$11,877,015	\$11,168,350	\$48,131,818	\$44,249,362	\$60,008,833	\$55,417,712

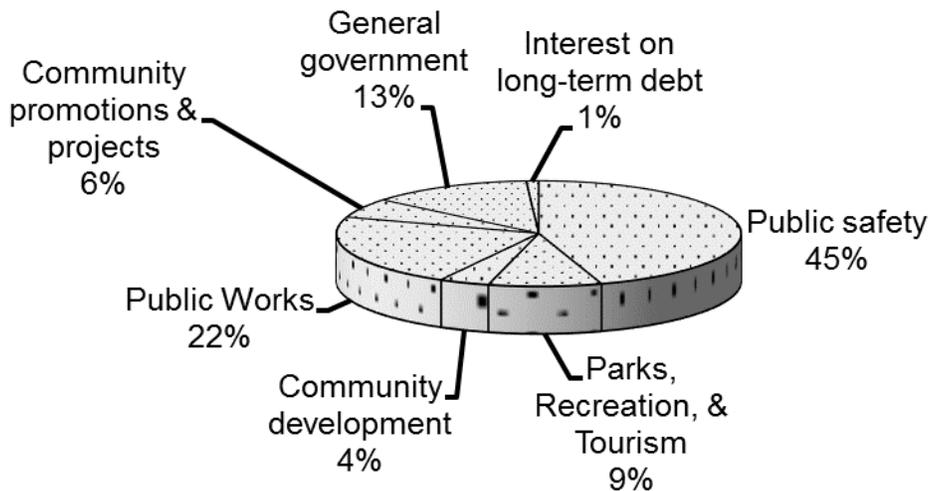
Governmental activities. Governmental activities increased the City's net position by \$708,665. Compared to governmental activity expenses (\$10,394,319), tax-related revenues (\$3,207,200) covered approximately 31 percent, and program revenues (\$5,366,858) covered approximately 52 percent. Public Safety activities accounted for the greatest percentage of governmental activities at 45 percent. The City was the recipient of grants and contributions in the amount of \$2,311,061 used to accomplish upgrades and projects. City departments continued to use budgeted funds effectively.

The following graphs show breakdowns by percentages of governmental revenues and expenses.

Governmental Revenues Fiscal Year 2017



Governmental Expenses Fiscal Year 2017



Business-type activities. The sole component of the City's business-type activities is the utility enterprise fund, a combined public utility consisting of electric, water, and sewer services. The total of charges for services, capital grants and contributions, and other general revenue sources of \$39,706,266 were greater than total expenses and outgoing transfers of \$35,823,810 yielding a positive change in net position of \$3,882,456 for fiscal year 2017. The purchase of electricity line item of \$21,351,141 translates to 63 percent of all business-type expenses of \$33,957,901. The size of the purchase of electricity line item can be further appreciated by noting that this single line item is 48 percent of total primary government expenses.

- A major factor in the \$3,882,456 increase in net position was that the charges for services revenue increased \$776,555. The City is incrementally increasing utility rates in order to fund the \$39,005,000 2015 Bond issue which was necessary to address several utility projects, including an electric substation, utility shop, water plant rehab, Scott's Creek sewer, water distribution rehab, and a new water tower.
- Another major factor in the increase in net position was an SCDOT reimbursement in the amount of \$1,687,464 for relocation of the Scott's Creek project.
- Fiscal year 2017 saw federal grants revenue in the amount of \$534,223 for the purpose of capital upgrades of the water and sewer systems in the West End and the Mollohon sections of the City. The City also received a state grant in the amount of \$350,000 for water treatment plant capital upgrades. This represented a \$474,630 increase in capital grants revenue when compared to fiscal year 2016.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Newberry's financing requirements. In fiscal year 2011, GASB 54 was implemented which established five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned. The total of the last three components, which include only resources without a constraint on spending or for which the constraint on spending is imposed by the government itself, may be termed unrestricted fund balance.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$10,203,032. The City's general fund, with an ending fund balance of \$7,420,040, amounts to 73 percent of the total ending fund balance of all governmental funds.

The general fund is the chief operating fund of the City of Newberry. At the end of fiscal year 2017, the unassigned fund balance of the general fund was \$6,264,798, representing 84 percent of the total fund balance in the general fund. As a measure of the general fund's liquidity, it may be useful to compare the unassigned portion of fund balance to total fund expenditures. Unassigned fund balance of \$6,264,798 represents 70 percent of total general fund expenditures (\$9,010,702).

Proprietary fund. As previously stated, the City of Newberry's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the combined public utility system (electric, water, and sewer operations) at the end of the fiscal year amounted to \$14,706,456 or 31 percent of total proprietary fund net position in

the amount of \$48,131,818. The City's largest component of proprietary fund net position is the net investment in capital assets, at \$32,518,374, or 68 percent of total net position. Net position restricted for debt service as compared to total net position decreased from fiscal year 2016 at 1.6 percent. Important information related to the State Revolving fund loan and the Combined Public Utility System Revenue Bond, Series 2015 is found under the capital assets and debt administration topic found later in this management's discussion and analysis and in the notes to the financial statements. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Newberry's business-type activities.

General Fund Budgetary Highlights

The City's original expenditure budget for the general fund remained unchanged during fiscal year 2017 at \$9,613,043. There were also no budgetary revenue increases or decreases in fiscal year 2017.

During the fiscal year, actual revenues collected were less than the budgeted by \$2,568, with the largest variance occurring in the fines and forfeitures line item. Also, actual expenditures were under budget by \$602,341, with the largest variances seen in the public safety justice and law department and employee benefits line item. In summary, revenues and other financing sources were 0.08 percent in excess of budgetary estimates and expenditures and other financing uses were 6.3 percent less than budgetary estimates, thus adding \$72,629 to fund balance instead of using \$536,796 of existing fund balance as reflected in the final budget.

Capital Assets and Debt Administration

Capital assets. Prior to implementation of GASB 34 in fiscal year 2003, the City's non-utility capital assets (including infrastructure assets such as streets, sidewalks and bridges) had not been reported nor depreciated in governmental financial statements. Under GASB 34, the City is required to value and report on all non-utility capital assets within the governmental column of the government-wide statements. In compliance with GASB 34, the City of Newberry elected to depreciate capital assets over their estimated useful life. Utility enterprise capital assets continue to be depreciated over their estimated useful life as was done under pre-GASB 34 reports. During FY 2002, the City of Newberry increased its Capital Asset Capitalization Threshold. The new definition increased the monetary threshold on non-infrastructure capital assets from \$1,000 to \$5,000 and the useful life required from 1 to 2 years. The new definition also recognized infrastructure capital assets with a higher monetary threshold of \$10,000.

At the end of fiscal year 2017, the City had a combined total of capital assets of \$83,121,007 (net of accumulated depreciation), an increase of \$10,034,030 when compared to the previous fiscal year. This investment in capital assets includes land, buildings and improvements, machinery and equipment, utility (electric, water and sewer) facilities, streets, sidewalks and bridges.

Major capital asset events during fiscal year 2017 include approximately \$2,700,000 (net) additional construction in progress, \$550,000 additional buildings, \$3,600,000 for the rehab of the water plant, and \$4,200,000 for sewer upgrades, all in the business-type activities, and \$1,500,000 additional land and land improvements in the governmental activities.

The following table shows a recap of the City's capital assets, net of accumulated depreciation, for fiscal year 2017, with comparative data for fiscal year 2016.

City of Newberry's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and improvements	\$3,044,578	\$1,602,660	\$379,863	\$383,231	\$3,424,441	\$1,985,891
Buildings, improvements and fixtures	5,355,442	5,519,986	12,648,140	12,772,064	18,003,582	18,292,050
Streets, sidewalks and bridges	537,007	592,602	-	-	537,007	592,602
Motor vehicles and equipment	1,279,579	1,363,308	593,917	481,319	1,873,496	1,844,627
Office furniture and equipment	10,916	16,611	211,542	235,883	222,458	252,494
Other equipment	150,135	105,197	863,730	697,600	1,013,865	802,797
Street Lighting	-	-	9,326	15,929	9,326	15,929
Electric distribution system	-	-	5,575,079	5,232,977	5,575,079	5,232,977
Water distribution system	-	-	15,765,260	12,860,172	15,765,260	12,860,172
Sewer collection system	-	-	18,185,754	15,390,485	18,185,754	15,390,485
Construction in progress	-	-	18,510,739	15,816,953	18,510,739	15,816,953
Total	\$10,377,657	\$9,200,364	\$72,743,350	\$63,886,613	\$83,121,007	\$73,086,977

Additional information on the City's capital assets can be found in Note 5 beginning on page 49 of this report.

Debt Administration. At the end of fiscal year 2017, the City of Newberry had total debt outstanding (bonds, notes, capital leases) of \$52,883,636. No part of this amount comprises debt backed by the full faith and credit of the government. All of the City's bonded debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds and tax increment bonds).

The following table shows a recap of the City's outstanding debt for fiscal year 2017, with comparative data for fiscal year 2016:

City of Newberry's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenue bonds, loan	\$ -	\$ -	\$51,875,774	\$53,993,200	\$51,875,774	\$53,993,200
Capital leases	1,007,862	1,165,431	-	-	1,007,862	1,165,431
Total	\$ 1,007,862	\$ 1,165,431	\$51,875,774	\$53,993,200	\$52,883,636	\$55,158,631

Some of the debt in the business-type activities was related to the rehabilitation and expansion of the City’s wastewater treatment plant financed primarily by a State Revolving Fund loan not to exceed \$19,236,065, plus capitalized interest. This project was completed during fiscal year 2013. The remaining debt in the business-type activities was related to the Combined Public Utility System Revenue Bond, Series 2015, with total available funding in the amount of \$3,905,000. The proceeds of this bond are being used to finance improvements to the City’s Public Utility System.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. For fiscal year 2017, the debt limitation for the City is \$2,246,968, of which none is presently obligated.

Additional information on the City of Newberry’s long-term debt as reported for fiscal year 2017 can be found in Note 7 beginning on page 51 of this report.

Economic Factors and Next Year’s Budgets and Rates

At June 30, 2017, unemployment for Newberry County stood at 3.8 percent versus 5.1 percent at June 30, 2016. In comparison, the state’s unemployment rate at June 30, 2017 was 4.2 percent and the national rate was 4.4 percent. Fiscal year 2017 data from the City of Newberry hospitality and accommodations fund showed improvement when compared to fiscal year 2016 data. Hospitality and Accommodations gross sales increased 6.1 percent, from \$40.733 million for the year ended June 30, 2016, to \$43.226 million for the year ended June 30, 2017.

The City of Newberry began the budgetary process in January 2017, at which time the uncertain economic conditions forecast for fiscal year 2018 were considered. A general operating tax of 82.7 mills was approved by City Council. Additionally, a general capital reserve tax rate of 1.1 mills was levied to be used to fund or finance the acquisition of new or replacement capital items as approved by City Council.

At June 30, 2017, the unassigned fund balance of the general fund was \$6,264,798. The City of Newberry has budgeted a use of fund balance for fiscal year 2018 of \$112,809. The use of fund balance is being carefully monitored by City administration during the annual budgetary process to prevent dependency on one-time revenues to financially support recurring expenditures.

In the City's utility enterprise fund, City Council increased water rates 2% on minimum charges and sewer rates 2% on minimum charges primarily to achieve the City’s goal of having each service type (electric, water, and sewer) function in a self-supporting manner.

Requests for Information

This financial report is designed to provide a general overview of the City of Newberry's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Newberry, P.O. Box 538, Newberry, South Carolina 29108.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF NEWBERRY
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 10,485,034	\$ 14,598,013	\$ 25,083,047
Cash and investments, restricted	-	12,639,807	12,639,807
Receivables (net of allowances for uncollectibles)			
Taxes	86,409	-	86,409
Accounts	-	4,512,128	4,512,128
Grants	17,728	130,218	147,946
Intergovernmental	120,844	5,657	126,501
Other	137,728	48,235	185,963
Internal receivables (payable)	(87,372)	87,372	-
Inventories	27,874	1,869,999	1,897,873
Notes receivable	355,000	-	355,000
Capital assets			
Land and construction in progress	1,536,519	18,831,083	20,367,602
Other capital assets, net of accumulated depreciation	8,841,138	53,912,267	62,753,405
Total Assets	21,520,902	106,634,779	128,155,681
Deferred Outflows of Resources			
Deferred outflows related to pensions	1,613,745	691,605	2,305,350
Total Deferred Outflows of Resources	1,613,745	691,605	2,305,350
Liabilities			
Accounts payable	156,161	1,979,139	2,135,300
Due to other government agencies	19,869	-	19,869
Accrued salaries and payroll liabilities	318,835	47,149	365,984
Retainage payable	-	782,810	782,810
Accrued interest payable	-	388,001	388,001
Long-term liabilities			
Net OPEB obligation	24,554	12,084	36,638
Net pension liability	9,207,876	3,946,232	13,154,108
Due within one year	534,066	2,295,173	2,829,239
Due in more than one year	836,515	49,728,310	50,564,825
Total Liabilities	11,097,876	59,178,898	70,276,774
Deferred Inflows of Resources			
Deferred inflows related to pensions	159,756	15,668	175,424
Total Deferred Inflows of Resources	159,756	15,668	175,424
Net Position			
Net investment in capital assets	9,369,795	32,518,374	41,888,169
Restricted for:			
Expendable			
State accommodations tax	72,113	-	72,113
Streetscape	143,109	-	143,109
Local hospitality/accommodations	696,757	-	696,757
Victims' rights	1,477	-	1,477
Seizure fund	11,422	-	11,422
Debt service	-	780,293	780,293
Maintenance	-	126,695	126,695
Nonexpendable			
Permanent Fund	10,000	-	10,000
Unrestricted	1,572,342	14,706,456	16,278,798
Total Net Position	\$ 11,877,015	\$ 48,131,818	\$ 60,008,833

The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and</u> <u>Changes in Net Position</u>		<u>Total</u>
	<u>Expenses</u>	<u>Charges for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	
Governmental Activities							
General Government	\$ 1,367,851	\$ 1,701,086	\$ -	\$ -	\$ 333,235	\$ -	\$ 333,235
Public safety	4,693,817	451,471	288,892	-	(3,953,454)	-	(3,953,454)
Public works	2,341,691	803,964	405,000	-	(1,132,727)	-	(1,132,727)
Parks, recreation, and tourism	951,086	99,276	20,670	-	(831,140)	-	(831,140)
Community development	426,670	-	1,578,199	18,300	1,169,829	-	1,169,829
Community promotion and projects	580,045	-	-	-	(580,045)	-	(580,045)
Interest on long-term debt	33,159	-	-	-	(33,159)	-	(33,159)
Total Governmental Activities	10,394,319	3,055,797	2,292,761	18,300	(5,027,461)	-	(5,027,461)
Business-type Activities							
Utility system	33,957,901	36,956,770	1,726,585	884,223	-	5,609,677	5,609,677
Total Primary Government	\$ 44,352,220	\$ 40,012,567	\$ 4,019,346	\$ 902,523	(5,027,461)	5,609,677	582,216
General Revenues							
Taxes							
Property taxes, levied for general purposes					2,304,664	-	2,304,664
Local hospitality and accommodations fee					902,536	-	902,536
Intergovernmental revenue not restricted to specific programs					426,883	-	426,883
Interest revenue					16,222	138,688	154,910
Gain on sale of capital assets					22,157	-	22,157
Miscellaneous					197,755	-	197,755
Transfers					1,865,909	(1,865,909)	-
Total General Revenues and Transfers					5,736,126	(1,727,221)	4,008,905
Change in Net Position					708,665	3,882,456	4,591,121
Net Position, beginning					11,168,350	44,249,362	55,417,712
Net Position, ending					\$ 11,877,015	\$ 48,131,818	\$ 60,008,833

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

CITY OF NEWBERRY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Other Governmental</u>	<u>Totals June 30, 2017</u>
Assets			
Cash and investments	\$ 7,718,583	\$ 2,766,451	\$ 10,485,034
Receivables (net of allowance for uncollectibles)			
Taxes	86,409	-	86,409
Grants	17,728	-	17,728
Intergovernmental	66,301	54,543	120,844
Interest and other	45,637	92,091	137,728
Notes receivable	-	355,000	355,000
Due from other funds	215,373	168,751	384,124
Inventories	27,874	-	27,874
Total Assets	<u>\$ 8,177,905</u>	<u>\$ 3,436,836</u>	<u>\$ 11,614,741</u>
Liabilities			
Accounts payable	\$ 44,521	\$ 111,640	\$ 156,161
Intergovernmental	19,869	-	19,869
Accrued salaries and payroll liabilities	318,835	-	318,835
Due to other funds	295,000	176,496	471,496
Total Liabilities	<u>678,225</u>	<u>288,136</u>	<u>966,361</u>
Deferred Inflows of Resources			
Unavailable revenues	79,640	365,708	445,348
Total Deferred Inflows of Resources	<u>79,640</u>	<u>365,708</u>	<u>445,348</u>
Fund Balances			
Nonspendable	27,874	-	27,874
Restricted	-	934,878	934,878
Committed	-	769,393	769,393
Assigned	1,127,368	1,078,721	2,206,089
Unassigned	6,264,798	-	6,264,798
Total Fund Balances	<u>7,420,040</u>	<u>2,782,992</u>	<u>10,203,032</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,177,905</u>	<u>\$ 3,436,836</u>	<u>11,614,741</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET WITH THE STATEMENT OF NET POSITION
JUNE 30, 2017

Fund Balance - Governmental Funds		\$ 10,203,032
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</p>		
<p>Capital Assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.</p>		
The cost of capital assets is	21,680,584	
Accumulated depreciation is	<u>(11,302,927)</u>	10,377,657
<p>Some liabilities (such as Notes payable, Accrued interest payable, Capital leases payable, Long-term compensated absences, and Bonds payable) are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.</p>		
Compensated absences	(362,719)	
Capital lease obligations	<u>(1,007,862)</u>	(1,370,581)
<p>Certain other long-term liabilities are not due and payable in the current period, and, therefore, are not reported in the fund financial statement, but are reported in the governmental activities of the Statement of Net Position.</p>		
Net OPEB obligation	(24,554)	
Net pension liability	<u>(9,207,876)</u>	(9,232,430)
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	1,613,745	
Deferred inflows of resources related to pensions	<u>(159,756)</u>	1,453,989
<p>Certain amounts relating to various revenues and receivables are reported as inflows of resources in the governmental funds, as they are not current financial resources.</p>		
		<u>445,348</u>
Total Net Position - Governmental Activities		<u><u>\$ 11,877,015</u></u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds June 30, 2017</u>
Revenues			
Taxes	\$ 2,305,236	\$ 902,536	\$ 3,207,772
Licenses, permits and franchise fees	1,701,086	-	1,701,086
Fines, forfeitures and penalties	384,355	44,978	429,333
Charges for services	903,240	-	903,240
Intergovernmental	1,536,349	1,205,433	2,741,782
Miscellaneous	55,725	202,563	258,288
Total Revenues	<u>6,885,991</u>	<u>2,355,510</u>	<u>9,241,501</u>
Expenditures			
General government	733,820	-	733,820
Public safety	3,426,490	47,103	3,473,593
Public works	1,874,829	-	1,874,829
Parks, recreation, and tourism	695,927	-	695,927
Community development	-	1,937,706	1,937,706
Non-departmental	2,036,073	458,055	2,494,128
Debt service			
Principal	226,818	98,275	325,093
Interest	16,745	16,414	33,159
Total Expenditures	<u>9,010,702</u>	<u>2,557,553</u>	<u>11,568,255</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,124,711)</u>	<u>(202,043)</u>	<u>(2,326,754)</u>
Other Financing Sources (Uses)			
Proceeds from capital leases	167,524	-	167,524
Transfers in (out)			
Permanent fund	-	2,640	2,640
Special revenue funds	163,907	(166,547)	(2,640)
Utility system fund	1,865,909	-	1,865,909
Total Other Financing Sources (Uses)	<u>2,197,340</u>	<u>(163,907)</u>	<u>2,033,433</u>
Net Change in Fund Balances	72,629	(365,950)	(293,321)
Fund Balances, beginning	<u>7,347,411</u>	<u>3,148,942</u>	<u>10,496,353</u>
Fund Balances, ending	<u>\$ 7,420,040</u>	<u>\$ 2,782,992</u>	<u>\$ 10,203,032</u>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ (293,321)

Amounts reported for Governmental Activities in the Statement of Activities are different because (see Note 1, also):

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 expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation in the period.

Capital outlay	2,034,185	
Depreciation expense	(853,038)	
		1,181,147

Governmental funds report the issuance of long-term debt (e.g., bond proceeds and capital lease issuances) as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability.

Governmental funds report repayment of debt principal as an expenditure.

In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.

Issuance of capital leases	(167,524)	
Repayment of long-term debt	325,093	
		157,569

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the (increase) decrease in liability for these expenses.

Net OPEB obligation	(4,974)	
Compensated absences	(12,433)	
		(17,407)

Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned, net of employee contributions is reported as pension expense.

Pension contributions of the City	570,174	
Cost of benefits earned, net of employee contributions	(885,071)	
		(314,897)

Certain amounts relating to various revenues and receivables are reported as inflows of resources in the governmental funds; therefore, revenue is different by:

(4,426)

Change in Net Position of Governmental Activities **\$ 708,665**

CITY OF NEWBERRY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,406,167	\$ 2,406,167	\$ 2,305,236	\$ (100,931)
Licenses, permits and franchise fees	1,567,570	1,567,570	1,701,086	133,516
Fines and forfeitures	603,000	603,000	384,355	(218,645)
Charges for services	841,000	841,000	903,240	62,240
Intergovernmental	1,443,322	1,443,322	1,536,349	93,027
Miscellaneous	27,500	27,500	55,725	28,225
Total Revenues	6,888,559	6,888,559	6,885,991	(2,568)
Expenditures				
General government				
City council	113,527	113,527	98,144	15,383
City manager	243,818	243,818	174,105	69,713
Human resources	99,354	99,354	92,909	6,445
Finance	159,983	159,983	125,150	34,833
City hall	38,503	38,503	36,168	2,335
Planning and development	235,714	235,714	207,344	28,370
Public safety				
Police department	1,893,467	1,893,467	1,877,265	16,202
Justice and law	500,000	500,000	383,956	116,044
Fire department	1,237,190	1,237,190	1,165,269	71,921
Public works				
Public works administration	179,323	179,323	167,461	11,862
Streets	882,885	882,885	908,435	(25,550)
Sanitation	701,395	701,395	610,580	90,815
Building maintenance	50,789	50,789	46,421	4,368
Garage	160,952	160,952	141,932	19,020
Parks, recreation, and tourism	679,009	679,009	695,927	(16,918)
Non-departmental				
General insurance	123,113	123,113	164,330	(41,217)
Employee benefits	1,972,073	1,972,073	1,749,753	222,320
Community promotions and projects	116,875	116,875	121,990	(5,115)
Capital lease payments	225,073	225,073	243,563	(18,490)
Total Expenditures	9,613,043	9,613,043	9,010,702	602,341
Excess (Deficiency) of Revenues Over Expenditures	(2,724,484)	(2,724,484)	(2,124,711)	599,773
Other Financing Sources (Uses)				
Capital leases	160,000	160,000	167,524	7,524
Transfers in (out)				
State accommodations tax fund	28,279	28,279	30,407	2,128
Local hospitality/accommodations fund	133,500	133,500	133,500	-
Utility system	1,865,909	1,865,909	1,865,909	-
Total Other Financing Sources (Uses)	2,187,688	2,187,688	2,197,340	9,652
Net Change in Fund Balance	(536,796)	(536,796)	72,629	609,425
Fund Balance, beginning	7,347,411	7,347,411	7,347,411	-
Fund Balance, ending	\$ 6,810,615	\$ 6,810,615	\$ 7,420,040	\$ 609,425

The accompanying notes are an integral part of these financial statements.

