

**CITY OF NEWBERRY,  
SOUTH CAROLINA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED  
JUNE 30, 2016**



**CITY OF NEWBERRY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2016**

**TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
<b>INTRODUCTORY SECTION</b>	
LETTER OF TRANSMITTAL	1-7
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	8
ORGANIZATIONAL CHARTS	9-10
PRINCIPAL OFFICERS	11
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR'S REPORT	12-14
MANAGEMENT'S DISCUSSION AND ANALYSIS	15-26
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	27
STATEMENT OF ACTIVITIES	28
FUND FINANCIAL STATEMENTS	
BALANCE SHEET – GOVERNMENTAL FUNDS	29
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET WITH THE STATEMENT OF NET POSITION	30
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	31
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	32

**FINANCIAL SECTION (CONTINUED)**

BASIC FINANCIAL STATEMENTS (CONTINUED)

FUND FINANCIAL STATEMENTS (CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND  
ACTUAL – GENERAL FUND 33

STATEMENT OF NET POSITION – PROPRIETARY FUND 34-35

STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN FUND NET POSITION – PROPRIETARY FUND 36

STATEMENT OF CASH FLOWS – PROPRIETARY FUND 37

NOTES TO THE FINANCIAL STATEMENTS 38-67

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PENSION PLAN CONTRIBUTIONS 68

SCHEDULE OF THE CITY’S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY 69

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION 70

**SUPPLEMENTARY INFORMATION**

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET 71

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES 72

GENERAL FUND

COMPARATIVE BALANCE SHEETS 73

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL 74-75

SCHEDULE OF REVENUES – BUDGET AND ACTUAL 76

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL 77-85

**SUPPLEMENTARY INFORMATION (CONTINUED)**

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET	86-87
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	88-89
NEWBERRY ALLIED NARCOTICS UNIT – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	90
TOURISM FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	91
SPECIAL EVENTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	92
STATE ACCOMODATIONS TAX FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	93
CULTURAL ARTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	94
COMMUNITY HOUSING/DEVELOPMENT FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	95
STREETSCAPE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	96
LOCAL HOSPITALITY/ACCOMODATIONS FEE FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	97
VICTIM’S RIGHTS FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	98
VICTIM’S RIGHTS FUND – SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES	99
PERMANENT FUND	
COMPARATIVE BALANCE SHEETS	100

## **SUPPLEMENTARY INFORMATION (CONTINUED)**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL	101
--	-----

### **ENTERPRISE FUND**

COMPARATIVE STATEMENTS OF NET POSITION	102-103
--	---------

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – BUDGET AND ACTUAL	104-105
---	---------

SCHEDULE OF EXPENSES – BUDGET AND ACTUAL	106-111
--	---------

COMPARATIVE STATEMENT OF CASH FLOWS	112-113
-------------------------------------	---------

### **CAPITAL ASSETS – GOVERNMENTAL FUNDS**

COMPARATIVE SCHEDULES OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – BY SOURCE	114
--	-----

SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – BY FUNCTION AND ACTIVITY	115
---	-----

SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS – BY FUNCTION AND ACTIVITY	116
--	-----

## **STATISTICAL SECTION**

NET POSITION BY COMPONENT	117
---------------------------	-----

CHANGES IN NET POSITION	118-119
-------------------------	---------

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE	120
--	-----

FUND BALANCES OF GOVERNMENTAL FUNDS	121
-------------------------------------	-----

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	122
--	-----

UTILITY ENTERPRISE SYSTEM OPERATING REVENUES BY SOURCE	123
--	-----

GENERAL GOVERNMENT PROPERTY TAX REVENUES BY SOURCE	124
--	-----

UTILITY CUSTOMER TRENDS – BY SERVICE AND CATEGORY	125
---	-----

## STATISTICAL SECTION (CONTINUED)

UTILITY ENTERPRISE SYSTEM UNITS SOLD BY SOURCE	126
AVERAGE HISTORIC UTILITY RATES	127
PRINCIPAL UTILITY CUSTOMERS BY TOTAL BILLED	128
UTILITY ENTERPRISE SYSTEM UNITS SOLD BY SOURCE – WATER SYSTEM	129
UTILITY ENTERPRISE SYSTEM UNITS SOLD BY SOURCE – ELECTRIC SYSTEM	130
UTILITY ENTERPRISE SYSTEM UNITS SOLD BY SOURCE – SEWER SYSTEM	131
PRINCIPAL WATER CUSTOMERS BY TOTAL BILLED	132
PRINCIPAL SEWER CUSTOMERS BY TOTAL BILLED	133
PRINCIPAL ELECTRIC CUSTOMERS BY TOTAL BILLED	134
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	135
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS	136
PRINCIPAL PROPERTY TAXPAYERS	137
PROPERTY TAX LEVIES AND COLLECTIONS	138
RATIOS OF OUTSTANDING DEBT BY TYPE	139
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	140
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	141
LEGAL DEBT MARGIN INFORMATION	142
PLEGGED – REVENUE COVERAGE	143-144
AGGREGATE PMPA DEBT SERVICE TABLE	145
HISTORICAL DEBT SERVICE COVERAGE RATIO	146
DEMOGRAPHIC AND ECONOMIC STATISTICS	147

**STATISTICAL SECTION (CONTINUED)**

PRINCIPAL EMPLOYERS	148
BUDGETED FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	149
OPERATING INDICATORS BY FUNCTION	150
CAPITAL ASSET STATISTICS BY FUNCTION	151

**SINGLE AUDIT SECTION**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	152
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	153
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	154-155
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	156-157
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	158
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	159

## INTRODUCTORY SECTION



# CITY OF NEWBERRY

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

---

---

November 22, 2016

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, 2016.

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, 2016, are free of 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, 2016, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. In accordance with *Government Auditing Standards*, the independent auditors issued their report after consideration of the City of Newberry's internal control over financial reporting and on the auditor's test of the City's compliance with certain

---

---

**"City of Friendly Folks"**

Post Office Box 538 • Newberry, South Carolina 29108 • Phone (803) 321-1007 • FAX (803) 321-1009  
[www.cityofnewberry.com](http://www.cityofnewberry.com) [www.visitnewberry.com](http://www.visitnewberry.com)

provisions of laws, regulations, contracts, and grants. That report concerning compliance and internal control is located at the end of the comprehensive annual financial report. Also, a schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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, 2016, the City Manager was assisted by nine staff departments, including Economic and Community Development, overseen by the Assistant City Manager; 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 2015-2016 budget preparation, all departments of the City of Newberry were required to submit requests for appropriations to the City Manager by mid-February of 2015. 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 2016-2017.

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 Caterpillar, Komatsu, Kiswire, Doncasters, Schweitzer-Mauduit, Dalkotech and Olympian Generators. 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 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. 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 2016 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.
- Continued 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 2016 information, the unassigned portion of the fund balance of the General Fund stood at 67.2 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, 2015. This was the twenty third 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  
Reporting**