**CITY OF NEWBERRY
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 JUNE 30, 2017**

Assets

Current Assets

Cash and investments	\$	14,598,013
Receivables (net of allowances for uncollectibles)		
Accounts		4,512,128
Grants		130,218
Intergovernmental		5,657
Other		48,235
Due from other funds		87,372
Inventory		1,869,999
Restricted assets		
Cash and investments		2,524,851

Total Current Assets

23,776,473

Noncurrent Assets

Capital Assets

Land and land improvements		437,589
Buildings and fixtures		18,191,715
Office furniture and equipment		388,514
Traffic controls and fire alarm system		185,112
Street Lighting		457,575
Other equipment		1,607,134
Motor vehicles and equipment		3,028,687
Electric distribution system		15,006,556
Water distribution system		28,803,916
Sewer collection system		39,546,225
Construction in progress		18,510,739

Totals

126,163,762

Less accumulated depreciation

(53,420,412)

Total Capital Assets

72,743,350

Restricted Assets

Cash and investments		10,114,956
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Total Noncurrent Assets

82,858,306

Total Assets

106,634,779

Deferred Outflows of Resources

Deferred outflows of resources related to pensions		691,605
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Total Deferred Outflows of Resources

691,605

(Continued)

**CITY OF NEWBERRY
 PROPRIETARY FUND
 STATEMENT OF NET POSITION (CONTINUED)
 JUNE 30, 2017**

Liabilities

Current Liabilities

Accounts payable	\$	1,979,139
Accrued salaries payable		47,149
Compensated absences payable		119,377
Retainage payable		782,810
Accrued interest payable		388,001
Revenue bonds payable		1,308,946
Loans payable		866,850

Total Current Liabilities		5,492,272
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Noncurrent Liabilities

Loans payable		13,492,903
Revenue bonds payable		36,207,075
Compensated absences payable		28,332
Net pension liability		3,946,232
Other post-employment benefit obligation		12,084

Total Noncurrent Liabilities		53,686,626
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Total Liabilities		59,178,898
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Deferred Inflows of Resources

Deferred inflows of resources related to pensions		15,668
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Total Deferred Inflows of Resources		15,668
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Net Position

Net investment in capital assets		32,518,374
Restricted for		
Debt service		780,293
Maintenance		126,695
Unrestricted		14,706,456

Total Net Position	\$	48,131,818
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The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION
 YEAR ENDED JUNE 30, 2017

	Business - Type Activities
	Electric, Water, and Sewer
Operating Revenues	
Charges for sales and services	\$ 36,902,310
Miscellaneous	54,460
Total Operating Revenues	36,956,770
Operating Expenses	
Costs of sales and services	27,617,469
Administration	1,061,916
Depreciation	3,513,862
Total Operating Expenses	32,193,247
Operating Income	4,763,523
Nonoperating Revenues (Expenses)	
Interest revenue	138,688
Interest expense, bank fees and other	(1,764,654)
DOT reimbursements	1,687,464
Federal and state grants	923,344
Total Nonoperating Income (Expenses)	984,842
Income Before Transfers	5,748,365
Transfers In (Out)	
General fund	(1,865,909)
Change in Net Position	3,882,456
Net Position, beginning	44,249,362
Net Position, ending	\$ 48,131,818

The accompanying notes are an integral part of these financial statements.

**CITY OF NEWBERRY
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2017**

Cash Flows from Operating Activities	
Receipts from charges for sales and services	\$ 36,735,147
Receipts from other revenues	59,827
Payments for goods and services	(4,594,600)
Purchase of electricity	(21,351,141)
Payments for personnel services	(2,967,015)
	<hr/>
Net Cash Provided by Operating Activities	7,882,218
	<hr/>
Cash Flows from Noncapital Financing Activities	
Subsidy from other governments	1,726,585
Transfers in (out)	(1,865,909)
	<hr/>
Net Cash Used in Noncapital Financing Activities	(139,324)
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(12,676,794)
Cash capital grants	754,005
Principal payments on bonds and notes payable	(2,078,480)
Interest and other fees paid	(1,814,340)
	<hr/>
Net Cash Used in Capital and Related Financing Activities	(15,815,609)
	<hr/>
Cash Flows from Investing Activities	
Interest on investments	138,455
	<hr/>
Net Cash Provided by Investing Activities	138,455
	<hr/>
Net Decrease in Cash and Investments	(7,934,260)
Cash and Investments, beginning	35,172,080
	<hr/>
Cash and Investments, ending	\$ 27,237,820
	<hr/> <hr/>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 4,763,523
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	3,513,862
Changes in assets and deferred outflows of resources	
Receivables, net	(161,796)
Inventories	(14,240)
Deferred outflows related to pensions	(382,853)
Changes in liabilities and deferred inflows of resources	
Accounts payable	(81,125)
Accrued salaries and payroll liabilities	411,604
Due to other funds	(132,178)
Deferred inflows related to pensions	(34,579)
	<hr/>
Net Cash Provided by Operating Activities	\$ 7,882,218
	<hr/> <hr/>
Noncash Investing, Capital, and Financing Activities	
Amortization included in interest expense	\$ (38,946)
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

CITY OF NEWBERRY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2017

Note 1 – Summary of Significant Accounting Policies

The City of Newberry adopted the Council-Manager form of government in 1948. The Mayor is elected for a term of four years, and the six Council members serve four year staggered terms. City Council appoints the City Manager to serve as the City's chief administrative officer. The City Manager is responsible for implementing the policies of the City Council, directing business and administrative procedures and appointing departmental officials and certain other City employees. At present the City Manager is assisted by ten staff departments: Economic Development; Public Works; Planning and Development; Parks, Recreation, and Tourism under the direction of the Assistant City Manager; Fire; Police; Utilities; Finance; Human Resources; and Information Services.

The financial statements of the City of Newberry, South Carolina, have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

The City's combined financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity include whether: the City is able to impose its will on the organization, the organization has the potential to impose a financial benefit/burden on the City and there is fiscal dependency by the organization on the City. Based on these criteria, the City of Newberry has no component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used such as charges between the government's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports governmental funds according to GASB 54 fund type definitions. Definitions applicable to the City of Newberry are as follows:

Special Revenue Funds are used to account for and report specific revenue sources that are restricted or committed to expenditures for specified current purposes other than debt service or capital projects.

Permanent Funds are used to account for and report specific revenue sources that are restricted to the extent that only earnings, and not principal, may be used to support government programs which benefit the government or its citizens.

The City reports the following major proprietary fund:

The Proprietary Fund accounts for the activities of the Electric, Water and Sewer System.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues, except for property taxes, reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes are considered available if collected within fifteen days after year-end. Property taxes, sales taxes, franchise fees, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary Fund Financial Statements. The proprietary fund distinguishes *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the City's enterprise fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets.

Nonoperating revenues, specifically receipts from grants, special assessments, or property and other taxes levied are used to finance the construction, acquisition or improvement of capital assets.

Budgetary Control

The City Council adopts an annual budget for the General Fund, certain Special Revenue Funds, Proprietary Fund and Japanese Gardens Fund prior to the beginning of each fiscal year. Annual budgets are not adopted for the Federal Equitable Sharing, Volunteer Fire, and Seizure Special Revenue Funds. The City Manager is authorized to transfer budgeted amounts within any fund as necessary to achieve the goals of the budget provided, however, that no such transfers shall be used to increase the total appropriation of any fund. Any revisions that alter the total expenditures of any fund must be approved by the City Council. For budget administration purposes, the Utility Gross Revenue Fund and any Utility Debt Service or Utility Capital Funds shall be considered a single fund.

Budgeted amounts are reported as originally adopted and as amended by the City Council.

The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents a comparison of budgetary data to actual results of operations. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with an original maturity of three months or less when purchased.

State statutes authorize the City to invest in obligations of the U.S. Treasury and its agencies, obligations of the State of South Carolina or any of its political units, banks and savings and loan associations to the extent secured by the FDIC, certificates of deposit and repurchase agreements where the certificates or agreements are collateralized by obligations of the United States or its agencies or by obligations of the State of South Carolina or any of its political units and no load open-end or closed-end management type registered investment companies or investment trusts whose sole investments are in obligations of the U.S. Treasury and its agencies, or in obligations of the State of South Carolina or any of its political units, or in collateralized repurchase agreements.

Deposits (cash and certificates of deposit) are carried at cost, which approximates fair value.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Management's intent is to hold all investments to maturity.

Inventories

Inventories in the General Fund consist of expendable supplies held for consumption and are carried on an average cost basis. They are recorded as an expenditure at the time of consumption. The inventories in the Proprietary Fund consist of supplies and are recorded on an average cost basis.

Interfund Receivables/Payables

Short-term amounts owed between funds are classified as "Due to/from Other Funds."

Restricted Assets

Certain proceeds of governmental and business-type activities revenue bonds, as well as certain resources set aside for their repayment and maintenance of capital assets, are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

The City maintains infrastructure asset records consistent with all other capital assets. Infrastructure assets consist of streets, sidewalks and bridges recorded at historical cost estimated by consulting engineers for infrastructure acquired prior to implementation of Statement 34. The City uses a \$10,000 threshold for capitalizing infrastructure assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Fixtures	50 Years
Equipment	10 Years
Motor Vehicles	5 Years
Electric Distribution System	30 Years
Water Distribution System	40 Years
Sewer Collection System	40 Years
Streets, Sidewalks and Bridges	25 to 45 Years

Compensated Absences

The City's policy allows employees to accumulate unused sick leave to a maximum of eighteen work weeks and vacation leave up to a maximum of six work weeks. Upon termination, any accumulated vacation leave, will be paid to the employee. There will be no payment for unused sick leave. Accordingly, sick pay is charged to expenditures when taken.

The estimated liability for vested vacation leave attributable to the City's governmental (general fund) and business-type activities (proprietary fund) is recorded as an expense and liability in the respective funds. The estimated liabilities include required salary-related payments.

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund. Material bond premiums and discounts, as well as material issuance costs are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums and discounts.

Pensions

In the government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting (see the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the qualified pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal yearend. Changes in the net pension liability during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a four-year period beginning with the period in which the difference occurred.

Fund Balance

In accordance with *GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions,"* the City classifies fund balances of the governmental funds in five categories as follows:

Nonspendable

Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact.

Restricted

Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws, or other governments.

Committed

Committed fund balances include amounts that are committed to a specific purpose by council ordinance. The City Council establishes, by ordinance, a minimum fund balance which is reflected in the fund financial statements as the committed fund balance. In order for the fund balance commitment to be modified, the City Council would have to change that in formal action prior to the end of the fiscal year.

Assigned

Assigned fund balances include amounts that are constrained by limitations resulting from intended uses as established by City Council or by the City Manager. The City reports assigned fund balance when it appropriates a portion of the fund balance in the next fiscal year's budget. The budget is approved each year in formal action taken by the City Council.

Unassigned

Unassigned fund balance includes amounts that have not been assigned to any purpose. The general fund is the only fund that reports a positive unassigned amount, since the fund balances of other governmental funds are classified as restricted, committed, or assigned, as appropriate, based on the limitations of each fund.

Unless specifically designated otherwise, fund expenditures and encumbrances are from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

Minimum/Maximum Fund Balance Policy

The City strives to maintain the fund balance of the General Fund such that the unassigned portion of fund balance is equal to a minimum of 33% of the total audited General Fund expenditures for the previous fiscal year. The City strives to ensure that the maximum unassigned portion of the fund balance at any audited fiscal year-end not exceed 67% of the most recently audited fiscal year's General Fund expenditures. Unless directed otherwise by City Council, any amount in excess of the maximum as defined above will be transferred to the General Capital Reserve account, also known as the General Government Depreciation Reserve Fund, which is assigned for the major repair, replacement, and acquisition of general government capital items.

Fund Equity

Fund equity in the government-wide statements is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws or regulations of other governments, or is legally restricted through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Statement of Cash Flows

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value Measurement and Application

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles and in accordance with GASB Statement No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of an asset and gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability, either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability.

Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. Accounting standards require that the fair value determination be based on maximum use of observable inputs (Levels 1 and 2) and minimum use of unobservable inputs (Level 3). The City considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

Reclassifications

Certain reclassifications may have been made to the 2016 comparative supplementary schedules. Total net position and change in net position are unchanged due to these reclassifications.

New Pronouncements - Implementation of GASB Statement 77

The GASB issued Statement No. 77, "Tax Abatement Disclosures" in August 2015. Statement No. 77 is effective for the City for the fiscal year ended June 30, 2017.

The primary objective of GASB Statement No. 77 is to provide tax abatement information to financial statement users so that they can more readily evaluate a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Although many governments offer tax abatements, the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future, is lacking. GASB No. 77 requires disclosures of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

The adoption of GASB No. 77 had no impact on the City's financial statements or note disclosures, as there are currently no such abatement agreements.

Note 2 – Stewardship, Compliance and Accountability

Budgetary Information

City Council prepares its annual budget on a basis consistent with accounting principles generally accepted in the United States of America for General Fund revenues and expenditures prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each City department. Departmental expenditures may not exceed amounts appropriated without the approval of the City Council and unexpended appropriations lapse at fiscal yearend. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year.

The following departments/functions in the general fund had an excess of actual expenditures over budget for the year ended June 30, 2017:

<u>Fund/Function/Department</u>	<u>Excess Amount</u>
General Fund:	
Public Works - Streets	\$ 25,550
Parks, Recreation, and Tourism	16,918
General Insurance - Non-departmental	41,217
Community Promotions and Projects - Non-departmental	5,115

Note 3 – Deposits and Investments

The City's cash is maintained in demand deposits, savings accounts, and certificates of deposit. The City currently holds investments in the following types of financial instruments:

- US securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the "full faith and credit" of the government, and thus by its ability to raise tax revenues and print currency, U.S. treasury securities are considered the safest of all investments.
- Agency securities are securities that are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. government.
- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 *"Accounting and Financial Reporting for Certain Investments and for External Investment Pools"*, investments are carried at fair value determined annually based upon quoted market prices for identical or similar investments or observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, South Carolina 29211-1960.
- Money market mutual funds are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.

There were no deposit or investment transactions during the year that were in violation of either the State Statutes or the policy of the City.

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution in the City's name. As of June 30, 2017, none of the City's bank balances of \$24,427,000, which had a carrying value of \$22,836,451, were exposed to custodial credit risk.

Investments

As of June 30, 2017, the City had the following investments:

Investment Type	Fair Value Level (1)	Fair Value
South Carolina Pooled Investment Fund	Not Applicable	\$ 2,372,231
U.S Securities	Level 1	9,154,709
Agency Securities	Level 2	3,298,799
Money Market Mutual Funds	Level 1	59,604
Total		<u>\$ 14,885,343</u>

(1) See Note 1 for details of the City's value hierarchy

Interest Rate Risk: The City's investment policy is to mitigate interest rate risk and ensure the preservation of capital in the overall portfolio. The policy does not place a limit on its investment maturities to help manage the City's exposure to fair value losses from increasing interest rates. Investments in securities in agencies related to the U.S. government earn interest at a stated fixed rate and are normally held until maturity when the full principal and interest amount is paid to the City. All of the City's investments had maturities of less than one year as of June 30, 2017.

Credit Risk for Investments: The City's investment policy requires that the portfolio consist largely of securities with active secondary or resale markets. In addition, a portion of the portfolio may be placed in the South Carolina Pooled Investment Fund. This fund is unrated. Investments in U.S. Treasuries are considered to have no credit risk. The investments in agencies related to the U.S. government include the following: (1) Federal Home Loan Mortgage Corporation Notes, (2) Federal Home Loan Mortgage Corporation Discount Notes, and (3) Federal National Mortgage Association Discount Notes; these securities are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that securities be held by a third-party custodian in the name of the City. As of June 30, 2017, none of the City's security investments were exposed to custodial credit risk.

Concentration of Credit Risk: The City's investment policy places no limit on the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this disclosure requirement. No other investments exceeded 5% of the total as of June 30, 2017.

Reconciliation to the Financial Statements

A reconciliation of cash and investments as shown in the statement of net position is as follows:

Description	Amount
Cash on hand	\$ 1,060
Carrying amount of deposits	22,836,451
Fair value of investments	14,885,343
Total cash on hand, deposits, and investments	<u>\$ 37,722,854</u>
Statement of Net position:	
Cash and investments	\$ 25,083,047
Cash and investments, restricted	12,639,807
Total cash and investments	<u>\$ 37,722,854</u>

Note 4 – Receivables

Current receivables at June 30, 2017, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Receivables		
Property taxes	\$ 134,425	\$ -
Accounts	-	3,415,340
Grants	17,728	130,218
Unbilled accounts	-	1,916,261
Intergovernmental	120,844	5,657
Interest and other	137,728	48,235
Gross receivables	<u>410,725</u>	<u>5,515,711</u>
Less: allowance for uncollectibles	<u>(48,016)</u>	<u>(819,473)</u>
Net Receivables	<u>\$ 362,709</u>	<u>\$ 4,696,238</u>

Property tax is levied on the assessed value listed for all real and personal property owned on December 31 of each year. Liens attach to the property at that time. 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 – 3% of the property taxes
- February 2 through March 16 – additional 7% of the property taxes
- March 17 and thereafter – additional 5% of the property taxes

Current year real property taxes become delinquent on January 16. 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. Properties are listed with the Newberry County Auditor. These liens are for taxes assessed or to be assessed by the City for the year of assessment. A reserve is established for property taxes which have not been collected in four years.

Only a portion of the taxes uncollected at June 30, 2017, are considered available to liquidate current liabilities. The amounts collected within fifteen days after June 30 are considered to be available to liquidate current liabilities. Therefore, an unavailable revenue account has been provided equal to the delinquent accounts in excess of the fifteen day period on the balance sheet of the governmental funds.

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	Beginning Balances	Additions and Transfers	Disposals and Transfers	Ending Balances
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 820,620	\$ 715,899	\$ -	\$ 1,536,519
Total Capital Assets Not Being Depreciated	820,620	715,899	-	1,536,519
Capital assets being depreciated:				
Land improvements	1,497,751	795,137	(18,593)	2,274,295
Buildings	8,361,221	-	-	8,361,221
Motor vehicles and equipment	5,953,535	446,588	(348,699)	6,051,424
Office furniture and equipment	79,239	-	-	79,239
Other equipment	1,426,377	76,561	-	1,502,938
Streets, sidewalks and bridges	1,874,948	-	-	1,874,948
Total Capital Assets Being Depreciated	19,193,071	1,318,286	(367,292)	20,144,065
Less accumulated depreciation:				
Land improvements	715,711	65,264	(14,739)	766,236
Buildings	2,841,235	164,544	-	3,005,779
Motor vehicles and equipment	4,590,227	530,317	(348,699)	4,771,845
Office furniture and equipment	62,628	5,695	-	68,323
Other equipment	1,321,180	31,623	-	1,352,803
Streets, sidewalks and bridges	1,282,346	55,595	-	1,337,941
Total Accumulated Depreciation	10,813,327	853,038	(363,438)	11,302,927
Total Capital Assets Being Depreciated, Net	8,379,744	465,248	(3,854)	8,841,138
Governmental Activity Capital Assets, Net	\$ 9,200,364	\$ 1,181,147	\$ (3,854)	\$ 10,377,657

	Beginning Balances	Additions and Transfers	Disposals and Transfers	Ending Balances
Business - Type Activities				
Utility Proprietary Fund				
Capital assets not being depreciated				
Land	\$ 320,344	\$ -	\$ -	\$ 320,344
Construction in progress	15,816,953	6,283,725	(3,589,939)	18,510,739
Total Capital Assets Not Being Depreciated	16,137,297	6,283,725	(3,589,939)	18,831,083
Capital assets being depreciated				
Land improvements	117,245	-	-	117,245
Buildings	17,645,491	546,224	-	18,191,715
Motor vehicles and equipment	2,661,663	367,024	-	3,028,687
Office furniture and equipment	388,514	-	-	388,514
Traffic Controls	185,112	-	-	185,112
Street Lighting	457,575	-	-	457,575
Other equipment	1,297,085	310,049	-	1,607,134
Electric distribution system	14,340,643	665,913	-	15,006,556
Water distribution system	25,201,631	3,602,285	-	28,803,916
Sewer collection system	35,360,907	4,185,318	-	39,546,225
Total Capital Assets Being Depreciated	97,655,866	9,676,813	-	107,332,679
Less accumulated depreciation				
Land improvements	54,358	3,368	-	57,726
Buildings	4,873,427	670,148	-	5,543,575
Motor vehicles and equipment	2,180,344	254,426	-	2,434,770
Office furniture and equipment	152,631	24,341	-	176,972
Traffic controls	185,112	-	-	185,112
Street lighting	441,646	6,603	-	448,249
Other equipment	599,485	143,919	-	743,404
Electric distribution system	9,107,666	323,811	-	9,431,477
Water distribution system	12,341,459	697,197	-	13,038,656
Sewer collection system	19,970,422	1,390,049	-	21,360,471
Total Accumulated Depreciation	49,906,550	3,513,862	-	53,420,412
Total Capital Assets Being Depreciated, Net	47,749,316	6,162,951	-	53,912,267
Business-Type Activities Capital Assets, Net	\$ 63,886,613	\$ 12,446,676	\$ (3,589,939)	\$ 72,743,350

Depreciation expense for governmental activities was charged to functions as follows:

General Government	\$	203,071
Public Safety		218,617
Public Works		381,442
Recreation		49,908
Total	\$	853,038

Depreciation of general infrastructure assets (streets, sidewalks and bridges) in the amount of \$131,914 was included in the public works function.

At June 30, 2017, the City had outstanding construction and purchase commitments. The business-type activity commitment was \$1,714,734 related to the rehabilitation and expansion of the wastewater treatment plant and other water and sewer projects. The governmental activities commitment was \$787,865 related to construction of a tennis center.

Note 6 – Notes Receivable

Governmental Activities

The City issued a loan of \$330,000 to Newberry Hospital, LLC, a North Carolina limited liability company. The note is non-interest bearing and is to be repaid in annual payments commencing on the December 31 following the thirty-first anniversary of the completion date of the Newberry Senior Housing Apartments, and continuing on each December 31, thereafter. Annual payments will be determined based on certain cash flow factors at the payment date.

The City also issued a loan of \$25,000 to Newberry Hospital, LLC. The note is non-interest bearing and is to be repaid in full on the December 31 following the fifty-first anniversary of the completion date of the Newberry Senior Housing Apartments.

Note 7 – Long-term Debt

General Obligation Bonds

The City may issue general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. The City had no outstanding general obligation bonds at June 30, 2017.