Presented to

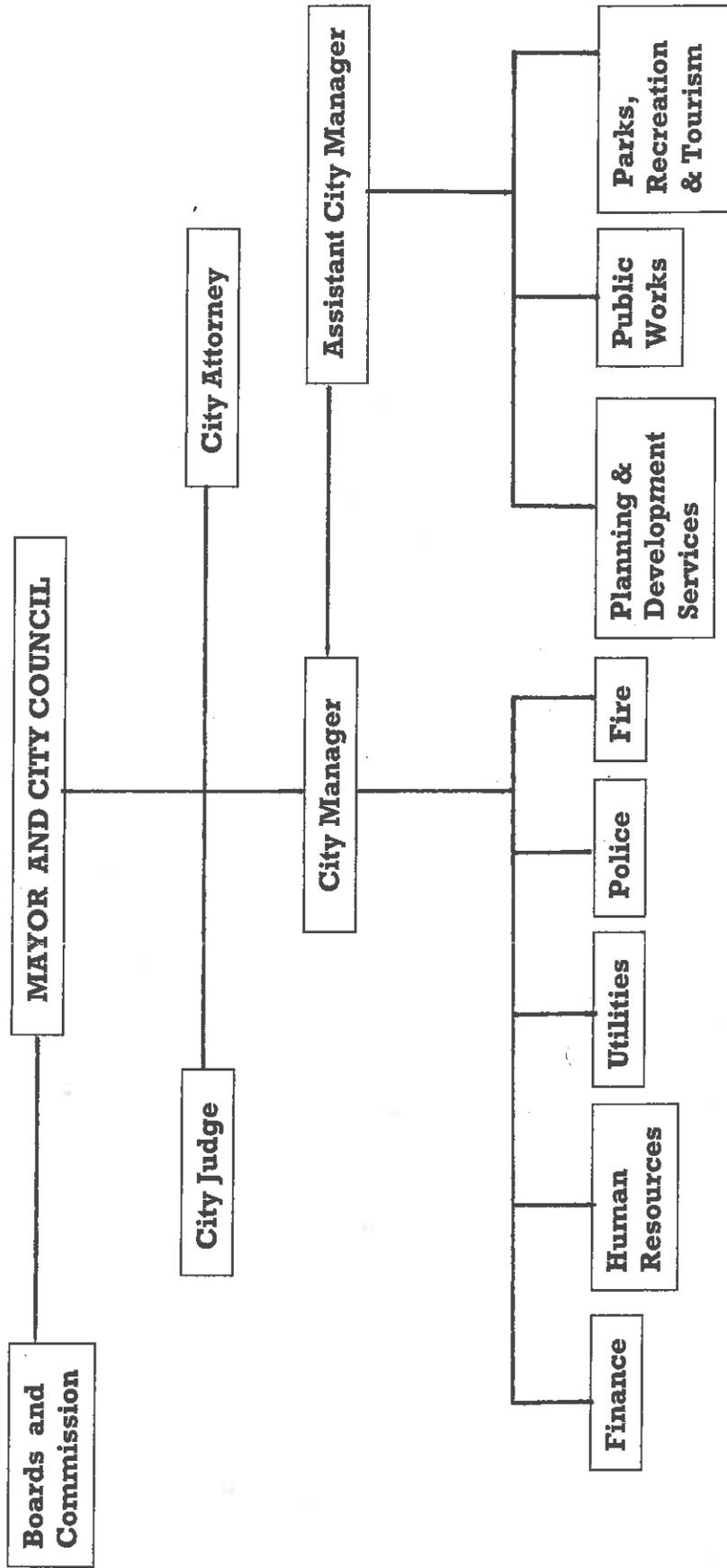
**City of Newberry  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