Compensated Absences

The City reports a liability for compensated absences representing paid time off made available to employees in connection with vacation leave, sick leave and similar benefits. The general fund is used to liquidate compensated absences incurred in governmental activities.

Net OPEB Obligation

Retired employees are allowed to participate in the health, dental, and life insurance programs. The general fund is used to liquidate the net OPEB obligation of the governmental activities.

Net Pension Liability

The City reports a liability for its proportionate share of net pension liability based on a projection of the City's long-term contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The general fund is used to liquidate the liability incurred in governmental activities.

Utility System Revenue Bonds

The City also issues bonds and notes where the City pledges income derived from the acquired or constructed assets to pay debt service.

There are a number of limitations and restrictions contained in the various revenue bond ordinances. The City believes it is in compliance with all significant limitations and restrictions.

On June 24, 2009, the City closed on the Combined Public Utility System Revenue Bond, Series 2009, a State Revolving Fund loan, with total available funding in the amount of \$19,236,065. Total drawn against this loan was \$19,040,506. The loan was funded with \$4,000,000 ARRA grant funds and \$15,040,506 regular SRF funds. The purpose of the loan was to finance the rehabilitation and expansion of the City's wastewater treatment plant. Repayment of the principal and interest is due in 80 quarterly installments, with the first payment made December 1, 2011. The loan carried interest at 2.25% per annum during the year ended June 30, 2017.

On May 26, 2015, the City closed on the Combined Public Utility System Revenue Bond, Series 2015, with total available funding in the amount of \$39,005,000. Proceeds of this bond were used to payoff the short-term 2014 BAN principal and accrued interest. The remaining proceeds of this bond plus a \$2,000,000 contribution from the City are being used to finance improvements to the City's combined Public Utility System, including water treatment plant repairs and upgrades; electric substation replacements; sewer and water line repairs and replacements; warehouse and water tower improvements; and other general system upgrades.

The bond components include serial bonds with a par value of \$25,150,000 and average interest rate of 3.875%, and term bonds due in 2035 with a par value of \$13,855,000 and average interest rate of 4.0%. Repayment of principal is due annually on April 1, beginning April 2016 through April 2035. Principal installments range from \$960,000 to \$3,745,000. Interest is payable semiannually on April 1 and October 1 each year beginning October 2015 through April 2035.

Arbitrage provisions of the Internal Revenue Tax Act of 1986 require the City to rebate excess arbitrage earnings from bond proceeds to the federal government. As of June 30, 2017, the City did not have any excess arbitrage earnings to be included in accounts payable of the Proprietary Fund.

Capital Lease Obligations

The City leases street maintenance and sanitation equipment and fire trucks through capital leasing arrangements. The assets are recorded as capital assets and as long-term liabilities of governmental activities.

The following is an analysis of leased assets included in capital assets:

	Governmental Activities
Motor Vehicles and Equipment	\$ 1,311,150
Less Accumulated Depreciation	(698,829)
	<u>\$ 612,321</u>

The future minimum lease obligations for equipment as of June 30, 2017, were as follows:

Year Ending June 30,	Governmental Activities
2018	\$ 225,107
2019	152,019
2020	79,981
2021	51,358
2022	51,357
Thereafter	128,395
Total Minimum Lease Obligation	<u>688,217</u>
Less Amount Representing Interest	<u>(46,604)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 641,613</u>

The City has entered into a lease/purchase financing agreement with a financial institution for the financing of construction renovation to the fire station that formerly served the downtown area of the City in order to convert this facility into a conference center. The lease/purchase agreement stipulates that debt service is designated to be paid from the City's Local Hospitality and Accommodations Tax. The obligation is secured by the conference center facility. Terms of the agreement require annual payments of \$114,689 for 15 years at 3.91% interest beginning December 17, 2005. The following is a schedule of future minimum lease payments and the present value of the net minimum lease payments:

Year ending June 30,	Governmental Activities
2018	\$ 114,689
2019	114,689
2020	114,689
2021	47,786
Total Minimum Lease Payments	391,853
Less Amount Representing Interest	(25,604)
Present Value of Future Minimum Lease Payments	<u>\$ 366,249</u>

Changes in long-term liabilities for the year ended June 30, 2017, are as follows:

	July 1, 2016	Increases	Decreases	June 30, 2017	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 350,286	\$ 244,010	\$ (231,577)	\$ 362,719	\$ 220,200
Net OPEB Obligation	19,580	4,974	-	24,554	-
Net Pension Liability	8,042,168	1,165,708	-	9,207,876	-
Capital Lease Obligations	1,165,431	167,524	(325,093)	1,007,862	313,866
Total	<u>\$ 9,577,465</u>	<u>\$ 1,582,216</u>	<u>\$ (556,670)</u>	<u>\$ 10,603,011</u>	<u>\$ 534,066</u>

	July 1, 2016	Increases	Decreases	June 30, 2017	Due Within One Year
Business-Type Activities					
Compensated Absences	\$ 159,181	\$ 113,787	\$ (125,259)	\$ 147,709	\$ 119,377
Net OPEB Obligation	9,594	2,490	-	12,084	-
Net Pension Liability	3,446,644	499,588	-	3,946,232	-
Revenue Bonds, Series 2015	38,045,000	-	(1,230,000)	36,815,000	1,270,000
Revenue Bond Premium	739,967	-	(38,946)	701,021	38,946
State Revolving Fund Loan	15,208,233	-	(848,480)	14,359,753	866,850
Total	<u>\$ 57,608,619</u>	<u>\$ 615,865</u>	<u>\$ (2,242,685)</u>	<u>\$ 55,981,799</u>	<u>\$ 2,295,173</u>

The following schedules reflect future principal and interest requirements of the City's outstanding revenue bond and State Revolving Fund loan payable at June 30, 2017:

**Total Principal and Interest Requirement
of the Combined Public Utility Revenue Bonds, Series 2015**

<u>Fiscal Year</u>	<u>Fiscal Year Principal Due</u>	<u>Fiscal Year Interest Due</u>	<u>Total Principal and Interest Due</u>
2018	\$ 1,270,000	\$ 1,444,456	\$ 2,714,456
2019	1,305,000	1,406,356	2,711,356
2020	1,360,000	1,354,156	2,714,156
2021	1,415,000	1,299,756	2,714,756
2022	1,455,000	1,259,156	2,714,156
2023-2027	8,315,000	5,246,030	13,561,030
2028-2032	10,885,000	3,565,250	14,450,250
2033-2035	10,810,000	876,000	11,686,000
Total	<u>\$ 36,815,000</u>	<u>\$ 16,451,160</u>	<u>\$ 53,266,160</u>

These bonds are the responsibility of the Utility Enterprise Fund.

Note 1: Both the principal and interest on the bonds are payable solely from the gross revenues of the Utility Enterprise System, and are secured by a valid pledge of the gross revenues, subject to the application thereof, for the purposes and on the conditions permitted by the 2015 Bond Ordinance. Additionally, the bonds are secured by a statutory lien upon the Utility System. The bond covenants require, among other things, that the City prescribe and maintain, and thereafter, collect rates and charges for the services and facilities furnished by the system which, together with other income, are reasonably expected to yield annual net earnings in the current fiscal year equal to at least the sum of one hundred twenty-five percent (125%) of the annual principal and interest requirements in such fiscal year for all bonds outstanding. The commitment extends until the maturity of the bonds. The pledged revenue coverage for the year ended June 30, 2017 is as follows:

System operating revenues, exclusive of interest earning and non-operating income	\$ 36,956,770
System operating expenses, exclusive of depreciation and non-operating expenses	<u>28,679,385</u>
Amount available for debt service	<u>\$ 8,277,385</u>
Debt service - principal	\$ 2,078,480
Debt service - interest	<u>1,815,403</u>
Total	<u>\$ 3,893,883</u>
Coverage	<u>212.57%</u>

**Total Principal and Interest Requirement
of the State Revolving Fund Loan**

<u>Fiscal Year</u>	<u>Fiscal Year Principal Due</u>	<u>Fiscal Year Interest Due</u>	<u>Total Principal and Interest Due</u>
2018	\$ 866,850	\$ 315,676	\$ 1,182,526
2019	885,741	296,785	1,182,526
2020	905,167	277,359	1,182,526
2021	925,143	257,383	1,182,526
2022	945,685	236,841	1,182,526
2023-2027	5,057,514	855,119	5,912,633
2028-2032	4,773,653	252,082	5,025,735
Total	<u>\$ 14,359,753</u>	<u>\$ 2,491,245</u>	<u>\$ 16,850,998</u>

This note payable is the responsibility of the Utility Enterprise Fund.

Note 8 – Fund Balance Classifications

At June 30, 2017, fund balances for the governmental funds consisted of the following:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
Fund Balances				
Nonspendable				
Inventories	\$ 27,874	\$ -	\$ -	\$ 27,874
Restricted				
In accordance with donor stipulations	-	-	10,000	10,000
State accommodations tax	-	72,113	-	72,113
Streetscape	-	143,109	-	143,109
Local hospitality/accommodations	-	696,757	-	696,757
Victims' rights	-	1,477	-	1,477
Seizure fund	-	11,422	-	11,422
Committed				
NANU	-	4,350	-	4,350
Federal equitable sharing	-	8,150	-	8,150
Tourism	-	219,376	-	219,376
Special events	-	68,887	-	68,887
Cultural arts	-	61,370	-	61,370
Volunteer fire	-	12,114	-	12,114
Victims' rights	-	2,355	-	2,355
Oakland tennis	-	392,791	-	392,791
Assigned				
Depreciation	1,127,368	-	-	1,127,368
Japanese gardens maintenance	-	-	13,083	13,083
Community housing/development	-	710,638	-	710,638
Long-term receivable	-	355,000	-	355,000
Unassigned	6,264,798	-	-	6,264,798
Total	<u>\$ 7,420,040</u>	<u>\$ 2,759,909</u>	<u>\$ 23,083</u>	<u>\$ 10,203,032</u>

Note 9 – Interfund Receivables, Payables, and Transfers

At June 30, 2017, interfund receivables and payables resulting from various interfund transactions were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 215,373	\$ 295,000
Special Revenue Funds		
Cultural Arts	-	4,822
Special Events	25,000	-
State Accommodations Tax	-	18,784
Tourism	16,111	250
Local Hospitality/Accommodations	-	152,640
Community Housing/Development	125,000	-
Proprietary Fund - Unrestricted	87,372	-
Permanent Fund - Japanese Gardens	2,640	-
Total	<u>\$ 471,496</u>	<u>\$ 471,496</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2017 were as follows:

	<u>Transfer In</u>		
Transfer Out:	<u>General Fund</u>	<u>Permanent Fund</u>	<u>Total</u>
Proprietary Funds	\$ 1,865,909	\$ -	\$ 1,865,909
Special Revenue Funds	163,907	2,640	166,547
	<u>\$ 2,029,816</u>	<u>\$ 2,640</u>	<u>\$ 2,032,456</u>

Transfers are used to (1) move unrestricted general fund revenues to finance various programs that the government accounts for in other funds, (2) move revenues from the utility system to the general government to finance various programs benefiting the utility system that the government accounts for in other funds, (3) move tourism related revenues from collecting fund to the expending fund due to legal constraints, or to (4) move other unrestricted revenues to the general fund.

Note 10 – Contingent Liabilities and Commitments

The City has participated in a number of federally assisted grant programs, principally Community Development Block Grant programs. Grantor agencies reserve the right to perform certain audit work in addition to the work performed by the City's independent auditors. Disallowed costs, if any, resulting from such additional work, would have to be incurred by the City. Management does not believe that any significant costs will be incurred by the City if such additional work should occur.

The City, on behalf of the Proprietary Fund, has entered into a long-term agreement to purchase electrical power from the Piedmont Municipal Power Agency (PMPA), a governmental corporation organized under an act of the State of South Carolina. The agreement expires in 2035 depending on certain

contingencies. PMPA's generating capacity is committed to a group of municipalities, who have their own electrical utility operations, of which the City is a participant. Any excess energy is sold on the open market. The City is committed to purchase all electric power from PMPA, with the exception of the City's Southeastern Power Administration's allotment, and has pledged its electric system revenues as security for this commitment to PMPA over the term of the agreement. In fiscal year 2017, the cost of power purchased amounted to \$21,351,141. Because of the nature of the agreement, the aggregate commitments over future years cannot be determined.

During 2007, the City entered into an agreement with The School District of Newberry County for the lease of athletic facilities on the Newberry High School campus in order to supplement the existing facilities and programs of the City. The rent for the term of the lease is \$1 plus certain facility improvements funded by the City in the amount of approximately \$8,000. The lease expires May 31, 2027.

Note 11 – Deferred Compensation Plan

Two optional deferred compensation plans are available to City employees. The plans were created under Internal Revenue Code Sections 457 and 401(k). Employees may withdraw the current value of their contributions when they terminate employment. With approval of the State of South Carolina's Deferred Compensation Commission, employees may also withdraw the current value of their contributions prior to termination of employment if they meet certain requirements.

The requirements differ among the two plans. Compensation deferred under the plans is placed in trust with the State for the contributing employees. The City and State have no liability for losses under the plans.

Note 12 – Post-Employment HealthCare Benefits

Retired employees and survivors are allowed to participate in the health, dental and life insurance programs. The monthly cost of this participation as billed to the City by the State of South Carolina Employee Insurance Program is paid entirely by the retiree or survivor.

Note 13 – Post-Employment HealthCare Plan

Plan Description and Funding Policy

The City is a participant in the State of South Carolina Health Plan for medical and dental coverage, and eligible retirees and their spouses are allowed to continue coverage in accordance with the City of Newberry Other Postemployment Benefits (OPEB) Substantive Plan, a single-employer defined benefit plan. It is the City's policy to periodically review its medical and dental coverage in order to provide the most favorable yet affordable benefits and premiums for City employees and retirees.

The State of South Carolina Health Plan blends the experience of actives and retirees, including spouses and dependents, in determining premiums. Retirees are required by the City to bear both the City share and the participant share of premiums at the blended rate for any coverages elected. The City's exposure is capped under the City's OPEB substantive plan. As a result, the retirees receive an implicit rate subsidy. The required contributions are based on projected pay-as-you-go financing requirements. For fiscal year 2017, the City contributed \$12,600 to the plan. As of July 1, 2015, the most recent actuarial valuation date,

there were approximately 26 retirees and spouses, and beneficiaries receiving health benefits from the City's plan. The City's plan does not issue a stand-alone financial report.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost is calculated based on the City's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost of the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Schedule of Employer Contributions

Fiscal Year Ending June 30,	Annual Required Contribution	Interest on Net OPEB Obligation	Adjustment to the ARC	Net OPEB Cost	Actual Contribution	Increase in Net OPEB Obligation	Net OPEB Obligation - Beginning of Year	Net OPEB Obligation - End of Year
2017	\$ 20,094	\$ 1,128	\$ (1,158)	\$ 20,064	\$ 12,600	\$ 7,464	\$ 29,174	\$ 36,638

The net OPEB obligation by percentage of covered payroll per major fund is as follows:

General Fund (.67)	\$ 24,554
Utility Enterprise (.33)	<u>12,084</u>
	<u>\$ 36,638</u>

The contribution for the fiscal year ended June 30, 2017, consisted of the following:

Implicitly Subsidized Benefits	<u>\$ 12,600</u>
Total	<u>\$ 12,600</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the three latest years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2017	\$ 20,064	62.80%	\$ 36,638
6/30/2016	\$ 19,714	101.96%	\$ 29,174
6/30/2015	\$ 16,798	95.25%	\$ 29,560

Funded Status and Funding Progress

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples included assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits and is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
July 1, 2015	\$ -	\$ 284,279	\$ 284,279	0%	\$ 5,635,141	5%
July 1, 2013	\$ -	\$ 221,806	\$ 221,806	0%	\$ 5,399,713	4%
July 1, 2010	\$ -	\$ 222,500	\$ 222,500	0%	\$ 5,739,500	4%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

The following table summarizes actuarial methods and assumptions used as of the most recent actuarial valuation date:

Valuation Date	July 1, 2015
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll Amount, Open
Amortization Period	30 years
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Investment Rate of Return	4.00% annual returns net of both investment and non-actuarial administrative expenses
Health Cost Trend Assumption	Getzen Trend Model – 8.20% graded to 4.70% over 80 years
Payroll Growth Rate	4.00%
Inflation Rate	2.75%

Note 14 – Employee Retirement Systems – Pension Funds

The City participates in the State of South Carolina’s retirement plans (“Systems”), which are administered by the South Carolina Public Employee Benefit Authority (“PEBA”).

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Systems, and additions to/deductions from the Systems’ fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms for the plan. Investments are reported at fair value.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on PEBA’s website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the State.

Plan Description

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

The State Optional Retirement Program (ORP) is a defined contribution plan that is offered as an alternative to certain newly hired state, public school, and higher education employees. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

Membership

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below:

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior

to July 1, 2012, is a Class Two Member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a class Three member.

- State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. For this reason, State ORP programs are not part of the retirement systems' trust funds for financial statement purposes. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution and a portion of the employer contributions (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an identical death benefit contribution, if applicable, which is retained by SCRS.
- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation. A brief summary of benefit terms for each system is presented below.

- SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's credible service equals at least 90 years. Both Class Two and Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the

benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA Board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and total employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the Board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the Board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year.

Required employee contribution rates (1) are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
State ORP		
Employee	8.66%	8.16%
PORS		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

Required employer contribution rates (1) are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employee Class Two	11.41%	10.91%
Employee Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	13.84%	13.34%
Employee Class Three	13.84%	13.34%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

(1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

(2) Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the annual valuation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

South Carolina state statutes require that an actuarial experience study be completed at least once each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015. The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by the Systems' consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015 actuarial valuations, as adopted by the PEBA Board and SFAA which utilized membership data as of July 1, 2015. The total pension liability was rolled-forward from the valuation date to the Systems' fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4% to 10% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes inflation at 2.75%		

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 published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety and Firefighters	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

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

At June 30, 2017, the City reported a liability of \$13,154,108 for its proportionate share of the net pension liability. A liability of \$9,207,876 was reported for governmental liabilities and a liability of \$3,946,232 was reported for business-type activities. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2017, the City recognized pension expense totaling \$1,169,823, which consisted of contributions to the Systems of \$772,770 and additional expense of \$397,053, as a result of the increase in the net pension liability related to GASB 68 requirements. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 92,611	\$ 9,702
Net difference between projected and actual earnings on pension plan investments	751,634	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	105,426	42,525
City contributions subsequent to the measurement date	498,614	-
Total SCRS	1,448,285	52,227
PORS		
Differences between expected and actual experience	62,619	-
Net difference between projected and actual earnings on pension plan investments	478,526	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	123,197
City contributions subsequent to the measurement date	315,920	-
Total PORS	857,065	123,197
Total SCRS and PORS	\$ 2,305,350	\$ 175,424

\$498,614 and \$315,920 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2018	\$ 218,038	\$ 101,542	\$ 319,580
2019	218,038	101,542	319,580
2020	218,038	101,542	319,580
2021	218,038	101,542	319,580
2022	25,292	11,780	37,072
Total	\$ 897,444	\$ 417,948	\$ 1,315,392

Payables to the Pension Plan

The City had an outstanding payable of \$162,765 due to the PEBA for its legally required contributions. The payable represented amounts due for the month of June 2017 and was paid in July 2017.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 45,356,214,752	\$ 23,996,362,354	\$ 21,359,852,398	52.9%
PORS	6,412,510,458	3,876,035,732	2,536,474,726	60.4%

The total pension liability is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The net pension liability is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015, actuarial valuations, was based upon the 30-year capital markets outlook at the end of the third quarter 2015. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return and used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

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<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	43.0%		
Global public equity	34.0%	6.52%	2.22%
Private equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/ Risk parity	10.0%	3.90%	0.39%
HF (low beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed credit	5.0%	3.52%	0.17%
Emerging markets debt	5.0%	4.91%	0.25%
Private debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core fixed income	10.0%	1.72%	0.17%
Cash and short duration (net)	2.0%	0.71%	0.01%
Total expected real return	100.0%		5.10%
Inflation for Actuarial purposes			2.75%
Total expected nominal return			<u>7.85%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina State Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the City's proportionate share of net pension liability of the Systems calculated using the discount rate of 7.50 percent, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00 percent lower (6.50 percent) or 1.00 percent higher (8.50 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 11,144,885	\$ 8,933,972	\$ 7,093,470
PORS	\$ 5,530,850	\$ 4,220,136	\$ 3,042,244

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2016 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2016.

Note 15 – Risk Management and Retention

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered through participation in an insurance purchasing public entity risk pool sponsored by the South Carolina Municipal Association. The City pays an annual premium to the pool and may be subject to supplemental premium assessment should pool claims exceed certain levels. Pool claims have not exceeded those levels in any of the past four years.

The City participates in the health insurance plan provided by the State of South Carolina to its employees. The City is responsible for collecting/paying premiums set by the State to the State for this insurance coverage. There is no other potential financial liability for the City.

There have been no significant reductions in insurance coverage during the fiscal year ended June 30, 2017.

Note 16 – Subsequent Events

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWBERRY

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM
LAST 3 FISCAL YEARS

	2017	2016	2015
<u>SCRS</u>			
Contractually required Contribution	\$ 498,614	\$ 441,898	\$ 419,751
Contributions in relation to the contractually required contribution	(498,614)	(441,898)	(419,751)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 4,369,974	\$ 4,050,395	\$ 3,850,922
Contributions as a percentage of covered-employee payroll	11.4%	10.9%	10.9%
	2017	2016	2015
<u>PORS</u>			
Contractually required Contribution	\$ 315,920	\$ 282,946	\$ 281,987
Contributions in relation to the contractually required contribution	(315,920)	(282,946)	(281,987)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 2,282,656	\$ 2,121,035	\$ 2,102,812
Contributions as a percentage of covered-employee payroll	13.8%	13.3%	13.4%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

CITY OF NEWBERRY

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM AND POLICE OFFICER RETIREMENT SYSTEM
LAST 3 FISCAL YEARS

	2017	2016	2015
<u>SCRS</u>			
City's proportion of the net pension liability	0.042%	0.041%	0.042%
City's proportionate share of the net pension liability	\$ 8,933,972	\$ 7,789,313	\$ 7,148,368
City's covered-employee payroll	\$ 4,050,395	\$ 3,850,922	\$ 3,769,744
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	220.57%	202.27%	189.63%
Plan's fiduciary net position	\$ 23,996,362,354	\$ 25,131,828,101	\$ 25,738,521,026
Plan fiduciary net position as a percentage of the total pension liability from PEBA	52.9%	57.0%	59.9%
	2017	2016	2015
<u>PORS</u>			
City's proportion of the net pension liability	0.166%	0.170%	0.175%
City's proportionate share of the net pension liability	\$ 4,220,136	\$ 3,699,499	\$ 3,355,092
City's covered-employee payroll	\$ 2,121,035	\$ 2,102,812	\$ 2,107,620
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	198.97%	175.93%	159.19%
Plan's fiduciary net position	\$ 3,876,035,732	\$ 3,971,824,838	\$ 3,985,101,996
Plan fiduciary net position as a percentage of the total pension liability from PEBA	60.4%	64.6%	67.5%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

CITY OF NEWBERRY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2017

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2016, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2017 reported in that schedule can be found in Note 14 of the basic financial statements.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

CITY OF NEWBERRY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total June 30, 2017</u>	<u>Total June 30, 2016</u>
Assets				
Cash and investments	\$ 2,746,074	\$ 20,377	\$ 2,766,451	\$ 3,092,527
Accounts/fees receivable	92,025	-	92,025	93,905
Notes receivable	355,000	-	355,000	355,000
Due from other governments	54,543	-	54,543	139,004
Interest and other	-	66	66	12
Due from other funds	166,111	2,640	168,751	167,352
Total Assets	<u>\$ 3,413,753</u>	<u>\$ 23,083</u>	<u>\$ 3,436,836</u>	<u>\$ 3,847,800</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 111,640	\$ -	\$ 111,640	\$ 29,383
Due to other funds	176,496	-	176,496	306,065
Total Liabilities	<u>288,136</u>	<u>-</u>	<u>288,136</u>	<u>335,448</u>
Deferred Inflows of Resources				
Unavailable revenues	365,708	-	365,708	363,410
Total Deferred Inflows of Resources	<u>365,708</u>	<u>-</u>	<u>365,708</u>	<u>363,410</u>
Fund Balances				
Restricted	924,878	10,000	934,878	946,494
Committed	769,393	-	769,393	1,108,052
Assigned	1,065,638	13,083	1,078,721	1,094,396
Total Fund Balances	<u>2,759,909</u>	<u>23,083</u>	<u>2,782,992</u>	<u>3,148,942</u>
Total Liabilities and Fund Balances	<u>\$ 3,413,753</u>	<u>\$ 23,083</u>	<u>\$ 3,436,836</u>	<u>\$ 3,847,800</u>

CITY OF NEWBERRY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total June 30, 2017</u>	<u>Total June 30, 2016</u>
Revenues				
Taxes	\$ 902,536	\$ -	\$ 902,536	\$ 883,852
Intergovernmental	1,205,433	-	1,205,433	749,855
Fines, forfeitures and penalties	44,978	-	44,978	53,681
Donations	61,156	-	61,156	41,600
Rental and other	113,510	-	113,510	131,712
Miscellaneous	27,512	-	27,512	-
Interest	316	69	385	58
Total Revenues	<u>2,355,441</u>	<u>69</u>	<u>2,355,510</u>	<u>1,860,758</u>
Expenditures				
Public safety	47,103	-	47,103	69,560
Community development	1,935,221	2,485	1,937,706	914,556
Non-departmental	458,055	-	458,055	366,479
Debt service				
Principal	98,275	-	98,275	94,513
Interest	16,414	-	16,414	20,176
Total Expenditures	<u>2,555,068</u>	<u>2,485</u>	<u>2,557,553</u>	<u>1,465,284</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(199,627)</u>	<u>(2,416)</u>	<u>(202,043)</u>	<u>395,474</u>
Other Financing Sources (Uses)				
Transfers in (out)	(166,547)	2,640	(163,907)	633,611
Total Other Financing Sources (Uses)	<u>(166,547)</u>	<u>2,640</u>	<u>(163,907)</u>	<u>633,611</u>
Net Change in Fund Balances	(366,174)	224	(365,950)	1,029,085
Fund Balances, beginning	<u>3,126,083</u>	<u>22,859</u>	<u>3,148,942</u>	<u>2,119,857</u>
Fund Balances, ending	<u>\$ 2,759,909</u>	<u>\$ 23,083</u>	<u>\$ 2,782,992</u>	<u>\$ 3,148,942</u>

GENERAL FUND

The General Fund is the City's main operating fund and is used to account for all financial resources traditionally associated with government except those required to be accounted for in another fund.

**CITY OF NEWBERRY
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Assets		
Assets		
Cash and investments	\$ 7,718,583	\$ 7,453,541
Receivables (net of allowances for uncollectibles)		
Taxes	86,409	107,475
Intergovernmental	84,029	67,249
Interest receivable	130	10
Other	45,507	35,206
Due from other funds	215,373	183,576
Inventories	27,874	32,731
Total Assets	<u>\$ 8,177,905</u>	<u>\$ 7,879,788</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances		
Liabilities		
Accounts payable	\$ 44,521	\$ 25,408
Intergovernmental	19,869	23,477
Accrued salaries and payroll liabilities	318,835	400,925
Due to other funds	295,000	57
Total Liabilities	<u>678,225</u>	<u>449,867</u>
Deferred Inflows of Resources		
Unavailable revenues	79,640	82,510
Total Deferred Inflows of Resources	<u>79,640</u>	<u>82,510</u>
Fund Balances		
Nonspendable	27,874	32,731
Assigned	1,127,368	1,488,869
Unassigned	6,264,798	5,825,811
Total Fund Balances	<u>7,420,040</u>	<u>7,347,411</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,177,905</u>	<u>\$ 7,879,788</u>

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>	<u>Year Ended</u> <u>June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Taxes	\$ 2,406,167	\$ 2,406,167	\$ 2,305,236	\$ (100,931)	\$ 2,475,067
Licenses, permits and franchise fees	1,567,570	1,567,570	1,701,086	133,516	1,660,200
Fines and forfeitures	603,000	603,000	384,355	(218,645)	479,177
Charges for services	841,000	841,000	903,240	62,240	892,796
Intergovernmental	1,443,322	1,443,322	1,536,349	93,027	1,247,277
Miscellaneous	27,500	27,500	55,725	28,225	130,798
Total Revenues	<u>6,888,559</u>	<u>6,888,559</u>	<u>6,885,991</u>	<u>(2,568)</u>	<u>6,885,315</u>
Expenditures					
General government					
City council	113,527	113,527	98,144	15,383	108,384
City manager	243,818	243,818	174,105	69,713	239,638
Human resources	99,354	99,354	92,909	6,445	107,990
Finance	159,983	159,983	125,150	34,833	126,787
City hall	38,503	38,503	36,168	2,335	28,869
Planning and development	235,714	235,714	207,344	28,370	166,728
Public safety					
Police department	1,893,467	1,893,467	1,877,265	16,202	1,740,038
Justice and law	500,000	500,000	383,956	116,044	442,738
Fire department	1,237,190	1,237,190	1,165,269	71,921	1,385,429
Public works					
Public works administration	179,323	179,323	167,461	11,862	148,203
Streets	882,885	882,885	908,435	(25,550)	552,014
Sanitation	701,395	701,395	610,580	90,815	570,340
Building maintenance	50,789	50,789	46,421	4,368	46,021
Garage	160,952	160,952	141,932	19,020	152,330
Parks, recreation, and tourism	679,009	679,009	695,927	(16,918)	724,731
Non-departmental					
General insurance	123,113	123,113	164,330	(41,217)	135,958
Employee benefits	1,972,073	1,972,073	1,749,753	222,320	1,634,308
Community promotions and projects	116,875	116,875	121,990	(5,115)	121,272
Capital lease payments	225,073	225,073	243,563	(18,490)	232,350
Total Expenditures	<u>9,613,043</u>	<u>9,613,043</u>	<u>9,010,702</u>	<u>602,341</u>	<u>8,664,128</u>
Excess (Deficiency) of Revenues					
Over Expenditures	<u>(2,724,484)</u>	<u>(2,724,484)</u>	<u>(2,124,711)</u>	<u>599,773</u>	<u>(1,778,813)</u>

(Continued)

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Other Financing Sources (Uses)					
Capital leases	\$ 160,000	\$ 160,000	\$ 167,524	\$ 7,524	\$ -
Transfers in (out)					
State accommodations tax fund	28,279	28,279	30,407	2,128	32,889
Local hospitality/accommodations fund	133,500	133,500	133,500	-	133,500
Utility system	1,865,909	1,865,909	1,865,909	-	1,865,909
Oakland tennis fund	-	-	-	-	(800,000)
Total Other Financing Sources (Uses)	<u>2,187,688</u>	<u>2,187,688</u>	<u>2,197,340</u>	<u>9,652</u>	<u>1,232,298</u>
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures	(536,796)	(536,796)	72,629	609,425	(546,515)
Fund Balances, beginning	<u>7,347,411</u>	<u>7,347,411</u>	<u>7,347,411</u>	<u>-</u>	<u>7,893,926</u>
Fund Balances, ending	<u>\$ 6,810,615</u>	<u>\$ 6,810,615</u>	<u>\$ 7,420,040</u>	<u>\$ 609,425</u>	<u>\$ 7,347,411</u>

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Taxes					
Vehicle property taxes	\$ 250,000	\$ 250,000	\$ 254,280	\$ 4,280	\$ 265,490
Other current property taxes	2,078,667	2,078,667	2,024,878	(53,789)	2,050,061
Delinquent property tax	60,000	60,000	7,244	(52,756)	36,927
Tax penalties	15,000	15,000	14,141	(859)	18,649
Fees in lieu of taxes	2,500	2,500	4,693	2,193	3,858
Oakland special assessment	-	-	-	-	100,082
Totals	2,406,167	2,406,167	2,305,236	(100,931)	2,475,067
Licenses, Permits and Franchise Fees					
Business licenses	1,420,500	1,420,500	1,501,270	80,770	1,484,704
Business license penalties	6,000	6,000	44,192	38,192	9,453
Building/sign permits	38,000	38,000	47,095	9,095	45,449
Inspections, lot clearing, zoning	24,320	24,320	27,434	3,114	37,114
Cable TV	64,000	64,000	65,759	1,759	68,475
Franchise Fees	14,750	14,750	15,336	586	15,005
Totals	1,567,570	1,567,570	1,701,086	133,516	1,660,200
Fines and Forfeitures					
Court fines, forfeitures and other	603,000	603,000	384,355	(218,645)	479,177
Totals	603,000	603,000	384,355	(218,645)	479,177
Charges for Services					
Recreation revenues	81,000	81,000	99,276	18,276	101,145
Public works charges	760,000	760,000	803,964	43,964	791,651
Totals	841,000	841,000	903,240	62,240	892,796
Intergovernmental					
Federal government					
Grants/receipts	90,930	90,930	112,181	21,251	264,981
State of South Carolina					
Merchants' inventory tax	58,392	58,392	58,392	-	58,392
Local government fund	223,000	223,000	235,361	12,361	224,960
Other receipts	410,000	410,000	453,000	43,000	25,127
Newberry County and county schools					
Recreation fee	18,000	18,000	20,670	2,670	21,314
County fire contribution	113,000	113,000	114,463	1,463	113,793
Other	10,000	10,000	14,248	4,248	14,950
Economic Development Contribution	20,000	20,000	20,000	-	20,000
Clinton Newberry Natural Gas Authority	500,000	500,000	508,034	8,034	503,760
Totals	1,443,322	1,443,322	1,536,349	93,027	1,247,277
Miscellaneous Revenues					
Sale of unserviceable equipment	15,000	15,000	26,011	11,011	84,305
Other	7,500	7,500	10,367	2,867	15,375
Interest earned	5,000	5,000	15,837	10,837	11,616
Insurance reimbursement	-	-	3,510	3,510	19,502
Totals	27,500	27,500	55,725	28,225	130,798
Total Revenues	\$ 6,888,559	\$ 6,888,559	\$ 6,885,991	\$ (2,568)	\$ 6,885,315

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
General Government					
City Council					
Salaries and other pay	\$ 63,351	\$ 63,351	\$ 63,569	\$ (218)	\$ 65,803
Operating	50,176	50,176	34,575	15,601	42,581
	<u>113,527</u>	<u>113,527</u>	<u>98,144</u>	<u>15,383</u>	<u>108,384</u>
City Manager					
Salaries and other pay	212,285	212,285	149,412	62,873	214,814
Operating	31,533	31,533	24,693	6,840	24,824
	<u>243,818</u>	<u>243,818</u>	<u>174,105</u>	<u>69,713</u>	<u>239,638</u>
Human Resources					
Salaries and other pay	86,248	86,248	85,625	623	82,157
Operating	13,106	13,106	7,284	5,822	25,833
	<u>99,354</u>	<u>99,354</u>	<u>92,909</u>	<u>6,445</u>	<u>107,990</u>
Finance					
Salaries and other pay	79,959	79,959	63,556	16,403	80,268
Operating	80,024	80,024	61,594	18,430	46,519
	<u>159,983</u>	<u>159,983</u>	<u>125,150</u>	<u>34,833</u>	<u>126,787</u>
City Hall					
Operating	38,503	38,503	36,168	2,335	28,869
	<u>38,503</u>	<u>38,503</u>	<u>36,168</u>	<u>2,335</u>	<u>28,869</u>
Planning and Development					
Salaries and other pay	119,139	119,139	119,691	(552)	115,851
Operating	116,575	116,575	87,653	28,922	50,877
	<u>235,714</u>	<u>235,714</u>	<u>207,344</u>	<u>28,370</u>	<u>166,728</u>
Public Safety					
Police Department					
Salaries and other pay	1,486,147	1,486,147	1,469,772	16,375	1,383,418
Operating	259,820	259,820	300,199	(40,379)	229,469
Capital outlay	147,500	147,500	107,294	40,206	127,151
	<u>1,893,467</u>	<u>1,893,467</u>	<u>1,877,265</u>	<u>16,202</u>	<u>1,740,038</u>
Justice and Law					
Salaries and other pay	115,070	115,070	143,567	(28,497)	126,808
Operating	384,930	384,930	240,389	144,541	315,930
	<u>500,000</u>	<u>500,000</u>	<u>383,956</u>	<u>116,044</u>	<u>442,738</u>

(continued)

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>	<u>Year Ended</u> <u>June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Public Safety (Continued)					
Fire Department					
Salaries and other pay	\$ 887,107	\$ 887,107	\$ 861,147	\$ 25,960	\$ 862,682
Operating	237,083	237,083	244,148	(7,065)	522,747
Capital outlay	113,000	113,000	59,974	53,026	-
	<u>1,237,190</u>	<u>1,237,190</u>	<u>1,165,269</u>	<u>71,921</u>	<u>1,385,429</u>
Public Works					
Public Works Administration					
Salaries and other pay	110,711	110,711	110,583	128	110,604
Operating	46,612	46,612	36,169	10,443	28,766
Capital outlay	22,000	22,000	20,709	1,291	8,833
	<u>179,323</u>	<u>179,323</u>	<u>167,461</u>	<u>11,862</u>	<u>148,203</u>
Streets					
Salaries and other pay	324,791	324,791	305,733	19,058	321,138
Operating	544,094	544,094	597,452	(53,358)	86,888
Capital outlay	14,000	14,000	5,250	8,750	143,988
	<u>882,885</u>	<u>882,885</u>	<u>908,435</u>	<u>(25,550)</u>	<u>552,014</u>
Sanitation					
Salaries and other pay	196,333	196,333	174,681	21,652	197,802
Operating	195,062	195,062	129,775	65,287	135,855
Capital outlay	310,000	310,000	306,124	3,876	236,683
	<u>701,395</u>	<u>701,395</u>	<u>610,580</u>	<u>90,815</u>	<u>570,340</u>
Building Maintenance					
Salaries and other pay	40,897	40,897	41,781	(884)	40,742
Operating	9,892	9,892	4,640	5,252	5,279
	<u>50,789</u>	<u>50,789</u>	<u>46,421</u>	<u>4,368</u>	<u>46,021</u>
Garage					
Salaries and other pay	109,027	109,027	107,995	1,032	107,282
Operating	51,925	51,925	33,937	17,988	28,318
Capital outlay	-	-	-	-	16,730
	<u>160,952</u>	<u>160,952</u>	<u>141,932</u>	<u>19,020</u>	<u>152,330</u>
Parks, Recreation, and Tourism					
Salaries and other pay	423,244	423,244	412,337	10,907	404,143
Operating	215,765	215,765	259,792	(44,027)	248,408
Capital outlay	40,000	40,000	23,798	16,202	72,180
	<u>679,009</u>	<u>679,009</u>	<u>695,927</u>	<u>(16,918)</u>	<u>724,731</u>

(continued)

CITY OF NEWBERRY
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2016
	Original	Final			
Non-Departmental					
General Insurance					
Operating	\$ 123,113	\$ 123,113	\$ 164,330	\$ (41,217)	\$ 135,958
	<u>123,113</u>	<u>123,113</u>	<u>164,330</u>	<u>(41,217)</u>	<u>135,958</u>
Employee Benefits					
SC retirement	211,532	211,532	214,858	(3,326)	213,779
SC police retirement	326,085	326,085	316,349	9,736	291,991
Social security	327,867	327,867	304,355	23,512	301,197
City's share of employee insurance	812,000	812,000	718,020	93,980	709,016
Workers' compensation	177,289	177,289	127,587	49,702	66,491
Workers' comp. deductibles	78,000	78,000	31,412	46,588	16,875
Unemployment	3,000	3,000	-	3,000	3,136
Employer/employee relations	23,000	23,000	24,649	(1,649)	21,796
Physical exams	2,500	2,500	2,147	353	1,250
Wellness program	10,800	10,800	10,376	424	8,777
	<u>1,972,073</u>	<u>1,972,073</u>	<u>1,749,753</u>	<u>222,320</u>	<u>1,634,308</u>
Community Promotions and Projects					
Operating	116,875	116,875	121,990	(5,115)	121,272
	<u>116,875</u>	<u>116,875</u>	<u>121,990</u>	<u>(5,115)</u>	<u>121,272</u>
Debt Service					
Capital lease principal and interest payments	225,073	225,073	243,563	(18,490)	232,350
	<u>225,073</u>	<u>225,073</u>	<u>243,563</u>	<u>(18,490)</u>	<u>232,350</u>
Grand Totals	<u>\$ 9,613,043</u>	<u>\$ 9,613,043</u>	<u>\$ 9,010,702</u>	<u>\$ 602,341</u>	<u>\$ 8,664,128</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the accumulation and disbursement of restricted resources. The City has the following Special Revenue Funds.

NANU – This fund is used to account for the revenues and expenditures of the Newberry Allied Narcotics Unit (NANU), the City’s drug task force.

Federal Equitable Sharing – This fund is used to account for the City’s share of federal drug seizure revenues and expenditures.

Tourism Fund – This fund is used to account for the renovations and operations of the conference center and for tourism promotion.

Special Events Fund – This fund is used to account for transactions of the special events of the City such as city festivals.

State Accommodations Tax Fund – This fund is used to account for transactions related to the City’s share of money received from the statewide accommodations tax.

Cultural Arts Fund – This fund is used to account for transactions related to certain employees provided to the Newberry Opera House Foundation by contract. The City provides certain employees to operate solely under the direction of the Newberry Opera House Foundation Board of Directors.

Community Housing/Development Fund – This fund is used to account for the transactions related to certain funding sources made available for the purpose of housing rehabilitation and community development.

Streetscape Fund – This fund is used to account for the revenues and expenditures of the street and sidewalk improvement program.

Local Hospitality/Accommodations Fee Fund – This fund is used to account for the money received from the additional 2% fee charged for meals and 3% fee charged for lodging by the City of Newberry.

Volunteer Firemen – This fund is used to account for collection of shared insurance premium rebates from the State of South Carolina and expenditures on behalf of the City’s firemen.

Victim’s Rights Fund – This fund is used to account for the transactions of the State mandated Victim’s Rights program.

Seizure Fund - This fund is used to account for the revenues and expenditures of the Newberry Allied Narcotics Unit (NANU) before the cases go to trial. Once the case has been adjudicated, the funds are moved to the NANU fund.

Oakland Tennis Fund - This fund is used to account for the revenues and expenditures of the Oakland Tennis Facility.

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	NANU	Federal Equitable Sharing	Tourism Fund	Special Events Fund	State Accommodations Tax Fund	Cultural Arts Fund
Assets						
Cash and investments	\$ 4,354	\$ 8,150	\$ 215,516	\$ 40,887	\$ 37,229	\$ 163,379
Accounts/fees receivable	-	-	-	3,000	-	12,277
Notes receivable	-	-	-	-	-	-
Due from other governments	-	-	875	-	53,668	-
Due from other funds	-	-	16,111	25,000	-	-
Total Assets	<u>\$ 4,354</u>	<u>\$ 8,150</u>	<u>\$ 232,502</u>	<u>\$ 68,887</u>	<u>\$ 90,897</u>	<u>\$ 175,656</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable and accrued expenses	\$ 4	\$ -	\$ 2,168	\$ -	\$ -	\$ 109,464
Due to other funds	-	-	250	-	18,784	4,822
Total Liabilities	<u>4</u>	<u>-</u>	<u>2,418</u>	<u>-</u>	<u>18,784</u>	<u>114,286</u>
Deferred Inflows of Resources						
Unavailable revenues	-	-	10,708	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>10,708</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Restricted	-	-	-	-	72,113	-
Committed	4,350	8,150	219,376	68,887	-	61,370
Assigned	-	-	-	-	-	-
Total fund balances	<u>4,350</u>	<u>8,150</u>	<u>219,376</u>	<u>68,887</u>	<u>72,113</u>	<u>61,370</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,354</u>	<u>\$ 8,150</u>	<u>\$ 232,502</u>	<u>\$ 68,887</u>	<u>\$ 90,897</u>	<u>\$ 175,656</u>

Community Housing/ Development Fund	Streetscape Fund	Local Hospitality/ Accommodations Fee Fund	Volunteer Firemen	Victim's Rights Fund	Seizure Fund	Oakland Tennis Fund	Totals June 30, 2017	Totals June 30, 2016
\$ 940,593	\$ 143,109	\$ 775,069	\$ 12,114	\$ 1,477	\$ 11,422	\$ 392,775	\$ 2,746,074	\$ 3,072,320
45	-	74,328	-	2,359	-	16	92,025	93,905
355,000	-	-	-	-	-	-	355,000	355,000
-	-	-	-	-	-	-	54,543	139,004
125,000	-	-	-	-	-	-	166,111	164,712
<u>\$ 1,420,638</u>	<u>\$ 143,109</u>	<u>\$ 849,397</u>	<u>\$ 12,114</u>	<u>\$ 3,836</u>	<u>\$ 11,422</u>	<u>\$ 392,791</u>	<u>\$ 3,413,753</u>	<u>\$ 3,824,941</u>
\$ -	\$ -	\$ -	\$ -	\$ 4	-	\$ -	\$ 111,640	\$ 29,383
-	-	152,640	-	-	-	-	176,496	306,065
-	-	152,640	-	4	-	-	288,136	335,448
355,000	-	-	-	-	-	-	365,708	363,410
355,000	-	-	-	-	-	-	365,708	363,410
-	143,109	696,757	-	1,477	11,422	-	924,878	936,494
-	-	-	12,114	2,355	-	392,791	769,393	1,108,052
1,065,638	-	-	-	-	-	-	1,065,638	1,081,537
<u>1,065,638</u>	<u>143,109</u>	<u>696,757</u>	<u>12,114</u>	<u>3,832</u>	<u>11,422</u>	<u>392,791</u>	<u>2,759,909</u>	<u>3,126,083</u>
<u>\$ 1,420,638</u>	<u>\$ 143,109</u>	<u>\$ 849,397</u>	<u>\$ 12,114</u>	<u>\$ 3,836</u>	<u>\$ 11,422</u>	<u>\$ 392,791</u>	<u>\$ 3,413,753</u>	<u>\$ 3,824,941</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	NANU	Federal Equitable Sharing	Tourism Fund	Special Events Fund	State Accommodations Tax Fund	Cultural Arts Fund
Revenues						
Fees						
Hospitality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Intergovernmental						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Accommodations tax	-	-	-	-	133,130	-
Local - other	-	-	-	27,512	-	-
Drug seizure	8,180	-	-	-	-	-
Donations	-	-	-	30,310	-	-
Rental and other	-	-	72,804	-	-	39,551
Interest income	-	-	-	-	-	-
Total Revenues	<u>8,180</u>	<u>-</u>	<u>72,804</u>	<u>57,822</u>	<u>133,130</u>	<u>39,551</u>
Expenditures						
Grants to others	-	-	-	-	-	-
Tourism contribution/NOHF	-	-	-	-	32,196	-
Other						
Operating expenditures	10,486	-	265,717	83,073	-	353,061
Capital expenditures	-	-	-	-	-	-
Debt service						
Principal	-	-	98,275	-	-	-
Interest	-	-	16,414	-	-	-
Total Expenditures	<u>10,486</u>	<u>-</u>	<u>380,406</u>	<u>83,073</u>	<u>32,196</u>	<u>353,061</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,306)</u>	<u>-</u>	<u>(307,602)</u>	<u>(25,251)</u>	<u>100,934</u>	<u>(313,510)</u>
Other Financing Sources (Uses)						
Transfers in/(out)						
General Fund	-	-	-	-	(30,407)	-
Permanent Fund	-	-	-	-	-	-
Other Special Revenue Funds	-	-	363,328	34,979	(54,618)	326,344
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>363,328</u>	<u>34,979</u>	<u>(85,025)</u>	<u>326,344</u>
Fund Balances, beginning	<u>6,656</u>	<u>8,150</u>	<u>163,650</u>	<u>59,159</u>	<u>56,204</u>	<u>48,536</u>
Fund Balances, ending	<u>\$ 4,350</u>	<u>\$ 8,150</u>	<u>\$ 219,376</u>	<u>\$ 68,887</u>	<u>\$ 72,113</u>	<u>\$ 61,370</u>