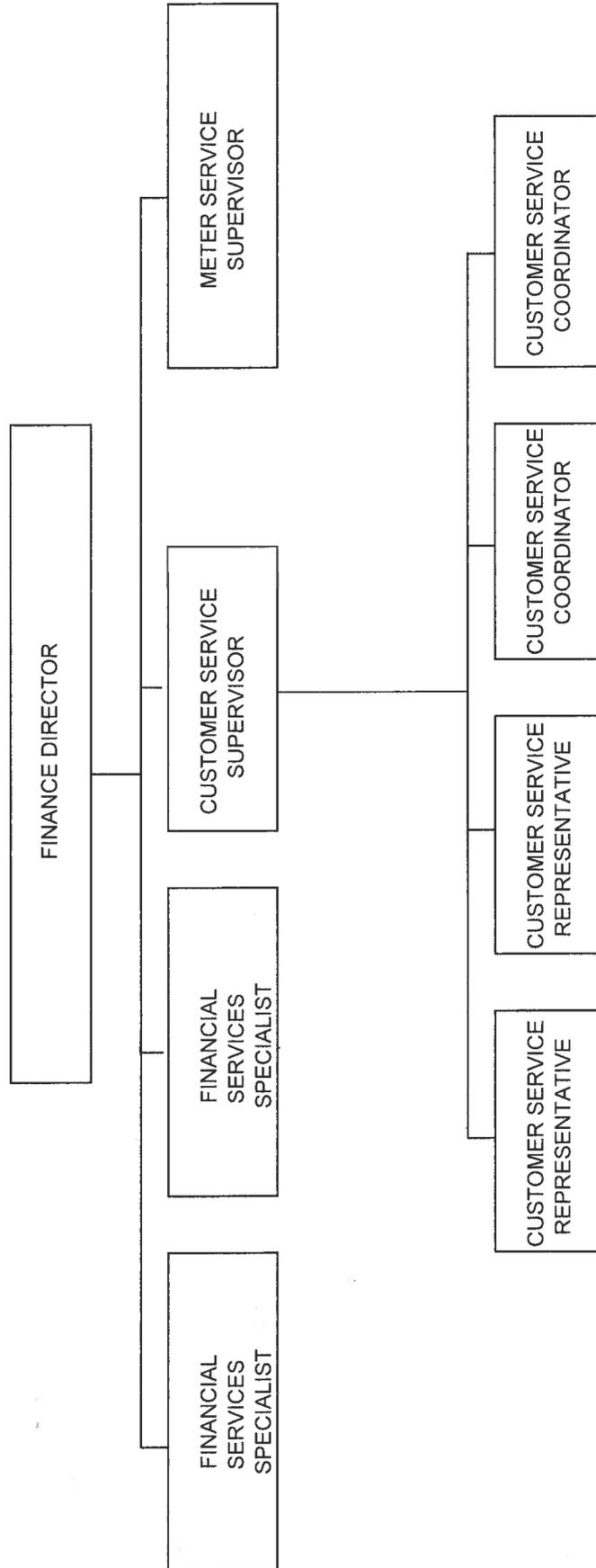
Executive Director/CEO

# CITY OF NEWBERRY ORGANIZATION CHART



**City of Newberry  
Finance Department  
Organizational Chart**

June 30, 2016



**CITY OF NEWBERRY, SOUTH CAROLINA**  
List of Principal Officers  
June 30, 2016

<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	W.A. Harvey
City Attorney	Robert C. Lake, III
City Recorder	William F. Partridge
Assistant City Manager	Matthew T. DeWitt
City Clerk/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	Marc D. Regier
Interim Police Chief	Roy H. McClurkin
Public Works Director	Norris M. Bartley
Parks, Recreation, and Tourism Director	Scott S. Sawyer

## **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, 2016 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 22, 2016

## **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, 2016, 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, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, supplemental schedules, and the schedule of expenditures of federal awards 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

To the Honorable Mayor and City Council  
City of Newberry  
November 22, 2016

with auditing standards generally accepted in the United States of America. In our opinion, this other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016, on our consideration of the City of Newberry, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*McKinley, Cooper & Co., LLC*

Greenville, South Carolina  
November 22, 2016

## 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, 2016. 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 2016 are as follows:

- The assets of the City of Newberry, including all governmental and business-type activities, exceeded its liabilities at the close of the most recent fiscal year by \$55,417,712 (net position), an increase in comparison to the previous fiscal year of \$2,689,225 or 5.1 percent. Of this amount, \$16,018,595 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 \$3,123,417. The unrestricted net position of the City's business-type activities is \$12,895,178 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 \$10,611,982 and expenditures and other financing uses totaled \$10,129,412 for all governmental funds at the fund level. Accordingly, combined revenues and other financing sources were greater than expenditures and other financing uses by \$482,570. As of the close of fiscal year 2016, the City of Newberry's governmental funds reported combined ending fund balances of \$10,496,353. On a combined basis, \$387,731 is considered nonspendable, \$946,494 is restricted for specific purposes, \$1,108,052 has been committed by City Council, \$2,228,265 has been assigned to specific purposes by management, and \$5,825,811 is unassigned at June 30, 2016.
- At the end of fiscal year 2016, unassigned fund balance for the general fund, the City's principal operating fund, was \$5,825,811, a decrease of \$404,213 in comparison to 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. For fiscal year 2016, the City will transfer \$20,845 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 86-101 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, for the federal equitable sharing fund, and for the Oakland Tennis 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 38-67 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 74-75 of this report.

Other information, including combined and individual fund statements and schedules, begin on page 71 of this report. Statistical tables that provide multi-year historical data begin on page 117.

## **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 \$125,895,467 and \$1,029,174, respectively, exceeded liabilities and deferred inflows by \$55,417,712 as of June 30, 2016. This is an increase in total net position of \$2,689,225 for the fiscal year. Net position is reported in three categories: Net investment in capital assets, net of related debt of \$38,387,470, restricted net position of \$1,011,647, and unrestricted net position of \$16,018,595.

The largest portion of the City's net position (69 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, 2016, the City had \$10,000 restricted for the Japanese Gardens permanent fund, \$875,689 restricted for utility system debt service, and \$125,958 restricted for maintenance of the utility system.

The balance of unrestricted net assets \$16,018,595 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, 2016, with comparative data for June 30, 2015.

#### City of Newberry's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$11,421,466	\$10,796,527	\$41,387,024	\$52,605,022	\$52,808,490	\$63,401,549
Capital assets	9,200,364	9,260,618	63,886,613	51,656,253	73,086,977	60,916,871
Total assets	20,621,830	20,057,145	105,273,637	104,261,275	125,895,467	124,318,420
Deferred outflows of resources	720,422	695,678	308,752	298,147	1,029,174	993,825
Long-term liabilities outstanding	9,577,465	9,215,114	57,608,619	59,150,355	67,186,084	68,365,469
Other liabilities	479,193	332,723	3,674,161	2,894,697	4,153,354	3,227,420
Total liabilities	10,056,658	9,547,837	61,282,780	62,045,052	71,339,438	71,592,889
Deferred inflows of resources	117,244	693,608	50,247	297,261	167,491	990,869
Net assets:						
Net investment in capital assets	8,034,933	7,787,439	30,352,537	25,789,683	38,387,470	33,577,122
Restricted	10,000	10,000	1,001,647	1,406,590	1,011,647	1,416,590
Unrestricted	3,123,417	2,713,939	12,895,178	15,020,836	16,018,595	17,734,775
Total net position	11,168,350	\$10,511,378	44,249,362	42,217,109	55,417,712	52,728,487

## 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>2016</u>	<u>2015</u>	<u>Increase/ (Decrease)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 38,387,470	\$ 33,577,122	\$ 4,810,348
Restricted	1,011,647	1,416,590	(404,943)
Unrestricted (exclusive of GASB 68)	26,645,724	28,235,279	(1,589,555)
Unrestricted (GASB 68 portion)	<u>(10,627,129)</u>	<u>(10,500,504)</u>	<u>(126,625)</u>
Total Net Position	<u>\$ 55,417,712</u>	<u>\$ 52,728,487</u>	<u>\$ 2,689,225</u>

(Remainder of Page Intentionally Left Blank)

The following table shows a recap of revenues and expenses for fiscal year 2016, with comparative data for fiscal year 2015:

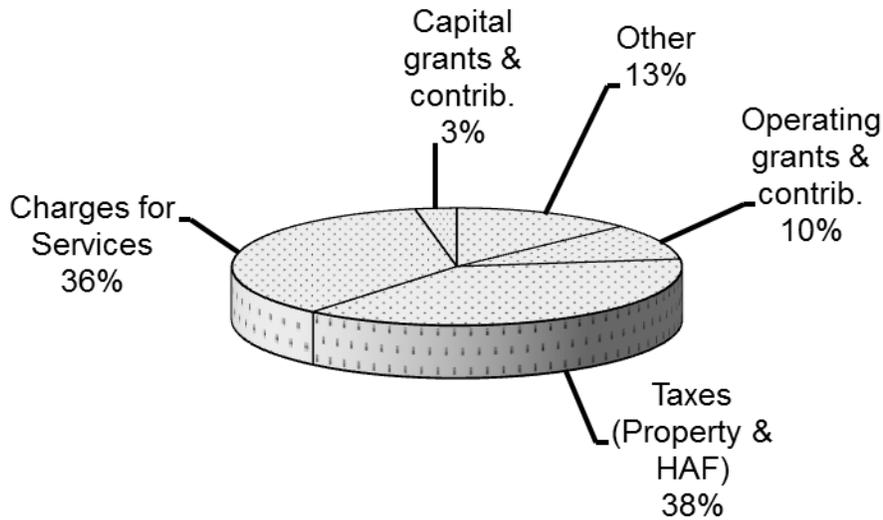
**City of Newberry's Statement of Activities**