<u>Community Housing/ Development Fund</u>	<u>Streetscape Fund</u>	<u>Local Hospitality/ Accommodations Fee Fund</u>	<u>Volunteer Firemen</u>	<u>Victim's Rights Fund</u>	<u>Seizure Fund</u>	<u>Oakland Tennis Fund</u>	<u>Totals June 30, 2017</u>	<u>Totals June 30, 2016</u>
\$ -	\$ -	\$ 757,097	\$ -	\$ -	\$ -	\$ -	\$ 757,097	\$ 731,420
-	-	145,439	-	-	-	-	145,439	131,544
-	-	2,031	-	-	-	-	2,031	2,770
-	-	-	22,138	-	-	-	22,138	21,087
1,050,165	-	-	-	-	-	-	1,050,165	620,114
-	-	-	-	-	-	-	133,130	108,654
-	-	-	-	27,454	-	1,155	56,121	51,784
-	-	-	-	-	7,313	-	15,493	20,015
24,941	-	-	-	-	-	5,905	61,156	41,600
-	-	-	-	-	-	-	112,355	131,712
160	-	83	-	-	-	73	316	34
<u>1,075,266</u>	<u>-</u>	<u>904,650</u>	<u>22,138</u>	<u>27,454</u>	<u>7,313</u>	<u>7,133</u>	<u>2,355,441</u>	<u>1,860,734</u>
-	39,701	-	-	-	-	-	39,701	45,613
-	-	-	-	-	-	-	32,196	53,470
25,266	25,987	-	21,921	28,548	8,069	35,318	857,446	817,060
715,899	-	-	-	-	-	795,137	1,511,036	433,267
-	-	-	-	-	-	-	98,275	94,513
-	-	-	-	-	-	-	16,414	20,176
<u>741,165</u>	<u>65,688</u>	<u>-</u>	<u>21,921</u>	<u>28,548</u>	<u>8,069</u>	<u>830,455</u>	<u>2,555,068</u>	<u>1,464,099</u>
<u>334,101</u>	<u>(65,688)</u>	<u>904,650</u>	<u>217</u>	<u>(1,094)</u>	<u>(756)</u>	<u>(823,322)</u>	<u>(199,627)</u>	<u>396,635</u>
-	-	(133,500)	-	-	-	-	(163,907)	633,611
-	-	(2,640)	-	-	-	-	(2,640)	(2,640)
(350,000)	-	(729,583)	-	-	-	409,550	-	-
<u>(350,000)</u>	<u>-</u>	<u>(865,723)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,550</u>	<u>(166,547)</u>	<u>630,971</u>
<u>1,081,537</u>	<u>208,797</u>	<u>657,830</u>	<u>11,897</u>	<u>4,926</u>	<u>12,178</u>	<u>806,563</u>	<u>3,126,083</u>	<u>2,098,477</u>
<u>\$ 1,065,638</u>	<u>\$ 143,109</u>	<u>\$ 696,757</u>	<u>\$ 12,114</u>	<u>\$ 3,832</u>	<u>\$ 11,422</u>	<u>\$ 392,791</u>	<u>\$ 2,759,909</u>	<u>\$ 3,126,083</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - NEWBERRY ALLIED NARCOTICS UNIT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Drug seizure	\$ 5,000	\$ 5,000	\$ 8,180	\$ 3,180	\$ 4,451
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>8,180</u>	<u>3,180</u>	<u>4,451</u>
Expenditures					
Other					
Operating expenditures	19,149	19,149	10,486	8,663	10,975
Total Expenditures	<u>19,149</u>	<u>19,149</u>	<u>10,486</u>	<u>8,663</u>	<u>10,975</u>
Excess (Deficiency) of Revenues Over Expenditures	(14,149)	(14,149)	(2,306)	11,843	(6,524)
Other Financing Sources					
Transfers in					
Other special revenue funds	-	-	-	-	5,018
Fund Balances, beginning	<u>6,656</u>	<u>6,656</u>	<u>6,656</u>	<u>-</u>	<u>8,162</u>
Fund Balances, ending	<u>\$ (7,493)</u>	<u>\$ (7,493)</u>	<u>\$ 4,350</u>	<u>\$ 11,843</u>	<u>\$ 6,656</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - TOURISM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Rental and other	\$ 89,100	\$ 89,100	\$ 72,804	\$ (16,296)	\$ 105,978
Total Revenues	<u>89,100</u>	<u>89,100</u>	<u>72,804</u>	<u>(16,296)</u>	<u>105,978</u>
Expenditures					
Other					
Operating expenditures	307,200	307,200	265,717	41,483	301,842
Debt service					
Principal	98,275	98,275	98,275	-	94,513
Interest	16,414	16,414	16,414	-	20,176
Total Expenditures	<u>421,889</u>	<u>421,889</u>	<u>380,406</u>	<u>41,483</u>	<u>416,531</u>
Excess (Deficiency) of					
Revenues Over Expenditures	(332,789)	(332,789)	(307,602)	25,187	(310,553)
Other Financing Sources					
Transfers in					
Other special revenue funds	346,289	346,289	363,328	17,039	356,185
Fund Balances, beginning	<u>163,650</u>	<u>163,650</u>	<u>163,650</u>	<u>-</u>	<u>118,018</u>
Fund Balances, ending	<u>\$ 177,150</u>	<u>\$ 177,150</u>	<u>\$ 219,376</u>	<u>\$ 42,226</u>	<u>\$ 163,650</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - SPECIAL EVENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Local - other	\$ 16,000	\$ 16,000	\$ 27,512	\$ 11,512	\$ 18,118
Donations	26,000	26,000	30,310	4,310	25,050
Total Revenues	<u>42,000</u>	<u>42,000</u>	<u>57,822</u>	<u>15,822</u>	<u>43,168</u>
Expenditures					
Other					
Operating expenditures	90,600	90,600	83,073	7,527	65,704
Total Expenditures	<u>90,600</u>	<u>90,600</u>	<u>83,073</u>	<u>7,527</u>	<u>65,704</u>
Excess (Deficiency) of Revenues Over Expenditures	(48,600)	(48,600)	(25,251)	23,349	(22,536)
Other Financing Sources					
Transfers in					
Other special revenue funds	35,000	35,000	34,979	(21)	34,150
Fund Balances, beginning	<u>59,159</u>	<u>59,159</u>	<u>59,159</u>	<u>-</u>	<u>47,545</u>
Fund Balances, ending	<u>\$ 45,559</u>	<u>\$ 45,559</u>	<u>\$ 68,887</u>	<u>\$ 23,328</u>	<u>\$ 59,159</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - STATE ACCOMMODATIONS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Intergovernmental					
Accommodations tax	\$ 92,000	\$ 92,000	\$ 133,130	\$ 41,130	\$ 108,654
Total Revenues	<u>92,000</u>	<u>92,000</u>	<u>133,130</u>	<u>41,130</u>	<u>108,654</u>
Expenditures					
Tourism contribution/NOHF	22,800	22,800	32,196	(9,396)	28,679
Total Expenditures	<u>22,800</u>	<u>22,800</u>	<u>32,196</u>	<u>(9,396)</u>	<u>28,679</u>
Excess (Deficiency) of Revenues Over Expenditures	69,200	69,200	100,934	31,734	79,975
Other Financing Uses					
Transfers out					
General fund	(28,279)	(28,279)	(30,407)	(2,128)	(32,889)
Other special revenue funds	(42,300)	(42,300)	(54,618)	(12,318)	(46,646)
Fund Balances, beginning	<u>56,204</u>	<u>56,204</u>	<u>56,204</u>	<u>-</u>	<u>55,764</u>
Fund Balances, ending	<u>\$ 54,825</u>	<u>\$ 54,825</u>	<u>\$ 72,113</u>	<u>\$ 17,288</u>	<u>\$ 56,204</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - CULTURAL ARTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Newberry Opera House reimbursement	\$ 30,000	\$ 30,000	\$ 18,300	\$ (11,700)	\$ -
Facility fee	25,000	25,000	21,251	(3,749)	25,734
Total Revenues	<u>55,000</u>	<u>55,000</u>	<u>39,551</u>	<u>(15,449)</u>	<u>25,734</u>
Expenditures					
Other					
Operating expenditures	369,407	369,407	353,061	16,346	279,994
Total Expenditures	<u>369,407</u>	<u>369,407</u>	<u>353,061</u>	<u>16,346</u>	<u>279,994</u>
Excess (Deficiency) of Revenues Over Expenditures	(314,407)	(314,407)	(313,510)	897	(254,260)
Other Financing Sources					
Transfers in					
Other special revenue funds	326,344	326,344	326,344	-	298,186
Fund Balances, beginning	<u>48,536</u>	<u>48,536</u>	<u>48,536</u>	<u>-</u>	<u>4,610</u>
Fund Balances, ending	<u>\$ 60,473</u>	<u>\$ 60,473</u>	<u>\$ 61,370</u>	<u>\$ 897</u>	<u>\$ 48,536</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - COMMUNITY HOUSING/DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Revenues					
Intergovernmental					
Community development	\$ 501,000	\$ 501,000	\$ 1,050,165	\$ 549,165	\$ 620,114
Donations	-	-	24,941	24,941	-
Interest income	20	20	160	140	18
Total Revenues	<u>501,020</u>	<u>501,020</u>	<u>1,075,266</u>	<u>574,246</u>	<u>620,132</u>
Expenditures					
Other					
Operating expenditures	-	-	25,266	(25,266)	50,500
Capital expenditures	950,000	950,000	715,899	234,101	417,072
Total Expenditures	<u>950,000</u>	<u>950,000</u>	<u>741,165</u>	<u>208,835</u>	<u>467,572</u>
Excess (Deficiency) of					
Revenues Over Expenditures	(448,980)	(448,980)	334,101	783,081	152,560
Other Financing Sources (Uses)					
Transfers in/out					
Other special revenue funds	-	-	-	-	125,000
Other special revenue funds	(350,000)	(350,000)	(350,000)	-	-
Fund Balances, beginning	<u>1,081,537</u>	<u>1,081,537</u>	<u>1,081,537</u>	<u>-</u>	<u>803,977</u>
Fund Balances, ending	<u>\$ 282,557</u>	<u>\$ 282,557</u>	<u>\$ 1,065,638</u>	<u>\$ 783,081</u>	<u>\$ 1,081,537</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - STREETSCAPE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Intergovernmental					
Community development	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Grants to others	36,000	36,000	39,701	(3,701)	45,613
Other					
Operating expenditures	30,000	30,000	25,987	4,013	6,202
Total Expenditures	<u>66,000</u>	<u>66,000</u>	<u>65,688</u>	<u>312</u>	<u>51,815</u>
Excess (Deficiency) of Revenues Over Expenditures	(66,000)	(66,000)	(65,688)	312	(51,815)
Fund Balances, beginning	<u>208,797</u>	<u>208,797</u>	<u>208,797</u>	<u>-</u>	<u>260,612</u>
Fund Balances, ending	<u>\$ 142,797</u>	<u>\$ 142,797</u>	<u>\$ 143,109</u>	<u>\$ 312</u>	<u>\$ 208,797</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - LOCAL HOSPITALITY/ACCOMMODATIONS FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Fees					
Hospitality	\$ 698,000	\$ 698,000	\$ 757,097	\$ 59,097	\$ 731,420
Accommodations	127,000	127,000	145,439	18,439	131,544
Penalties	1,075	1,075	2,031	956	2,770
Interest income	10	10	83	73	10
Total Revenues	<u>826,085</u>	<u>826,085</u>	<u>904,650</u>	<u>78,565</u>	<u>865,744</u>
Expenditures					
Tourism contribution/NOHF	-	-	-	-	53,470
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,470</u>
Excess (Deficiency) of Revenues Over Expenditures	826,085	826,085	904,650	78,565	812,274
Other Financing Uses					
Transfers out					
Permanent fund	(2,640)	(2,640)	(2,640)	-	(2,640)
General fund	(133,500)	(133,500)	(133,500)	-	(133,500)
Other special revenue funds	(729,583)	(729,583)	(729,583)	-	(766,875)
Fund Balances, beginning	<u>657,830</u>	<u>657,830</u>	<u>657,830</u>	<u>-</u>	<u>748,571</u>
Fund Balances, ending	<u>\$ 618,192</u>	<u>\$ 618,192</u>	<u>\$ 696,757</u>	<u>\$ 78,565</u>	<u>\$ 657,830</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - VICTIM'S RIGHTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Court fines and assessments	\$ 35,450	\$ 35,450	\$ 27,454	\$ (7,996)	\$ 33,666
Total Revenues	<u>35,450</u>	<u>35,450</u>	<u>27,454</u>	<u>(7,996)</u>	<u>33,666</u>
Expenditures					
Other					
Operating expenditures	66,933	66,933	28,548	38,385	53,971
Total Expenditures	<u>66,933</u>	<u>66,933</u>	<u>28,548</u>	<u>38,385</u>	<u>53,971</u>
Excess (Deficiency) of Revenues Over Expenditures	(31,483)	(31,483)	(1,094)	30,389	(20,305)
Fund Balances, beginning	<u>4,926</u>	<u>4,926</u>	<u>4,926</u>	<u>-</u>	<u>25,231</u>
Fund Balances, ending	<u>\$ (26,557)</u>	<u>\$ (26,557)</u>	<u>\$ 3,832</u>	<u>\$ 30,389</u>	<u>\$ 4,926</u>

CITY OF NEWBERRY
SPECIAL REVENUE FUNDS - OAKLAND TENNIS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Local - other	\$ 27,240	\$ 27,240	\$ 1,155	\$ (26,085)	\$ -
Donations	136,800	136,800	5,905	(130,895)	16,550
Interest income	-	-	73	73	6
Total Revenues	<u>164,040</u>	<u>164,040</u>	<u>7,133</u>	<u>(156,907)</u>	<u>16,556</u>
Expenditures					
Other					
Operating expenditures	70,395	70,395	35,318	35,077	-
Capital expenditures	1,300,000	1,300,000	795,137	504,863	9,993
Total Expenditures	<u>1,370,395</u>	<u>1,370,395</u>	<u>830,455</u>	<u>539,940</u>	<u>9,993</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,206,355)	(1,206,355)	(823,322)	383,033	6,563
Other Financing Sources					
Transfers in					
General Fund	-	-	-	-	800,000
Other special revenue funds	409,550	409,550	409,550	-	-
Fund Balances, beginning	<u>806,563</u>	<u>806,563</u>	<u>806,563</u>	<u>-</u>	<u>-</u>
Fund Balances, ending	<u>\$ 9,758</u>	<u>\$ 9,758</u>	<u>\$ 392,791</u>	<u>\$ 383,033</u>	<u>\$ 806,563</u>

CITY OF NEWBERRY
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
VICTIM'S RIGHTS FUND
YEAR ENDED JUNE 30, 2017

Municipal Court Revenue to City of Newberry

Court revenue booked in General Fund, excluding Victim's Rights money and other police revenue	\$	381,072
Court assessments and surcharges to State of South Carolina		(219,475)
Court Refunds		(5,231)
		<hr/>
Net Court Revenue to City of Newberry	\$	<u>156,366</u>

Municipal Court Revenue to State of South Carolina

Court assessments to the State Treasurer	\$	141,959
DUI assessments to the State Treasurer		145
DUI Spinal Cord Research Surcharges to the State Treasurer		1,210
DUI DPS Pullouts to the State Treasurer		1,210
DUS DPS Pullouts to the State Treasurer		4,654
Drug Surcharges to the State Treasurer		10,800
Law Enforcement Surcharges to State Treasurer		58,381
Criminal Justice Academy Surcharges		566
DUI/DUAC Test Conviction Fees		100
		<hr/> 450
Total Court Revenue to State Treasurer	\$	<u>219,475</u>

Victim Services

Court assessments allocated to Victim Services	\$	17,842
Court surcharges allocated to Victim Services		<hr/> 9,612
Funds allocated to Victim Services		27,454
Victim Services expenditures and Transfers		<hr/> (28,548)

Excess of Revenues Over (Under) Expenditures

(1,094)

Fund Balance, beginning

4,926

Fund Balance, ending

\$ 3,832

PERMANENT FUND

Japanese Gardens - Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used to support government programs which benefit the government or its citizens. The interest portion of the permanent fund can be used to maintain the Japanese Gardens.

CITY OF NEWBERRY
PERMANENT FUND - JAPANESE GARDENS
COMPARATIVE BALANCE SHEETS
JUNE 30, 2017 AND 2016

	2017	2016
Assets		
Cash and investments	\$ 20,377	\$ 20,207
Interest receivable	66	12
Due from other funds	2,640	2,640
Total Assets	\$ 23,083	\$ 22,859
 Liabilities and Fund Balances		
Fund Balances		
Restricted	\$ 10,000	\$ 10,000
Assigned	13,083	12,859
Total Liabilities and Fund Balances	\$ 23,083	\$ 22,859

CITY OF NEWBERRY
 JAPANESE GARDENS PERMANENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2017
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2016
	Original	Final			
Revenues					
Donations	\$ -	\$ -	\$ -	\$ -	\$ -
Interest revenue	20	20	69	49	24
Total Revenues	<u>20</u>	<u>20</u>	<u>69</u>	<u>49</u>	<u>24</u>
Expenditures					
Maintenance of Japanese Gardens	2,660	2,660	2,485	175	1,185
Total Expenditures	<u>2,660</u>	<u>2,660</u>	<u>2,485</u>	<u>175</u>	<u>1,185</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,640)	(2,640)	(2,416)	224	(1,161)
Other Financing Sources					
Transfers In Special Revenue Fund	2,640	2,640	2,640	-	2,640
Fund Balances, beginning	<u>22,859</u>	<u>22,859</u>	<u>22,859</u>	<u>-</u>	<u>21,380</u>
Fund Balances, ending	<u><u>\$ 22,859</u></u>	<u><u>\$ 22,859</u></u>	<u><u>\$ 23,083</u></u>	<u><u>\$ 224</u></u>	<u><u>\$ 22,859</u></u>

ENTERPRISE FUND

The Enterprise Fund accounts for operations that are financed and operated in a manner similar to private business enterprise. The intent of the City is that costs of providing goods or services to the general public on a continuing basis will be financed or recovered through user charges.