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$3,125,059	\$2,972,024	\$36,180,215	\$34,651,670	\$39,305,274	\$37,623,694
Operating grants and contributions	837,886	655,922	103,106	-	940,992	655,922
Capital grants and contributions	227,443	91,217	409,593	308,411	637,036	399,628
General Revenues:						
Taxes	3,336,700	3,539,818	-	-	3,336,700	3,539,818
Grants and contributions not restricted to specific programs	-	-	-	-	-	-
Other	1,172,025	1,101,958	468,303	2,613	1,640,328	1,104,571
<b>Total revenues</b>	<b>8,699,113</b>	<b>8,360,939</b>	<b>37,161,217</b>	<b>34,962,694</b>	<b>45,860,330</b>	<b>43,323,633</b>
<b>Expenses:</b>						
General government	1,398,601	1,337,007	-	-	1,398,601	1,337,007
Public safety	4,668,707	4,334,446	-	-	4,668,707	4,334,446
Public Works	1,718,116	1,567,672	-	-	1,718,116	1,567,672
Parks, Recreation, & Tourism	848,809	753,929	-	-	848,809	753,929
Community development	746,775	442,955	-	-	746,775	442,955
Community promotions and projects	487,751	597,233	-	-	487,751	597,233
Interest on long-term debt	39,291	37,427	-	-	39,291	37,427
Combined electric, water, and sewer utilities	-	-	33,263,055	30,508,087	33,263,055	30,508,087
<b>Total expenses</b>	<b>9,908,050</b>	<b>9,070,669</b>	<b>33,263,055</b>	<b>30,508,087</b>	<b>43,171,105</b>	<b>39,578,756</b>
<b>Increase(decrease) in net position before transfers</b>	<b>(1,208,937)</b>	<b>(709,730)</b>	<b>3,898,162</b>	<b>4,454,607</b>	<b>2,689,225</b>	<b>3,744,877</b>
<b>Transfers</b>	<b>1,865,909</b>	<b>1,865,909</b>	<b>(1,865,909)</b>	<b>(1,865,909)</b>	<b>-</b>	<b>-</b>
<b>Increase in net position</b>	<b>656,972</b>	<b>1,156,179</b>	<b>2,032,253</b>	<b>2,588,698</b>	<b>2,689,225</b>	<b>3,744,877</b>
<b>Net position, July 1</b>	<b>10,511,378</b>	<b>9,355,199</b>	<b>42,217,109</b>	<b>39,628,411</b>	<b>52,728,487</b>	<b>48,983,610</b>
<b>Net position, June 30</b>	<b>\$11,168,350</b>	<b>\$10,511,378</b>	<b>\$44,249,362</b>	<b>\$42,217,109</b>	<b>\$55,417,712</b>	<b>\$52,728,487</b>

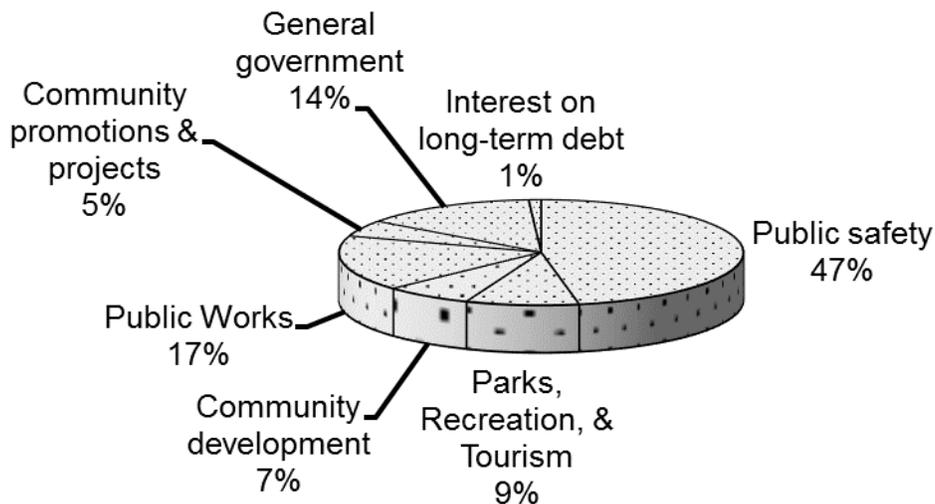
**Governmental activities.** Governmental activities increased the City's net position by \$656,972. Compared to governmental activity expenses (\$9,908,050), tax-related revenues (\$3,336,700) covered approximately 34 percent, and program revenues (\$4,190,388) covered approximately 42 percent. Public Safety activities accounted for the greatest percentage of governmental activities at 47.1 percent. The City was the recipient of grants and contributions in the amount of \$1,065,329 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 2016



### Governmental Expenses Fiscal Year 2016



**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 at \$37,161,217 were greater than total expenses and outgoing transfers of \$35,128,964 yielding a positive change in net position of \$2,032,253 for fiscal year 2016. The purchase of electricity line item at \$21,115,845 translates to 63 percent of all business-type expenses of \$33,263,055. The size of the purchase of electricity line item can be further appreciated by noting that this single line item is 48.9 percent of total primary government expenses.