Utility System - This fund is used to account for the activities of the Electric, Water and Sewer System (a department of the City of Newberry). Activities of the fund include administration, operation and maintenance of the electric, water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for Water and Sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

**CITY OF NEWBERRY
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
Assets		
Current Assets		
Cash and investments	\$ 14,598,013	\$ 13,362,039
Receivables (net of allowances for uncollectibles)		
Accounts	4,512,128	4,383,996
Grants	130,218	-
Intergovernmental	5,657	11,024
Interest receivable	244	11
Other	47,991	8,960
Due from other funds	87,372	-
Inventory	1,869,999	1,855,759
Restricted Assets		
Cash and investments	2,524,851	2,477,221
Total Current Assets	23,776,473	22,099,010
Noncurrent Assets		
Capital Assets		
Land and land improvements	437,589	437,589
Buildings and fixtures	18,191,715	17,645,491
Office furniture and equipment	388,514	388,514
Traffic controls and fire alarm system	185,112	185,112
Street lighting	457,575	457,575
Other equipment	1,607,134	1,297,085
Motor vehicles and equipment	3,028,687	2,661,663
Electric distribution system	15,006,556	14,340,643
Water distribution system	28,803,916	25,201,631
Sewer collection system	39,546,225	35,360,907
Construction in progress	18,510,739	15,816,953
Totals	126,163,762	113,793,163
Less accumulated depreciation	(53,420,412)	(49,906,550)
Total Capital Assets	72,743,350	63,886,613
Restricted assets		
Cash and investments	10,114,956	19,332,820
Total Noncurrent Assets	82,858,306	83,219,433
Total Assets	106,634,779	105,318,443
Deferred Outflows of Resources		
Deferred outflows of resources related to pensions	691,605	308,752
Total Deferred Outflows of Resources	691,605	308,752

(Continued)

**CITY OF NEWBERRY
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
JUNE 30, 2017 AND 2016**

	2017	2016
Liabilities		
Current Liabilities		
Accounts payable	\$ 1,979,139	\$ 2,501,888
Accrued salaries payable	47,149	126,151
Compensated absences payable	119,377	99,625
Retainage payable	782,810	647,381
Due to other funds	-	44,806
Accrued interest payable	388,001	398,741
Revenue bonds payable	1,308,946	1,268,946
Loans payable	866,850	848,480
Total Current Liabilities	5,492,272	5,936,018
Noncurrent Liabilities		
Loans payable	13,492,903	14,359,753
Revenue bonds payable	36,207,075	37,516,021
Compensated absences payable	28,332	59,556
Other post-employment benefit obligation	12,084	9,594
Net pension liability	3,946,232	3,446,644
Total Noncurrent Liabilities	53,686,626	55,391,568
Total Liabilities	59,178,898	61,327,586
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	15,668	50,247
Total Deferred Inflows of Resources	15,668	50,247
Net Position		
Net investment in capital assets	32,518,374	30,352,537
Restricted for		
Debt service	780,293	875,689
Maintenance of utility system	126,695	125,958
Unrestricted	14,706,456	12,895,178
Total Net Position	\$ 48,131,818	\$ 44,249,362

**CITY OF NEWBERRY
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Operating Revenues					
Connection and reconnection fees	\$ 101,000	\$ 101,000	\$ 116,936	\$ 15,936	\$ 124,690
Water receipts	4,989,761	4,989,761	5,137,112	147,351	4,956,538
Electric receipts	26,595,308	26,595,308	25,868,884	(726,424)	25,609,993
Sewer receipts	4,613,995	4,613,995	4,795,291	181,296	4,496,826
Sales and use tax	525,000	525,000	544,468	19,468	529,664
Utility penalty	200,000	200,000	343,665	143,665	337,614
Water taps	10,000	10,000	19,200	9,200	9,700
Sewer taps	2,000	2,000	7,000	5,000	3,700
Temporary electric services	7,200	7,200	5,740	(1,460)	7,160
Newberry Housing Authority	1,086	1,086	1,086	-	1,086
Fire flow access fees	23,000	23,000	22,928	(72)	23,113
Fiber optic revenue	30,000	30,000	40,000	10,000	25,000
Other revenue	13,000	13,000	9,835	(3,165)	10,506
CATV - pole rental	89,100	89,100	44,625	(44,475)	44,625
Total Operating Revenues	<u>37,200,450</u>	<u>37,200,450</u>	<u>36,956,770</u>	<u>(243,680)</u>	<u>36,180,215</u>
Operating Expenses					
City Hall	33,900	33,900	31,864	2,036	43,359
Finance	446,845	446,845	396,479	50,366	417,655
Utility administration	262,582	262,582	633,573	(370,991)	245,226
Warehouse	74,767	74,767	100,415	(25,648)	76,891
Information services	140,680	140,680	92,479	48,201	66,900
Electric distribution	967,538	967,538	1,086,517	(118,979)	842,194
Water and sewer maintenance	1,020,501	1,020,501	869,751	150,750	1,176,101
Water production	1,284,829	1,284,829	1,226,741	58,088	1,268,980
Waste treatment	1,018,209	1,018,209	1,086,136	(67,927)	1,086,002
General insurance	142,662	142,662	123,258	19,404	52,228
Employee fringe benefits	897,660	897,660	915,501	(17,841)	751,187
Nondepartmental	21,830,141	21,830,141	22,116,671	(286,530)	21,986,741
Depreciation	1,700,000	1,700,000	3,513,862	(1,813,862)	3,363,803
Total Operating Expenses	<u>29,820,314</u>	<u>29,820,314</u>	<u>32,193,247</u>	<u>(2,372,933)</u>	<u>31,377,267</u>
Operating Income	<u>7,380,136</u>	<u>7,380,136</u>	<u>4,763,523</u>	<u>(2,616,613)</u>	<u>4,802,948</u>

(continued)

**CITY OF NEWBERRY
ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
Nonoperating Income (Expenses)					
Interest revenue	\$ 2,000	\$ 2,000	\$ 138,688	\$ 136,688	\$ 468,303
Federal and state grants	-	335,666	923,344	587,678	512,699
DOT reimbursements	-	-	1,687,464	1,687,464	-
Interest expense, bank fees and other	(13,000)	(13,000)	(1,764,654)	(1,751,654)	(1,885,788)
Total Nonoperating Income (Expenses)	<u>(11,000)</u>	<u>324,666</u>	<u>984,842</u>	<u>660,176</u>	<u>(904,786)</u>
Income Before Transfers	<u>7,369,136</u>	<u>7,704,802</u>	<u>5,748,365</u>	<u>(1,956,437)</u>	<u>3,898,162</u>
Transfer from (to) General fund	<u>(1,865,909)</u>	<u>(1,865,909)</u>	<u>(1,865,909)</u>	<u>-</u>	<u>(1,865,909)</u>
Change in Net Position	5,503,227	5,838,893	3,882,456	(1,956,437)	2,032,253
Net Position, beginning	<u>44,249,362</u>	<u>44,249,362</u>	<u>44,249,362</u>	<u>-</u>	<u>42,217,109</u>
Net Position, ending	<u>\$ 49,752,589</u>	<u>\$ 50,088,255</u>	<u>\$ 48,131,818</u>	<u>\$ (1,956,437)</u>	<u>\$ 44,249,362</u>

CITY OF NEWBERRY
ENTERPRISE FUND
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
City Hall					
Operating	\$ 33,900	\$ 33,900	\$ 31,864	\$ 2,036	\$ 43,359
	<u>33,900</u>	<u>33,900</u>	<u>31,864</u>	<u>2,036</u>	<u>43,359</u>
Finance					
Salaries and other pay	294,256	294,256	287,011	7,245	291,078
Operating	<u>152,589</u>	<u>152,589</u>	<u>109,468</u>	<u>43,121</u>	<u>126,577</u>
	<u>446,845</u>	<u>446,845</u>	<u>396,479</u>	<u>50,366</u>	<u>417,655</u>
Utility Administration					
Salaries and other pay	222,132	222,132	298,604	(76,472)	216,429
Operating	<u>40,450</u>	<u>40,450</u>	<u>334,969</u>	<u>(294,519)</u>	<u>28,797</u>
	<u>262,582</u>	<u>262,582</u>	<u>633,573</u>	<u>(370,991)</u>	<u>245,226</u>
Warehouse					
Salaries and other pay	43,858	43,858	55,738	(11,880)	55,755
Operating	<u>30,909</u>	<u>30,909</u>	<u>44,677</u>	<u>(13,768)</u>	<u>21,136</u>
	<u>74,767</u>	<u>74,767</u>	<u>100,415</u>	<u>(25,648)</u>	<u>76,891</u>
Information Services					
Salaries and other pay	100,263	100,263	53,673	46,590	43,573
Operating	<u>40,417</u>	<u>40,417</u>	<u>38,806</u>	<u>1,611</u>	<u>23,327</u>
	<u>140,680</u>	<u>140,680</u>	<u>92,479</u>	<u>48,201</u>	<u>66,900</u>
Electric Distribution					
Salaries and other pay	455,472	455,472	448,012	7,460	434,134
Operating	<u>512,066</u>	<u>512,066</u>	<u>638,505</u>	<u>(126,439)</u>	<u>408,060</u>
	<u>967,538</u>	<u>967,538</u>	<u>1,086,517</u>	<u>(118,979)</u>	<u>842,194</u>
Water and Sewer Maintenance					
Salaries and other pay	395,054	395,054	337,743	57,311	329,998
Operating	<u>625,447</u>	<u>625,447</u>	<u>532,008</u>	<u>93,439</u>	<u>846,103</u>
	<u>1,020,501</u>	<u>1,020,501</u>	<u>869,751</u>	<u>150,750</u>	<u>1,176,101</u>
Water Production					
Salaries and other pay	367,471	367,471	352,046	15,425	320,045
Operating	<u>917,358</u>	<u>917,358</u>	<u>874,695</u>	<u>42,663</u>	<u>948,935</u>
	<u>1,284,829</u>	<u>1,284,829</u>	<u>1,226,741</u>	<u>58,088</u>	<u>1,268,980</u>
Waste Treatment					
Salaries and other pay	219,913	219,913	212,859	7,054	198,092
Operating	<u>798,296</u>	<u>798,296</u>	<u>873,277</u>	<u>(74,981)</u>	<u>887,910</u>
	<u>1,018,209</u>	<u>1,018,209</u>	<u>1,086,136</u>	<u>(67,927)</u>	<u>1,086,002</u>

(continued)

CITY OF NEWBERRY
ENTERPRISE FUND
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2016)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2016</u>
	<u>Original</u>	<u>Final</u>			
General Insurance					
Operating	\$ 142,662	\$ 142,662	\$ 123,258	\$ 19,404	\$ 52,228
	<u>142,662</u>	<u>142,662</u>	<u>123,258</u>	<u>19,404</u>	<u>52,228</u>
Employee Fringe and Benefits					
SC retirement	232,085	232,085	241,563	(9,478)	205,151
Social security	160,529	160,529	154,718	5,811	139,873
City's share of employee insurance	360,000	360,000	319,057	40,943	306,709
GASB 45 OPEB adjustment	5,000	5,000	2,490	2,510	(118)
GASB 68 pension adjustment	-	-	82,156	(82,156)	37,987
Workers' compensation	87,321	87,321	89,088	(1,767)	36,008
Workers' compensation deductibles	20,000	20,000	8,966	11,034	14,530
Unemployment claims	4,000	4,000	-	4,000	652
Employer/employee relations	18,175	18,175	19,443	(1,268)	11,237
Physical examinations	1,100	1,100	700	400	2,184
Wellness program	9,450	9,450	8,792	658	4,309
Compensated absences adjustment	-	-	(11,472)	11,472	(7,335)
	<u>897,660</u>	<u>897,660</u>	<u>915,501</u>	<u>(17,841)</u>	<u>751,187</u>
Nondepartmental					
Sales and use tax	550,000	550,000	562,368	(12,368)	545,839
Purchase of electricity	21,036,000	21,036,000	21,351,141	(315,141)	21,115,845
SCE&G water contract	24,000	24,000	18,170	5,830	18,502
Streetlight charges	10,141	10,141	8,146	1,995	8,704
Refunds	10,000	10,000	4,412	5,588	7,033
Bad debt expense	160,000	160,000	161,411	(1,411)	249,940
Community enhancement	30,000	30,000	6,795	23,205	2,520
Web site maintenance	10,000	10,000	4,228	5,772	4,148
Lease - Lindsay Drivethru	-	-	-	-	34,210
	<u>21,830,141</u>	<u>21,830,141</u>	<u>22,116,671</u>	<u>(286,530)</u>	<u>21,986,741</u>
Depreciation	<u>1,700,000</u>	<u>1,700,000</u>	<u>3,513,862</u>	<u>(1,813,862)</u>	<u>3,363,803</u>
Grand Totals	<u>\$ 29,820,314</u>	<u>\$ 29,820,314</u>	<u>\$ 32,193,247</u>	<u>\$ (2,372,933)</u>	<u>\$ 31,377,267</u>

**CITY OF NEWBERRY
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Cash Flows from Operating Activities		
Receipts from charges for sales and services	\$ 36,735,147	\$ 36,222,606
Receipts from other revenues	59,827	-
Payments for goods and services	(4,594,600)	(5,682,423)
Purchase of electricity	(21,351,141)	(21,115,845)
Payments for personnel services	(2,967,015)	(1,876,381)
	7,882,218	7,547,957
Net Cash Provided by Operating Activities		
Cash Flows from Noncapital Financing Activities		
Subsidy from other governments	1,726,585	103,106
Transfers in (out)	(1,865,909)	(1,865,909)
	(139,324)	(1,762,803)
Net Cash Used in Noncapital Financing Activities		
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(12,676,794)	(14,719,067)
Cash capital grants	754,005	409,593
Principal payments on bonds and notes payable	(2,078,480)	(1,790,943)
Interest and other fees paid	(1,814,340)	(1,687,065)
	(15,815,609)	(17,787,482)
Net Cash Provided by (Used in) Capital and Related Financing Activities		
Cash Flows from Investing Activities		
Interest on investments	138,455	468,303
	138,455	468,303
Net Cash Provided by Investing Activities		
Net Decrease in Cash and Investments	(7,934,260)	(11,534,025)
Cash and Investments, Beginning	35,172,080	46,706,105
Cash and Investments, Ending	\$ 27,237,820	\$ 35,172,080

(Continued)

CITY OF NEWBERRY
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities		
Operating Income	\$ 4,763,523	\$ 4,802,948
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	3,513,862	3,363,803
Loss on disposal of capital assets	-	61,247
(Increase) decrease in assets and deferred outflows		
Receivables, net	(161,796)	37,182
Inventories	(14,240)	(356,070)
Deferred outflows related to pensions	(382,853)	(10,605)
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	(81,125)	(414,606)
Accrued salaries and payroll liabilities	411,604	308,211
Due to other funds	(132,178)	2,861
Deferred inflows related to pensions	(34,579)	(247,014)
	\$ 7,882,218	\$ 7,547,957
Noncash Investing, Capital, and Financing Activities		
Amortization included in interest expense	\$ (38,946)	\$ -

STATISTICAL SECTION

This part of the City of Newberry's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Page</u>
Contents	
Financial Trends	108-115
<p>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</p>	
Revenue Capacity	116-129
<p>These schedules contain information to help the reader assess the government's most significant local revenue source, utility system receipts. Additional data is presented on property tax revenue, the most significant general fund revenue source and a traditional revenue source of interest to readers of this report.</p>	
Debt Capacity	130-137
<p>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	138-139
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</p>	
Operating Information	140-142
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</p>	
Sources:	<p>Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.</p>

City of Newberry
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015(*)	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Governmental activities										
Invested in capital assets, net of related debt	5,930,087	6,447,586	6,934,137	7,016,972	6,905,766	7,465,441	7,920,688	7,787,439	8,034,933	9,369,795
Restricted	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Unrestricted	6,001,866	6,777,040	7,299,789	7,810,796	8,523,753	8,862,948	8,711,468	2,713,939	3,123,417	2,497,220
Total governmental activities net position	11,941,953	13,234,626	14,243,926	14,837,768	15,439,519	16,338,389	16,642,156	10,511,378	11,168,350	11,877,015
Business-type activities										
Invested in capital assets, net of related debt	19,853,480	21,938,753	21,001,548	21,973,791	25,406,140	26,164,248	24,384,749	25,789,683	30,352,537	32,518,374
Restricted	1,634,787	2,758,201	2,473,010	2,352,964	2,210,843	2,013,851	1,417,922	1,406,590	1,001,647	906,988
Unrestricted	8,995,983	7,067,335	10,123,565	12,779,649	13,421,117	12,458,839	16,948,721	15,020,836	12,895,178	14,706,456
Total business-type activities net position	30,484,250	31,764,289	33,598,123	37,106,404	41,038,100	40,636,938	42,751,392	42,217,109	44,249,362	48,131,818
Primary government										
Invested in capital assets, net of related debt	25,783,567	28,386,339	27,935,685	28,990,763	32,311,906	33,629,689	32,305,437	33,577,122	38,387,470	41,888,169
Restricted	1,644,787	2,768,201	2,483,010	2,362,964	2,220,843	2,023,851	1,427,922	1,416,590	1,011,647	916,988
Unrestricted	14,997,849	13,844,375	17,423,354	20,590,445	21,944,870	21,321,787	25,660,189	17,734,775	16,018,595	17,203,676
Total primary government net position	42,426,203	44,998,915	47,842,049	51,944,172	56,477,619	56,975,327	59,393,548	52,728,487	55,417,712	60,008,833

* Implementation of GASB No. 68/71 in 2015 resulted in a significant reduction in unrestricted net position.

City of Newberry
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Expenses										
Governmental activities:										
General government	1,314,360	1,189,122	1,483,407	1,659,638	1,670,245	1,642,800	910,194	1,337,007	1,398,601	1,367,851
Public safety	4,190,713	4,071,407	4,373,431	4,222,019	4,281,619	4,228,150	4,289,783	4,334,446	4,668,707	4,693,817
Public works	1,341,670	1,538,902	1,090,333	1,336,605	1,443,578	1,611,683	1,662,670	1,567,672	1,718,116	2,341,691
Recreation	579,420	581,708	552,199	564,042	575,679	723,463	616,972	753,929	848,809	951,086
Community development	948,805	785,508	732,863	1,507,326	677,786	516,702	1,146,252	442,955	746,775	426,670
Community promotions	183,867	148,955	101,810	126,390	87,180	101,851	486,636	597,233	487,751	580,045
Interest on long-term debt	156,887	130,055	109,088	91,869	74,523	56,824	38,812	37,427	39,291	33,159
Total governmental activities expenses	8,715,722	8,445,657	8,443,131	9,507,889	8,810,610	8,881,473	9,151,319	9,070,669	9,908,050	10,394,319
Business-type activities: Utility system	19,981,290	21,029,294	21,434,088	22,714,292	24,910,631	27,053,021	27,287,433	30,508,087	33,263,055	33,957,901
Total primary government expenses	28,697,012	29,474,951	29,877,219	32,222,181	33,721,241	35,934,494	36,438,752	39,578,756	43,171,105	44,352,220
Program Revenues										
Governmental activities:										
Charges for services:										
General government	1,468,790	1,401,080	1,379,518	1,377,432	1,479,788	1,575,674	1,514,666	1,574,727	1,660,200	1,701,086
Public safety	988,539	791,774	768,505	711,268	720,042	610,677	681,044	537,168	553,945	451,471
Public works	574,127	609,412	611,839	615,684	613,789	617,555	623,084	767,747	791,651	803,964
Parks, Recreation, & Tourism	38,399	38,420	40,873	47,851	40,132	39,149	40,860	70,178	101,145	99,276
Community promotion and projects	2,910	5,395	6,815	6,965	9,000	16,804	16,030	22,204	18,118	-
Operating grants and contributions	183,563	180,233	100,667	1,439,932	543,951	400,786	309,957	655,922	837,886	-
Capital grants and contributions	556,620	520,272	35,278	150,918	116,421	1,964	66,697	91,217	227,443	-
Total governmental activities program revenues	3,812,948	3,546,586	2,943,495	4,350,050	3,523,123	3,262,609	3,252,338	3,719,163	4,190,388	3,055,797
Business-type activities: Utility system										
Charges for services	22,071,963	23,023,588	24,134,113	25,817,383	27,130,430	28,066,615	30,733,794	34,651,670	36,180,215	36,956,770
Operating grants and contributions	-	-	-	-	-	-	-	-	103,106	1,726,585
Capital grants and contributions	132,329	-	433,533	1,665,279	401,050	180,163	388,119	308,411	409,593	884,223
Total business-type activities program revenues	22,204,292	23,023,588	24,567,646	27,482,662	27,531,480	28,246,778	31,121,913	34,960,081	36,692,914	39,567,578
Total primary government program revenues	26,017,240	26,570,174	27,511,141	31,832,712	31,054,603	31,509,387	34,374,251	38,679,244	40,883,302	42,623,375

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net (expense)/revenue										
Governmental activities	(4,902,774)	(4,899,071)	(5,499,636)	(5,157,839)	(5,287,487)	(5,618,864)	(5,898,981)	(5,351,506)	(5,717,662)	(5,027,461)
Business-type activities	2,223,002	1,994,294	3,133,558	4,768,370	2,620,849	1,193,757	3,834,480	4,451,994	3,429,859	5,609,677
Total primary government net expense	(2,679,772)	(2,904,777)	(2,366,078)	(389,469)	(2,666,638)	(4,425,107)	(2,064,501)	(899,512)	(2,287,803)	582,216
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	2,324,532	2,481,874	2,470,075	2,475,538	2,554,096	2,680,811	2,387,834	2,724,278	2,470,966	2,304,664
Local hospitality and accommodation fee	557,636	553,178	592,269	639,843	647,615	680,581	728,087	815,540	865,734	902,536
Intergovernmental revenue	1,861,027	1,741,740	1,957,652	905,362	870,913	1,112,994	1,037,343	907,857	910,716	426,883
Interest revenue	115,620	36,020	19,172	10,978	6,368	5,363	3,455	5,167	11,674	16,222
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	41,446	22,157
Miscellaneous	536,811	114,830	152,988	231,043	127,504	220,623	180,120	188,934	208,189	197,755
Transfers	1,209,241	1,264,102	1,316,780	1,488,917	1,682,742	1,817,362	1,865,909	1,865,909	1,865,909	1,865,909
Total governmental activities	6,604,867	6,191,744	6,508,936	5,751,681	5,889,238	6,517,734	6,202,748	6,507,685	6,374,634	5,736,126
Business-type activities:										
Intergovernmental revenue	1,773,933	491,261	-	217,650	2,989,331	219,299	143,720	-	-	-
Interest revenue	194,545	58,586	17,056	11,178	4,258	3,144	2,163	2,613	468,303	138,688
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	(1,209,241)	(1,264,102)	(1,316,780)	(1,488,917)	(1,682,742)	(1,817,362)	(1,865,909)	(1,865,909)	(1,865,909)	(1,865,909)
Total business-type activities	759,237	(714,255)	(1,299,724)	(1,260,089)	1,310,847	(1,594,919)	(1,720,026)	(1,863,296)	(1,397,606)	(1,727,221)
Total primary government	7,364,104	5,477,489	5,209,212	4,491,592	7,200,085	4,922,815	4,482,722	4,644,389	4,977,028	4,008,905
Change in Net Position										
Government activities	1,702,093	1,292,673	1,009,300	593,842	601,751	898,870	303,767	1,156,179	656,972	708,665
Business-type activities	2,982,239	1,280,039	1,833,834	3,508,281	3,931,696	(401,162)	2,114,454	2,588,698	2,032,253	3,882,456
Total primary government	4,684,332	2,572,712	2,843,134	4,102,123	4,533,447	497,708	2,418,221	3,744,877	2,689,225	4,591,121

City of Newberry
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

<u>Fiscal Year</u>	<u>Property Tax \$</u>
2008	2,324,532
2009	2,481,874
2010	2,470,075
2011	2,475,538
2012	2,554,096
2013	2,680,811
2014	2,387,834
2015	2,724,278
2016	2,470,966
2017	2,304,664

City of Newberry
Fund Balances of Governmental Funds
Last Ten Fiscal Years (1)
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General fund										
Nonspendable	-	-	-	52,070	48,400	48,087	51,013	38,392	32,731	27,874
Reserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unreserved	4,601,905	4,963,913	5,115,849	-	-	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	1,007,002	928,310	905,292	789,534	1,625,510	1,488,869	1,127,368
Unassigned	-	-	-	4,327,273	4,931,838	5,161,918	6,150,934	6,230,024	5,825,811	6,264,798
Total general fund	4,601,905	4,963,913	5,115,849	5,386,345	5,908,548	6,115,297	6,991,481	7,893,926	7,347,411	7,420,040
All other governmental funds										
Nonspendable	-	-	-	355,000	355,000	355,000	355,000	355,000	355,000	-
Reserved	10,000	10,000	10,000	-	-	-	-	-	-	-
Restricted	-	-	-	984,603	1,138,747	1,767,069	1,139,044	1,098,123	946,494	934,878
Unreserved, reported in:										
Special revenue funds	1,064,410	1,430,335	1,714,026	-	-	-	-	-	-	-
Debt service fund	188,685	242,505	305,775	-	-	-	-	-	-	-
Permanent fund	6,382	6,713	6,899	-	-	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	941,269	1,015,386	484,917	183,929	206,377	1,108,052	769,393
Assigned	-	-	-	6,384	5,815	5,370	5,809	11,380	739,396	1,078,721
Unassigned	-	-	-	-	-	-	(16,593)	448,977	-	-
Total all other governmental funds	1,269,477	1,689,553	2,036,700	2,287,256	2,514,948	2,612,356	1,667,189	2,119,857	3,148,942	2,782,992
Total all governmental funds	5,871,382	6,653,466	7,152,549	7,673,601	8,423,496	8,727,653	8,658,670	10,013,783	10,496,353	10,203,032

(1) Reporting coincides with GASB 54 implementation in 2011. GASB 54 eliminated the reserved and unreserved classifications and replaced them with Nonspendable, Restricted, and Unrestricted. Within the Unrestricted category three classifications of fund balance were created: Committed, Assigned, and Unassigned.