- A major factor in the \$2,032,253 increase in net position was that the charges for services revenue increased \$1,528,545. 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.
- Small increases in units sold in fiscal year 2016 as compared to fiscal year 2015 were reflected in treated sewer cubic feet (up 3.22 percent). Water cubic feet showed an increase of 9.79 percent in fiscal year 2016, while electric kilowatt-hours showed a decrease of 0.07 percent in fiscal year 2016 when compared to fiscal year 2015. Units sold changes were primarily due to weather conditions.
- Fiscal year 2016 saw federal grants revenue in the amount of \$409,593 for the purpose of capital upgrades of the water and sewer systems in the West End and the Mollohon sections of the City. This represented a \$101,182 increase in federal grants revenue when compared to fiscal year 2015.

### **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 \$10,496,353. The City's general fund, with an ending fund balance of \$7,347,411, amounts to 70 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 2016, the unassigned fund balance of the general fund was \$5,825,811, representing 79 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 \$5,825,811 represents 67.2 percent of total general fund expenditures (\$8,664,128).

**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 \$12,895,178 or 29.1 percent of total proprietary fund net position in the amount of \$44,249,362. The City's largest component of proprietary fund net position is the net investment in capital assets, at \$30,352,537, or 68.6 percent of total net position. Net position restricted for debt service as compared to total net position decreased from fiscal year 2015 at 2.0 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 remained unchanged during fiscal year 2016 at \$9,814,095. There were also no budgetary revenue increases or decreases in fiscal year 2016.

During the fiscal year, actual revenues collected exceeded the budget by \$245,120, with the largest variance occurring in the business licenses line item due to more business licenses being collected than anticipated. Conversely, actual expenditures were under budget by \$1,149,967, with the largest variances seen in the public safety police department and the public works department street division related to personnel and capital expenditures. In summary, revenues and other financing sources were 3.7 percent in excess of budgetary estimates and expenditures and other financing uses were 3.6 percent less than budgetary estimates, thus using \$546,515 of fund balance instead of using \$1,146,212 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 2016, the City had a combined total of capital assets of \$73,086,977 (net of accumulated depreciation), an increase of \$12,170,106 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 2016 include approximately \$7,300,000 additional construction in progress, \$1,680,000 additional buildings, \$3,190,000 for the rehab of the water plant, and \$2,470,000 for sewer upgrades, all in the business-type activities.

The following table shows a recap of the City's capital assets, net of accumulated depreciation, for fiscal year 2016, with comparative data for fiscal year 2015.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land and improvements	\$1,602,660	\$1,673,044	\$383,231	\$386,599	\$1,985,891	\$2,059,643
Buildings, improvements and fixtures	5,519,986	5,463,575	12,772,064	11,768,600	18,292,050	17,232,175
Streets, sidewalks and bridges	592,602	631,231	-	-	592,602	631,231
Motor vehicles and equipment	1,363,308	1,339,802	481,319	586,314	1,844,627	1,926,116
Office furniture and equipment	16,611	22,306	235,883	73,843	252,494	96,149
Other equipment	105,197	130,660	697,600	722,024	802,797	852,684
Traffic controls and fire alarm system	-	-	-	1	-	1
Street Lighting	-	-	15,929	20,195	15,929	20,195
Electric distribution system	-	-	5,232,977	4,941,867	5,232,977	4,941,867
Water distribution system	-	-	12,860,172	10,390,016	12,860,172	10,390,016
Sewer collection system	-	-	15,390,485	14,249,068	15,390,485	14,249,068
Construction in progress	-	-	15,816,953	8,517,726	15,816,953	8,517,726
<b>Total</b>	<b>\$9,200,364</b>	<b>\$9,260,618</b>	<b>\$63,886,613</b>	<b>\$51,656,253</b>	<b>\$73,086,977</b>	<b>\$60,916,871</b>

Additional information on the City's capital assets can be found in Note 5 beginning on page 47 of this report.