City of Newberry
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues										
Taxes	2,319,513	2,472,998	2,461,415	2,473,486	2,575,245	2,670,447	2,441,841	2,725,212	2,475,067	3,207,772
Licenses, permits and franchise fees	1,468,790	1,401,080	1,379,518	1,377,432	1,479,788	1,575,674	1,514,666	1,574,727	1,660,200	1,701,086
Fines and forfeitures	975,649	778,615	755,361	696,552	699,682	595,795	660,628	516,168	532,858	429,333
Charges for service	1,173,072	1,206,405	1,251,796	1,310,343	1,310,536	1,354,089	1,408,061	1,675,669	1,776,648	903,240
Intergovernmental	2,614,366	2,455,404	2,106,741	2,510,928	1,551,645	1,530,626	1,434,413	1,675,996	1,997,132	2,741,782
Miscellaneous	258,360	150,850	172,160	242,021	133,872	225,986	183,575	194,101	304,168	258,288
Total revenues	8,809,750	8,465,352	8,126,991	8,610,762	7,750,768	7,952,617	7,643,184	8,361,873	8,746,073	9,241,501
Expenditures										
General government	835,483	940,889	883,930	857,462	719,729	682,621	660,535	743,851	778,396	733,820
Public safety	3,394,144	3,117,160	3,405,480	3,270,866	3,294,835	3,291,882	3,367,887	3,789,881	3,637,765	3,473,593
Public works	1,336,113	1,408,313	1,232,928	1,126,769	1,244,149	1,414,559	1,432,832	1,405,544	1,468,908	1,874,829
Recreation	454,591	465,227	430,531	422,809	438,325	973,617	513,382	612,242	724,731	695,927
Community development	948,805	785,508	732,863	1,507,326	677,786	640,010	1,146,252	477,955	914,556	1,937,706
Nondepartmental	1,782,737	1,764,466	1,746,100	1,823,470	1,854,174	1,915,338	2,012,871	2,214,638	2,258,017	2,494,128
Debt Service										
Principal	518,789	518,492	592,055	595,425	608,779	622,854	632,785	369,192	307,748	325,093
Interest	160,561	139,615	112,237	95,077	77,788	60,147	42,196	37,427	39,291	33,159
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures, including capital	9,431,223	9,139,670	9,136,124	9,699,204	8,915,565	9,601,028	9,808,740	9,650,730	10,129,412	11,568,255
Total capital expenditures only	1,349,556	962,229	894,970	427,369	325,710	898,467	992,767	1,068,909	774,247	2,034,185
Excess of revenues over (under) expenditures	(621,473)	(674,318)	(1,009,133)	(1,088,442)	(1,164,797)	(1,648,411)	(2,165,556)	(1,288,857)	(1,383,339)	(2,326,754)
Other financing sources (uses)										
Transfers in	1,254,419	1,291,948	1,342,433	1,513,917	1,707,742	1,842,362	2,276,008	2,030,006	2,499,520	2,032,456
Transfers out	(45,178)	(27,846)	(25,653)	(25,000)	(25,000)	(25,000)	(410,099)	(164,097)	(633,611)	(166,547)
Issuance of debt/construction loan/costs	232,500	1,542,300	191,436	120,577	231,950	135,206	230,664	778,061	-	-
Repayment of debt/construction loan/costs	-	(1,350,000)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,441,741	1,456,402	1,508,216	1,609,494	1,914,692	1,952,568	2,096,573	2,643,970	1,865,909	1,865,909
Net change in fund balances	820,268	782,084	499,083	521,052	749,895	304,157	(68,983)	1,355,113	482,570	(460,845)
Debt service as a percentage of noncapital expenditures	8.4%	8.0%	8.5%	7.4%	8.0%	7.8%	7.7%	4.7%	3.7%	3.8%

City of Newberry
Utility Enterprise System (1) Operating Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year	Electric Receipts \$	Percent of Total	Water Receipts \$	Percent of Total	Sewer Receipts \$	Percent of Total	Other Operating Revenue \$	Percent of Total	Total Combined Public Utility Operating Revenue \$
2008	15,443,718	70.0%	3,101,255	14.1%	2,754,515	12.5%	772,475	3.5%	22,071,963
2009	15,934,946	69.2%	3,218,926	14.0%	3,023,405	13.1%	846,311	3.7%	23,023,588
2010	17,070,818	70.7%	3,134,316	13.0%	3,164,150	13.1%	764,829	3.2%	24,134,113
2011	18,460,059	71.5%	3,321,964	12.9%	3,219,202	12.5%	816,158	3.2%	25,817,383
2012	19,545,156	72.0%	3,316,013	12.2%	3,403,206	12.5%	866,055	3.2%	27,130,430
2013	20,506,598	73.1%	3,161,450	11.3%	3,301,286	11.8%	1,097,281	3.9%	28,066,615
2014	22,717,889	73.9%	3,418,488	11.1%	3,490,743	11.4%	1,106,674	3.6%	30,733,794
2015	25,016,672	72.2%	4,381,736	12.6%	4,097,619	11.8%	1,155,643	3.3%	34,651,670
2016	25,609,993	70.8%	4,956,538	13.7%	4,496,826	12.4%	1,116,858	3.1%	36,180,215
2017	25,868,884	70.0%	5,137,111	13.9%	4,783,059	12.9%	1,167,716	3.2%	36,956,770

(1) By Resolution adopted on August 27, 1948, Newberry City Council combined the existing Waterworks System, the existing Sewer System and the existing Electrical Distribution System into one system designated as the Combined Public Utility System of the City of Newberry. Since the systems are legally treated as one system, debt covenants are applied to the combined revenues.

City of Newberry
General Government Property Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General Fund Property Tax \$	Debt Service Fund Property Tax (1) \$	Total Property Tax \$
2008	1,991,822	327,691	2,319,513
2009	2,113,261	359,737	2,472,998
2010	2,093,574	367,841	2,461,415
2011	2,079,774	393,712	2,473,486
2012	2,120,324	433,772	2,554,096
2013	2,255,709	425,102	2,680,811
2014	2,387,834	-	2,387,834
2015	2,724,278	-	2,724,278
2016	2,470,966	-	2,470,966
2017	2,304,664	-	2,304,664

(1) Composed of 1998 Tax Increment Financing Bond (fiscal years 2002-2008), which was refinanced as the 2008 Tax Increment Revenue Refunding Bond in August 2008 (fiscal year 2009-2013).

City of Newberry, South Carolina
Utility Customer Trends - By Service and Category
Last Ten Years (2)

	<u>June 2008</u>	<u>June 2009</u>	<u>June 2010</u>	<u>June 2011</u>	<u>June 2012</u>	<u>June 2013</u>	<u>June 2014</u>	<u>June 2015</u>	<u>June 2016</u>	<u>June 2017</u>
Electric Customers:										
Residential	4,045	4,102	4,054	4,030	4,050	4,066	4,091	4,080	4,087	4,079
Commercial	859	862	873	872	863	868	891	872	873	880
Industrial	12	13	13	13	12	12	12	13	13	13
Total	4,916	4,977	4,940	4,915	4,925	4,946	4,994	4,965	4,973	4,972
Water Customers:										
Residential	4,096	4,147	4,108	4,087	4,096	4,113	4,148	4,126	4,143	4,133
Commercial	740	743	756	760	748	755	751	754	786	751
Industrial	26	26	26	26	27	28	28	27	26	26
Total	4,862	4,916	4,890	4,873	4,871	4,896	4,927	4,907	4,955	4,910
Sewer Customers:										
Residential	3,564	3,602	3,576	3,559	3,561	3,575	3,607	3,591	3,597	3,587
Commercial	570	573	575	579	578	580	577	581	589	578
Industrial	22	22	21	21	21	21	21	22	21	21
Total	4,156	4,197	4,172	4,159	4,160	4,176	4,205	4,194	4,207	4,186
Total Number Utility Customers (1)	5,881	5,946	5,893	5,877	5,873	5,899	5,933	5,910	5,929	5,917

(1) The City serves some customers with only electric, only water or only sewer; therefore, total customers billed is based on number of utility bills produced and is not a mathematical computation.

(2) This table differs from the Presentation and Original Statement in the Series 2015, Combined Utility Revenue Bond. This table represents more information than was presented in the Original Statement.

City of Newberry
Utility Enterprise System Units Sold By Source
Last Ten Fiscal Years

Fiscal Year	Electric Kilowatt-hours	Percent Change	Water Cubic Feet	Percent Change	Treated Sewer Cubic Feet	Percent Change
2008	194,261,115	8.32%	211,047,410	8.57%	103,006,055	5.55%
2009	191,986,260	-1.17%	217,003,940	2.82%	101,462,795	-1.50%
2010	200,113,268	4.23%	208,160,667	-4.08%	100,458,848	-0.99%
2011	202,835,368	1.36%	211,586,103	1.65%	100,905,062	0.44%
2012	198,169,681	-2.30%	214,979,829	1.60%	103,618,422	2.69%
2013	201,221,934	1.54%	206,061,293	-4.15%	102,109,788	-1.46%
2014	208,077,428	3.41%	215,930,242	4.79%	103,502,712	1.36%
2015	211,831,140	1.80%	210,210,002	-2.65%	109,898,702	6.18%
2016	211,675,426	-0.07%	225,270,884	7.16%	113,433,901	3.22%
2017	213,161,698	0.70%	229,138,478	1.72%	113,665,618	0.20%

NOTE: Percent change is attributable to the combination of growth and weather conditions.

City of Newberry, South Carolina
Average Historic Utility Rates (1)
Last Ten Fiscal Years

Fiscal Year	Electric \$	Percent Increase %	Water \$	Percent Increase %	Sewer \$	Percent Increase %	TOTAL \$	Percent Increase %
2008	92.50	1.08	18.47	0.00	24.61	4.99	135.58	1.62
2009	94.55	2.22	18.47	0.00	26.54	7.84	139.56	2.94
2010	99.59	5.33	18.47	0.00	28.52	7.46	146.58	5.03
2011	104.89	5.32	19.29	4.44	28.52	0.00	152.7	4.18
2012	111.05	5.87	19.29	0.00	29.3	2.73	159.64	4.54
2013	116.30	4.73	19.29	0.00	29.30	0.00	164.89	3.29
2014	124.37	6.94	19.29	0.00	29.30	0.00	172.96	4.89
2015	138.56	11.41	23.59	22.29	38.00	29.69	200.15	15.72
2016	138.56	0.00	26.70	13.18	43.66	14.89	208.92	4.38
2017 (2)	138.56	0.00	29.08	8.91	48.47	11.02	216.11	3.44

(1) This table shows the in-City residential electric, water and sewer charges, based upon the rates in effect at the end of the fiscal years shown, with charges calculated based upon usage of 988 kWh per month for electric (exclusive of wholesale power cost adjustments), 776 cubic feet for water and 776 cubic feet for sewer, and the percentage increase in charges in such fiscal years for such levels of usage.

(2) Rates reflected for June 30, 2017. An overall increase of 2% on water minimum charges and 2% on sewer minimum charges became effective on the July 1, 2016 billing (fiscal year 2017). Additionally, please note that an overall rate increase of 2% on water and 2% on sewer became effective on the July 1, 2017 billing (fiscal year 2018).

City of Newberry
Principal Utility Customers by Total Billed (1)
June 30, 2017

Customer	Fiscal Year 2017			Fiscal Year 2008		
	Total Billed \$	Rank	Percentage of Total Operating Revenue (2)	Total Billed \$	Rank	Percentage of Total Operating Revenue (3)
Louis Rich	11,821,796	1	31.99%	5,281,687	1	23.93%
Saluda Commission of Public Works	1,180,543	2	3.19%	729,854	2	3.31%
Newberry College	1,144,906	3	3.10%	657,428	3	2.98%
Newberry County Memorial Hospital	790,527	4	2.14%	510,739	5	2.31%
Valmont Composite Structures	725,665	5	1.96%			0.00%
Newberry Housing Authority-Grant Homes	659,427	6	1.78%	381,213	6	1.73%
ISE	602,444	7	1.63%	532,647	4	2.41%
Packaging Corp. of America, Inc.	562,213	8	1.52%	322,496	8	1.46%
Wal-Mart	497,439	9	1.35%			0.00%
ST Partners, DBA Almark Foods	419,843	10	1.14%			0.00%
Shakespeare				362,206	7	1.64%
Newberry High School				187,510	10	0.85%
Lowe's Home Center				188,171	9	0.85%
Total	18,404,803		49.80%	9,153,951		41.47%

(1) Source: City of Newberry utility records. Excludes utility billing records for City's own property.

(2) Total audited operating revenue for fiscal year 2017 is \$ 36,956,770 .

(3) Total audited operating revenue for fiscal year 2008 is \$ 22,071,963 .

City of Newberry
Utility Enterprise System Units Sold By Source - Water System
Last Five Fiscal Years

Fiscal Year	Total Annual Flow	Average Flow	Peak Daily Flow	Peak Monthly Flow
2013	206,061,293	567,699	809,092	20,653,240
2014	215,930,242	670,061	967,785	23,358,659
2015	210,210,002	708,667	945,609	24,144,346
2016	225,270,884	734,831	945,674	24,803,351
2017	264,965,412	725,933	983,003	25,208,600

City of Newberry
Utility Enterprise System Units Sold By Source - Electric System
Last Five Fiscal Years

Fiscal Year	Total kWh	Peak Demand MW
2013	201,221,934	41.9
2014	208,077,428	43.1
2015	211,831,140	42.6
2016	211,675,426	44.7
2017	213,161,467	41.8

City of Newberry
Utility Enterprise System Units Sold By Source - Sewer System
Last Five Fiscal Years

Fiscal Year	Total Annual Flow	Average Flow	Peak Daily Flow	Peak Monthly Flow
2013	102,109,788	370,094	1,004,947	13,090,775
2014	103,502,712	386,962	1,218,316	15,070,722
2015	109,898,702	385,367	1,009,759	14,930,615
2016	113,433,901	401,318	1,009,693	14,637,192
2017	122,760,326	336,853	1,042,641	11,704,318

City of Newberry
Principal Water Customers by Total Billed
June 30, 2017

<u>Customer Name</u>	<u>Annual Consumption in Cubic Feet</u>	<u>Annual Billing</u>	<u>Percentage of Water Revenues</u>
10 Newberry High	692,368	\$18,386	0.36%
9 Newberry County Memorial Hospital	1,629,266	\$36,596	0.71%
8 ISE	2,540,926	\$49,112	0.96%
7 ST Partners, DBA Almark Foods	3,597,100	\$50,957	0.99%
6 Newberry College	3,849,634	\$122,206	2.38%
5 Kiswire	5,423,492	\$84,622	1.65%
4 Newberry Housing Authority	5,631,247	\$73,831	1.44%
3 Newberry County Water & Sewer Authority	16,470,350	\$222,625	4.33%
2 Louis Rich	61,168,938	\$2,470,280	48.09%
1 Saluda Commission of Public Works	95,159,032	\$1,180,542	22.98%
	196,162,353	\$4,309,157	83.88%

***Total water dollars sold from July 2016 to June 2017 is:

\$5,137,111

City of Newberry
Principal Sewer Customers by Total Billed
June 30, 2017

<u>Customer Name</u>	<u>Annual Flows in Cubic Feet</u>	<u>Annual Billing</u>	<u>Percentage of Sewer Revenues</u>
10 Newberry Arms	212,680	\$40,876	0.85%
9 J.F. Hawkins Nursing Home	754,534	\$29,920	0.63%
8 Newberry County Memorial Hospital	1,547,148	\$59,369	1.24%
7 Newberry College	1,783,461	\$96,012	2.01%
6 Newberry County Water and Sewer	1,791,990	\$57,534	1.20%
5 ST Partners, DBA Almark Foods	3,597,100	\$95,755	2.00%
4 Newberry Housing Authority	3,676,656	\$122,862	2.57%
3 ISE	4,978,624	\$132,150	2.76%
2 Kiswire	5,189,590	\$139,358	2.91%
1 Louis Rich	46,265,746	\$1,314,251	27.48%
	69,797,529	\$2,088,086	43.66%

***Total sewer dollars sold from July 2016 to June 2017 is:

\$4,783,059

City of Newberry
Principal Electric Customers by Total Billed
June 30, 2017

<u>Customer Name</u>	<u>KWH</u>	<u>Annual Billing</u>	<u>Percentage of Electric Revenues</u>
10 Lowe's	2,119,204	\$270,660	1.05%
9 Newberry Housing Authority	2,472,146	\$362,271	1.40%
8 ST Partners, DBA Almark Foods	2,491,208	\$273,132	1.06%
7 ISE	3,453,432	\$420,183	1.62%
6 Wal-Mart	4,098,124	\$485,917	1.88%
5 PCA	4,372,124	\$523,539	2.02%
4 Valmont Composite Structures	6,044,967	\$708,528	2.74%
3 NCMH	6,492,334	\$694,560	2.68%
2 Newberry College	6,585,301	\$926,688	3.58%
1 Louis Rich	80,999,129	\$8,037,265	31.07%
	119,127,969	\$12,702,743	49.10%

***Total Electric dollars sold from July 2016 to June 2017 is:

\$25,868,884

City of Newberry
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Tax Year	Real Property (2)			Personal Property (3)			Total Taxable Assessed Value	Total Direct Tax Rate (4)	Estimated Actual Taxable Value (5)	Assessed Value as a Percentage of Actual Value
		Residential Property	Commercial Property	Total Real Property	Motor Vehicles	Other Personal Property	Total Personal Property				
		\$	\$	\$	\$	\$	\$	\$	\$	\$	
2008	2007	7,203,750	9,294,700	16,498,450	2,426,050	3,867,140	6,293,190	22,791,640	89.70	416,595,391	5.47%
2009	2008	7,296,220	9,424,580	16,720,800	2,212,970	3,910,130	6,123,100	22,843,900	93.30	419,076,036	5.45%
2010	2009	7,266,060	10,117,980	17,384,040	1,871,629	3,734,910	5,606,539	22,990,579	93.30	422,539,353	5.44%
2011 (1)	2010	7,952,070	11,181,930	19,134,000	1,762,588	3,999,010	5,761,598	24,895,598	83.90	458,062,070	5.43%
2012	2011	7,880,400	11,371,050	19,251,450	2,243,050	3,871,390	6,114,440	25,365,890	86.40	466,215,780	5.44%
2013	2012	7,823,720	11,542,680	19,366,400	2,175,000	3,886,280	6,061,280	25,427,680	86.40	466,206,521	5.45%
2014	2013	7,907,890	12,883,190	20,791,080	2,418,910	3,461,320	5,880,230	26,671,310	86.40	490,978,910	5.43%
2015 (1)	2014	8,232,970	13,047,860	21,280,830	2,729,080	3,635,140	6,364,220	27,645,050	83.80	508,784,120	5.43%
2016	2015	8,245,950	13,628,170	21,874,120	2,988,620	3,163,490	6,152,110	28,026,230	83.80	525,189,400	5.34%
2017	2016	8,193,300	13,764,020	21,957,320	2,809,640	3,320,140	6,129,780	28,087,100	83.80	517,955,150	5.42%

(1) Reassessment.

(2) Source: Newberry County Auditor. Prior to 2014 \$971,640 in assessed value (\$17,699,083 in estimated actual value) was legally required to be allocated to the Tax Increment Financing District and is not included in the above information. Values related to tax-exempt property are not maintained. \$217,030 in assessed value was legally required to be allocated to the FILOT (Oakland Mill Dev.) and is not included in the above figures prior to 2017.

(3) Source: Newberry County Auditor. All years include assessed value of \$688,710 for Merchant's Inventory, now paid by the State of South Carolina, instead of local taxpayers to the City.

(4) Tax rates are per \$1,000 of assessed value.

(5) Source: Newberry County Auditor.

**City of Newberry
Property Tax Rates
(Per \$1000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years**

		<u>Overlapping Rates</u>										
		<u>City of Newberry</u>			<u>Newberry County (1)</u>			<u>Newberry County School District (1)</u>				
<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total City Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total County Millage</u>	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total School Millage</u>	<u>Other (1)</u>	<u>Total Direct & Overlapping Rates</u>
2008	2007	89.7	0.0	89.7	138.0	10.9	148.9	190.0	53.0	243.0	7.1	488.7
2009	2008	93.3	0.0	93.3	141.3	10.4	151.7	194.0	53.0	247.0	7.3	499.3
2010	2009	93.3	0.0	93.3	144.3	4.4	148.7	194.0	53.0	247.0	7.3	496.3
2011 (2)	2010	83.9	0.0	83.9	136.3	6.6	142.9	184.8	53.0	237.8	6.3	470.9
2012	2011	85.3	1.1	86.4	131.2	7.8	139.0	186.8	53.0	239.8	6.2	471.4
2013	2012	85.3	1.1	86.4	128.6	7.3	135.9	186.8	53.0	239.8	6.3	468.4
2014	2013	85.3	1.1	86.4	128.7	8.8	137.5	186.8	53.0	239.8	6.7	470.4
2015 (2)	2014	82.7	1.1	83.8	125.5	9.1	134.6	186.8	53.0	239.8	6.6	464.8
2016	2015	82.7	1.1	83.8	125.0	10.5	135.5	186.8	53.0	239.8	6.7	465.8
2017	2016	82.7	1.1	83.8	125.0	9.3	134.3	186.8	53.0	239.8	6.9	464.8

(1) Source: Newberry County Auditor.

(2) Reassessment.

**City of Newberry
Principal Property Taxpayers (1)
June 30, 2017**

<u>Taxpayer</u>	<u>Fiscal Year 2017 (Tax Year 2016)</u>			<u>Fiscal Year 2008 (Tax Year 2007)</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value (2)</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value (3)</u>
	<u>\$</u>		<u>Value (2)</u>	<u>\$</u>		<u>Value (3)</u>
Oakland Mill Dev Group LLC	877,410	1	3.12%			
ISE Newberry Inc.	535,660	2	1.91%	555,210	2	2.84%
Wal-Mart Real Est.	367,890	3	1.31%	278,920	4	1.23%
Lowe's Home Centers	355,180	4	1.26%	357,170	3	1.57%
Newberry Real Estate Inv. Inc.	338,080	5	1.20%			
Bellsouth Telecomm Inc.	293,180	6	1.04%	621,470	1	2.82%
Newberry Developments LLC	228,750	7	0.81%			
TD Bank	228,530	8	0.81%			
Duke Energy	222,870	9	0.79%			
Paramount Hotels LLC	221,660	10	0.79%			
AT&T Mobility				217,140	5	0.72%
West/Hobby LLC				160,540	7	0.79%
West Billye L				143,450	9	1.12%
White Oak Manor Inc.				154,910	8	0.68%
Drake Newberry LLC				138,020	10	1.54%
Duke Energy				180,990	6	0.86%
Total	3,669,210		13.06%	2,807,820		12.32%

(1) Source: Newberry County Auditor.

(2) Total assessed valuation for tax year 2016 is \$28,087,100 .

(3) Total assessed valuation for tax year 2007 is \$22,791,640 .

City of Newberry
Property Tax Levies and Collections (1)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Total Tax Levy for Fiscal Year (2)</u> \$	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections/ Adjustments in Subsequent Years</u> \$	<u>Total Collections to Date</u>	
			<u>Amount</u> \$	<u>Percentage of Levy</u>		<u>Amount</u> \$	<u>Percentage of Levy</u>
2008	2007	2,016,572	1,926,514	95.5%	82,067	2,008,581	99.6%
2009	2008	2,097,729	2,013,278	96.0%	73,498	2,086,776	99.5%
2010	2009	2,105,093	2,021,030	96.0%	65,942	2,086,972	99.1%
2011	2010	2,070,696	1,993,244	96.3%	-	1,993,244	96.3%
2012	2011	2,148,678	2,047,502	95.3%	16,078	2,063,580	96.0%
2013	2012	2,152,240	2,059,507	95.7%	10,253	2,069,760	96.2%
2014	2013	2,257,248	2,152,957	95.4%	21,811	2,174,768	96.4%
2015	2014	2,275,458	2,225,023	97.8%	46,734	2,271,757	99.8%
2016	2015	2,363,599	2,315,551	98.0%	36,927	2,352,478	99.5%
2017	2016	2,314,788	2,279,158	98.5%	7,244	2,286,402	98.8%

(1) Category includes tax collections for real and personal property as reflected in the general fund for all fiscal years, for current taxes and delinquent taxes respectively. TIF debt service fund tax collections are excluded.

(2) Total tax levy excludes Merchant's Inventory Reimbursement paid by the State of South Carolina to the City on \$688,710 assessed value. Total tax levy also excludes Tax Increment Financing (TIF) debt service collected via City of Newberry, Newberry County and Newberry County School District tax levies.

City of Newberry
Ratios of Outstanding Debt by Type (1)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government \$	Percentage of Personal Income	Per Capita \$
	General Obligation Bonds \$	Special Assessment Bonds (2) \$	Capital Leases \$	CPU Bonds (3) \$	Capital Leases \$			
2008	-	1,585,000	1,947,567	1,826,632	-	5,359,199	2.8%	492
2009	-	1,357,000	1,849,375	1,211,222	-	4,417,597	2.3%	405
2010	-	1,095,222	1,710,534	8,863,797	-	11,669,553	6.1%	1055
2011	-	828,719	1,502,189	14,703,252	-	17,034,160	8.5%	1658
2012	-	557,406	1,396,673	18,131,243	-	20,085,322	10.8%	1944
2013	-	281,196	1,185,235	17,748,361	-	19,214,792	8.7%	1874
2014	-	-	1,064,310	17,003,385	-	18,067,695	10.6%	1762
2015	-	-	1,473,179	55,823,089	-	57,296,268	32.0%	5575
2016	-	-	1,165,431	53,993,200	-	55,158,631	28.7%	5339
2017	-	-	1,007,862	51,875,774	-	52,883,636	30.7%	5146

(1) Details of the City's outstanding debt can be found in the notes to the financial statements.

(2) Composed of 1998 Tax Increment Financing Bond (fiscal years 2002-2008), which was refinanced as the 2008 Tax Increment Revenue Refunding Bond in August 2008 (fiscal year 2009-2013).

(3) Composed of Combined Public Utility (CPU) debt as follows: 2007 CPU Bond for fiscal years 2008-2015, 2003 CPU Bond for fiscal years 2004-2012, 2009 State Revolving Loan for fiscal years 2010-2015, and 2015 Bond for fiscal year 2015.

City of Newberry
Ratios of General Bonded Debt Outstanding (1)
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds \$</u>	<u>Less: Amounts Available in Debt Service Fund \$</u>	<u>Total \$</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita \$</u>
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Note: The City of Newberry had no general bonded debt outstanding in the last 10 years.

(1) Details regarding the City's outstanding debt can be found in the notes to the financial statements.

City of Newberry
Schedule of Direct and Overlapping Governmental Activities Debt
As of June 30, 2017

Direct Debt

City of Newberry:	
General Obligation Debt	\$ -
Special Assessment Debt	-
Capital Lease Obligations	1,007,862
Total Direct Debt	<u>1,007,862</u>

Overlapping Debt

Newberry County, South Carolina Overlapping Debt:	
General Obligation Debt (1)	1,238,319
Estimated % of debt applicable to the City of Newberry (2)	18.95%
Total Overlapping Debt	<u>234,661</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 1,242,523</u></u>

(1) Source: Newberry County Treasurer

Breakdown of Newberry County's outstanding general obligation debt follows:

2007 County General Obligation Bond	\$ 85,000
2007A County General Obligation Bond	\$ 117,318
2010 County General Obligation Bond	\$ 166,000
2010 Refunding County General Obligation Bond	\$ 870,000
	<u><u>\$ 1,238,318</u></u>

(2) The percentage of general obligation debt applicable to the City of Newberry is based on the percentage of assessed valuation of property located in the City. Newberry County assessed valuation, per the Newberry County Auditor, is \$148,254,048. City of Newberry assessed valuation from the table within this statistical section labeled "Assessed Value and Estimated Actual Value of Taxable Property" is \$28,087,100.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by City of Newberry residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

City of Newberry
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt Limit - 8 percent of total assessed value	\$ 1,879,930	\$ 1,889,629	\$ 1,904,442	\$ 2,066,179	\$ 2,104,971	\$ 2,111,946	\$ 2,133,705	\$ 2,211,604	\$ 2,242,098	\$ 2,246,968
Total net debt applicable to limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal debt margin	\$ 1,879,930	\$ 1,889,629	\$ 1,904,442	\$ 2,066,179	\$ 2,104,971	\$ 2,111,946	\$ 2,133,705	\$ 2,211,604	\$ 2,242,098	\$ 2,246,968
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value - general	\$ 28,087,100
Assessed Value - tax increment financing district	\$ -
Total assessed value	<u>\$ 28,087,100</u>
Debt limit (8% of total assessed value)	\$ 2,246,968
Debt applicable to limit:	
Total general obligation bonds	<u>\$ -</u>
Legal debt margin	<u><u>\$ 2,246,968</u></u>

City of Newberry, South Carolina
Pledged-Revenue Coverage
Tax Increment Financing (TIF) Bond (1)
Last Ten Fiscal Years

Fiscal Year	TIF Revenue \$	Contribution (to)/from City Local Hospitality/ Accommodations Fund (2) \$	Debt Issuance Expenditures \$	Amount Available for Debt Service \$	Debt Service Requirements			Coverage (3)
					Principal \$	Interest \$	Total \$	
2008	335,266	63,178	-	398,444	225,000	83,178	308,178	1.29
2009	382,625	(27,846)	-	354,779	235,000	65,959	300,959	1.18
2010	394,963	(25,653)	-	369,310	261,778	44,262	306,040	1.21
2011	427,023	(25,000)	-	402,023	266,503	34,727	301,230	1.33
2012	468,117	(25,000)	-	443,117	271,313	25,020	296,333	1.50
2013	459,433	(25,000)	-	434,433	276,210	15,137	291,347	1.49
2014	148	(410,099)	-	(409,951)	281,196	5,076	286,272	-1.43
2015	-	-	-	-	-	-	-	0.00
2016	-	-	-	-	-	-	-	0.00
2017	-	-	-	-	-	-	-	0.00

(1) The City refinanced the 1998 TIF Bond at a 4.90% interest rate with the 2008 TIF Bond at a 3.61% interest rate in August 2008. The 2008 TIF Bond principal included \$7,000 for debt issuance expenditures plus \$1,350,000 required to pay off the 1998 TIF Bond.

(2) The debt is to be serviced by the tax dollars generated by the tax increment financing district in accordance with State law and contributions from the Newberry Opera House, the renovation of which was partially financed by the proceeds of the bond. While the Newberry Opera House has been a major success as a performing arts center and has covered its operational expenses, there has been no surplus generated from which to make up the difference between the tax revenue and the debt service requirements. The City made annual contributions from its Local Hospitality/Accommodations Fund to the TIF debt service fund from fiscal year 2001 through fiscal year 2008 of this table, with partial repayment from the TIF debt service fund to the Local Hospitality/Accommodations Fund shown in fiscal years 2009-2014. The TIF account was closed in fiscal year 2014.

(3) There is no coverage requirement above the annual principal and interest for the TIF bond.

**City of Newberry, South Carolina
Pledged-Revenue Coverage
Combined Public Utility System
Last Ten Fiscal Years**

Fiscal Year	System Operating Revenues (1) \$	System Operating Expenses (2) \$	Amount Available for Debt Service \$	Audited Debt Service			Coverage (3)
				Principal \$	Interest \$	Total \$	
2008	22,071,963	18,013,050	4,058,913	569,724	73,867	643,591	6.31
2009 (4)	23,023,588	19,068,587	3,955,001	615,410	83,514	698,924	5.66
2010 (4)	24,134,113	19,652,401	4,481,712	635,481	44,839	680,320	6.59
2011 (4)	25,817,383	20,953,464	4,863,919	254,100	33,594	287,694	16.91
2012 (4)	27,130,430	21,947,588	5,182,842	742,284	414,851	1,157,135	4.48
2013	28,066,615	23,510,242	4,556,373	1,294,044	530,972	1,825,016	2.50
2014	30,733,794	24,006,961	6,726,833	744,976	178,292	923,268	7.29
2015	34,651,670	26,341,528	8,310,142	964,209	369,283	1,333,492	6.23
2016	36,180,215	28,013,464	8,166,751	1,790,943	1,623,215	3,414,158	2.39
2017	36,956,770	28,679,385	8,277,385	2,078,480	1,815,403	3,893,883	2.13

(1) Exclusive of interest earnings and non-operating income.

(2) Exclusive of depreciation and non-operating expenses.

(3) Debt Service Requirements for 2007 Bond (FY2008-2015), 2003 Bond (FY 2004-2012), 2009 South Carolina Water Pollution Control Revolving Fund (SRF) Loan (FY 2012-2015), and 2015 Bond (FY 2015). Coverage stated is by fiscal year. Bond indentures require coverage of 120% of annual principal and interest.

(4) The City's 2009 South Carolina Water Pollution Control Revolving Fund (SRF) Loan in the amount of \$19,002,796 plus capitalized interest, if any, was closed on June 24, 2009, with loan activity beginning in FY 2010. The first payment due date was December 1, 2011 (FY 2012).

City of Newberry
Aggregate PMPA Debt Service Table
June 30, 2017

Bond Year				
<u>Ending</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total Debt Service</u>	<u>City's Portion (2)</u>
1/1/2018	\$53,175,000	\$38,073,369	\$91,248,369	\$8,311,631
1/1/2019	\$56,695,000	\$35,617,580	\$92,312,580	\$8,408,568
1/1/2020	\$62,340,000	\$32,693,168	\$95,033,168	\$8,656,381
1/1/2021	\$63,355,000	\$29,334,230	\$92,689,230	\$8,442,877
1/1/2022	\$54,223,879	\$37,395,658	\$91,619,537	\$8,345,440
1/1/2023	\$54,120,446	\$37,495,322	\$91,615,768	\$8,345,097
1/1/2024	\$55,051,074	\$33,838,087	\$88,889,162	\$8,096,736
1/1/2025	\$69,785,000	\$19,101,474	\$88,886,474	\$8,096,491
1/1/2026	\$27,959,498	\$63,935,302	\$91,894,800	\$8,370,514
1/1/2027	\$37,967,129	\$53,926,628	\$91,893,756	\$8,370,418
1/1/2028	\$38,338,350	\$53,559,656	\$91,898,006	\$8,370,806
1/1/2029	\$38,891,710	\$53,006,297	\$91,898,006	\$8,370,806
1/1/2030	\$39,496,961	\$52,397,545	\$91,894,506	\$8,370,487
1/1/2031	\$40,235,272	\$51,660,484	\$91,895,756	\$8,370,601
1/1/2032	\$44,883,044	\$47,013,211	\$91,896,255	\$8,370,646
1/1/2033	\$77,105,000	\$14,792,307	\$91,897,307	\$8,370,742
1/1/2034	\$84,522,680	\$7,372,218	\$91,894,898	\$8,370,522

(1) Interest on variable rate debt has been assumed and all tax subsidies on Build America Bonds have been netted out.

(2) City's portion of debt service is allocated on the basis of base billing demand. This amount may be more or less than the City's proportionate share of the Catawba Project due to power purchased by the City of PMPA's wholesale purchase rate which includes power purchased under the Catawba Sales Agreement and the Supplement Agreement.

City of Newberry
Historical Debt Service Coverage Ratio
June 30, 2017

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Gross Revenues	\$28,066,615	\$30,733,794	\$34,651,670	\$36,180,215	\$36,956,770
Operating and Maintenance Expenses	\$23,510,242	\$24,006,961	\$26,341,528	\$28,013,464	\$28,679,385
Non-operating Revenues	\$3,144	\$2,163	\$2,613	\$468,303	\$138,688
Net Earnings	\$4,559,517	\$6,728,996	\$8,312,755	\$8,635,054	\$8,416,073
Debt Service	\$1,825,016	\$923,268	\$1,578,569	\$1,790,943	\$2,078,480
Debt Service Coverage	2.50	7.29	5.27	4.82	4.05

City of Newberry, South Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	(1) Population	(2) Personal Income \$	(3) Per Capita Personal Income \$	(4) Median Household Income \$	(5) Median Age	(6) Education Level In Years of Formal Schooling	(7) School Enrollment	(8) Unemployment Rate %
2008	10,893	194,799,519	17,883	32,665	33.8	12.6	5,766	7.3
2009	10,907	189,421,869	17,367	35,119	33.8	12.6	5,736	13.0
2010	11,061	191,709,252	17,332	35,187	35.0	12.6	5,695	10.8
2011	10,277	200,360,392	19,496	41,023	39.0	12.7	5,595	10.5
2012	10,332	186,554,592	18,056	36,381	33.3	12.9	5,621	9.6
2013	10,255	221,969,475	21,645	37,491	34.2	12.9	5,717	8.1
2014	10,256	169,654,752	16,542	30,318	34.0	12.9	5,616	5.2
2015	10,277	179,087,002	17,426	33,016	34.2	13.1	5,888	6.6
2016	10,331	191,980,973	18,583	29,034	34.4	13.1	5,889	5.1
2017	10,277	172,519,999	16,787	33,680	39.9	13.1	5,907	3.8

(1) Estimates by South Carolina Budget and Control Board for fiscal years 2010-2016.

Fiscal Year 2017 from www.census.gov

(2) Mathematical computation of per capita personal income multiplied by population.

(3) Estimates by City of Newberry Finance Department for fiscal year 2008. Fiscal years 2009-2016 estimates from Central Midlands Council of Governments. Fiscal Year 2017 from www.census.gov

(4) Estimates by City of Newberry Finance Department for fiscal year 2008. Fiscal years 2009-2016 estimates from Central Midlands Council of Governments. Fiscal Year 2017 from www.census.gov

(5) Estimates by City of Newberry Finance Department for fiscal years 2008-2009. Fiscal year 2010-2017 estimates from Central Midlands Council of Governments.

(6) Sources: Estimates by City of Newberry Finance Department based on 2000 Census for fiscal years 2008-2010. Estimate by Newberry County School District for 2011-2017.

(7) Source: Newberry County School District.

(8) Source: South Carolina Department of Employment and Workforce.

**CITY OF NEWBERRY
PRINCIPAL EMPLOYERS (1)
CURRENT YEAR AND NINE YEARS AGO**

<u>EMPLOYER</u>	<u>2017</u>			<u>2008</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT (2)</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT (2)</u>
Kraft Heinz Foods (*)	2700	1	16.47%	1375	1	8.39%
Newberry County School District (**)	893	2	5.45%	840	2	5.12%
Newberry County Memorial Hospital (**)	450	3	2.75%	489	4	2.98%
Georgia Pacific (*)	278	4	1.70%	275	6	1.68%
Newberry College	237	5	1.45%			
Wal-Mart	235	6	1.43%	300	5	1.83%
Valmont Composite Structures (*)	187	7	1.14%			
White Oak Manor (*)	183	8	1.12%			
County of Newberry	180	9	1.10%			
Springfield Place/JF Hawkins	180	10	1.10%			
Komatsu America (*)				265	7	1.62%
Shakespeare Electronics and Fiberglass (*)				205	9	1.25%
Caterpillar, Inc. (*)				200	10	1.22%
Renfro (*)				559	3	3.41%
Bluewater Marine Group (*)				250	8	1.53%

(1) Listing of principal employers of Newberry County provided since no listing compiled of principal employers inside City only. A single asterisk (*) is used to denote employers principally located outside the City limits and double asterisks (**) are used to denote employers with principal locations both inside and outside the City limits. No asterisk is used when the employer is principally located inside the City limits. For comparison, the City of Newberry currently has 163 employees. Current year's data derived from Newberry County Chamber of Commerce records. Data for earlier year derived primarily from bond official statements, as available.

(2) Percentage calculated using total Newberry County employment from the 2010 Census - 16,393 .

CITY OF NEWBERRY
BUDGETED FULL-TIME EQUIVALENT CITY OF NEWBERRY EMPLOYEES BY FUNCTION (1)
LAST TEN FISCAL YEARS

FUNCTION	BUDGETED FULL-TIME EQUIVALENT EMPLOYEES									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
City Council	7	7	7	7	7	7	7	7.33	7.33	7.33
City Administration (2)	4	4	4	4	4	4	4	3.67	3.67	2.17
Finance	4	4	4	2	2	2	2	2	2	2
Planning and Development	4	4	4	4	2	2	2	1.66	2	2
Public Safety										
Police										
Officers	32	32	32	32	32	32	32	32	30	30
Civilians	3	3	3	3	3	3	3	3	3	3
Justice and Law Civilians	3.2	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3
Fire (3)										
Firefighters and Officers	19	19	19	19	19	19	20	20	20	20
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works										
Public Works Administration	2	2	2	2	2	2	2	2	2	2
Streets	10	10	10	10	10	9	10	10.5	10.5	11
Sanitation	7	5	5	5	5	5	5	5	5	5
Building Maintenance	2	2	1	1	1	1	1	1	1	6.5
Garage	3	3	3	3	3	3	3	3	3	3
Recreation (5)	10	13	13	13	14	14	12	12	12	10.5
Utility System										
Administration/Finance/Warehouse/ Information Services/Risk management (4)	12	13	13	15	13	13	14	14	13	18
Electric	11	11	11	11	9	9	9	9.34	9	9
Water/Sewer Maintenance	11	11	11	11	11	11	9	9	8	11
Water Plant	9	9	9	9	8	8	9	9	8	7
Wastetreatment Plant	6	6	6	6	6	6	4	4.5	5	5
Newberry Opera House (6)	0	0	0	0	0	0	0	0	0	4
Total	160.2	162.8	161.8	161.8	155.8	154.8	152.8	153.8	149.3	162.5

- (1) Source: City of Newberry Human Resources Director
(2) City Administration comprised of .5 FTE City Manager, 1.0 Human Resource and .67 clk/admin.
(3) In addition to City staff, there were 22 Volunteer Firefighter positions in fiscal year 2017.
(4) Utilities pays 1.5 FTE for HR/City Mgr + Finance added 1 FTE due to PayGo and IT added 1 FTE + 1 shared services Admin FTE in 2017.
(5) Recreation includes FCC staff.
(6) NOH not represented until 2017 but should have been included in prior years.

CITY OF NEWBERRY
OPERATING INDICATORS BY FUNCTION (1)
LAST TEN FISCAL YEARS

FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government (2)										
Finance										
Businesses with licenses (for last completed calendar year)	1,166	1,169	1,143	1,140	1,133	1,132	1,090	1,082	1,074	1085
Planning and Development										
New construction values per building permits	12,229,166	6,720,921	805,603	1,594,436	721,880	5,408,294	658,393	1,730,680	1,710,341	5,955,559
Public Safety										
Police										
Incidences	12,901	12,742	11,492	11,373	11,355	11,215	11,988	11,294	10,712	10,463
Arrests and traffic violations	7,015	6,304	6,454	6,069	6,564	5,210	5,973	4,770	4,556	4,161
Parking violations	429	542	351	310	53	78	108	76	232	96
Fire										
Volunteer personnel	15	14	18	16	12	14	12	16	15	16
Calls answered	501	491	493	541	951	852	803	446	465	383
Inspections	761	739	595	603	559	525	507	26	363	461
Public Works (3)										
Streets										
Streets resurfaced (miles)	0.93	1.64	0.51	-	2.13	1.09	0.20	-	-	2.5
Sanitation										
Refuse collected in tons per year	8,228	7,615	7,715	7,493	7,213	7,119	7,197	7,566	7,342	7918
Recreation										
# Participants residing within City limits	729	942	859	990	961	946	867	635	561	532
# Participants residing outside City limits	320	338	349	417	369	347	296	277	344	384
# Participants total	1,049	1,280	1,208	1,407	1,330	1,293	1,163	912	905	916
Utility System										
Electric										
Maximum monthly non-coincident purchased demand (kW)	30,697	31,314	32,243	32,243	31,606	31,606	41,851	43,100	43,300	41,761
Water										
Average production (gallons per day)	4,797,981	4,959,345	5,051,292	5,245,412	4,873,655	4,300,980	5,500,000	5,750,000	5,717,657	5,464,778
Sewer										
Average treatment (gallons per day)	2,200,000	2,342,925	2,921,639 (2,462,896 (5)	2,650,000 (2,650,000 (2,820,000 (2,900,000 (!	3,000,000	2,520,000

(1) Source: Various City of Newberry departments.

(2) General government comprised of City Council, City Manager, Human Resources, Finance and Planning and Development Services, for some of which there are no indicators presently available.

(3) Public Works comprised of Public Works Administration, Street, Sanitation, Building Maintenance and Garage, for some of which there are no indicators presently available.

(4) Newberry County Water and Sewer Authority opened its treatment plant during fiscal year 2005. For comparison purposes, the Authority's fiscal year 2004 total usage was an estimated 866,133 gallons per day.

(5) The majority of the increase in treated gallons per day attributed to infiltration. The City began an infiltration study during fiscal year 2011.

**CITY OF NEWBERRY
CAPITAL ASSET STATISTICS BY FUNCTION (1)
LAST TEN FISCAL YEARS**

FUNCTION (2)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	38	38	38	38	40	40	40	44	41	41
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	7	7	7	7	7	7	7	7	7	7
Public Works (3)										
Streets										
Streets within City (miles)	84	87	87	87	87	87	87	87	87	87
Sanitation										
Packer trucks	5	5	5	5	5	5	5	5	6	6
Recreation										
Parks	15	15	15	15	15	15	15	15	15	16
Parks acreage	100	100	100	100	100	100	100	100	100	315
Utility System										
Electric										
Miles of primary conductor	255	259	260	260	260	260	260	262	262	275
Miles of secondary conductor	89	91	92	93	93	93	93	93	93	103
Water										
Miles of water main lines	126	127	127	127	127	127	127	127	127	127
Fire hydrants	482	482	483	486	493	500	598	594	600	610
Maximum daily production capacity (gallons)	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000	8,100,000
Sewer										
Miles of sanitary sewer main lines	124	124	124	124	124	124	124	124	124	124
Maximum daily treatment capacity (gallons)	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	3,220,000	5,000,000	5,000,000	5,000,000	5,000,000

(1) Source: Various City of Newberry departments.

(2) No capital asset indicators are available for General Government function.

(3) Public Works comprised of Public Works Administration, Street, Sanitation, Building Maintenance and Garage departments, for some of which there are no indicators available.