**Debt Administration.** At the end of fiscal year 2016, the City of Newberry had total debt outstanding (bonds, notes, capital leases) of \$55,158,631. 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 2016, with comparative data for fiscal year 2015:

**City of Newberry's Outstanding Debt**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Revenue bonds, loan	\$ -	\$ -	\$53,993,200	\$ 55,823,089	\$53,993,200	\$55,823,089
Capital leases	1,165,431	1,473,179	-	-	1,165,431	1,473,179
<b>Total</b>	<b>\$ 1,165,431</b>	<b>\$ 1,473,179</b>	<b>\$53,993,200</b>	<b>\$ 55,823,089</b>	<b>\$55,158,631</b>	<b>\$57,296,268</b>

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 2016, the debt limitation for the City is \$2,242,098, of which none is presently obligated.

Additional information on the City of Newberry's long-term debt as reported for fiscal year 2016 can be found in Note 7 beginning on page 49 of this report.

**Economic Factors and Next Year's Budgets and Rates**

At June 30, 2016, unemployment for Newberry County stood at 5.1 percent versus 6.6 percent at June 30, 2015. In comparison, the state's unemployment rate at June 30, 2016 was 5.4 percent and the national rate was 4.9 percent. Fiscal year 2016 data from the City of Newberry hospitality and accommodations fund showed improvement when compared to fiscal year 2015 data. Hospitality gross sales increased 7.8 percent, from \$33.737 million for the year ended June 30, 2015, to \$36.571 million for the year ended June 30, 2016. Accommodations gross sales showed a decrease from \$4.556 million for the year ended June 30, 2015 to \$4.385 million for the year ended June 30, 2016, or 3.8 percent.

The City of Newberry began the budgetary process in January 2016, at which time the uncertain economic conditions forecast for fiscal year 2017 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, 2016, the unassigned fund balance of the general fund was \$5,825,811. The City of Newberry has budgeted a use of fund balance for fiscal year 2017 of \$276,796. 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 9% on minimum charges and sewer rates 6% 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, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 10,546,068	\$ 13,362,039	\$ 23,908,107
Receivables (net of allowances for uncollectibles)			
Taxes	107,475	-	107,475
Accounts	-	4,383,996	4,383,996
Grants	11,258	-	11,258
Intergovernmental	194,995	11,024	206,019
Other	129,133	8,971	138,104
Internal receivables (payable)	44,806	(44,806)	-
Inventories	32,731	1,855,759	1,888,490
Notes receivable	355,000	-	355,000
Restricted assets			
Cash and cash equivalents	-	21,810,041	21,810,041
Capital assets			
Land and construction in progress	820,620	16,137,297	16,957,917
Other capital assets, net of accumulated depreciation	8,379,744	47,749,316	56,129,060
<b>Total Assets</b>	<u>20,621,830</u>	<u>105,273,637</u>	<u>125,895,467</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	720,422	308,752	1,029,174
<b>Total Deferred Outflows of Resources</b>	<u>720,422</u>	<u>308,752</u>	<u>1,029,174</u>
<b>Liabilities</b>			
Accounts payable	54,791	2,501,888	2,556,679
Due to other government agencies	23,477	-	23,477
Accrued salaries and payroll liabilities	400,925	126,151	527,076
Retainage payable	-	647,381	647,381
Accrued interest payable	-	398,741	398,741
Long-term liabilities			
Net OPEB obligation	19,580	9,594	29,174
Net pension liability	8,042,168	3,446,644	11,488,812
Due within one year	520,097	2,217,051	2,737,148
Due in more than one year	995,620	51,935,330	52,930,950
<b>Total Liabilities</b>	<u>10,056,658</u>	<u>61,282,780</u>	<u>71,339,438</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	117,244	50,247	167,491
<b>Total Deferred Inflows of Resources</b>	<u>117,244</u>	<u>50,247</u>	<u>167,491</u>
<b>Net Position</b>			
Net investment in capital assets	8,034,933	30,352,537	38,387,470
Restricted for			
Expendable			
Debt service	-	875,689	875,689
Maintenance	-	125,958	125,958
Nonexpendable			
Permanent Fund	10,000	-	10,000
Unrestricted	3,123,417	12,895,178	16,018,595
<b>Total Net Position</b>	<u>\$ 11,168,350</u>	<u>\$ 44,249,362</u>	<u>\$ 55,417,712</u>

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

**CITY OF NEWBERRY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2016**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-Type Activities
<b>Governmental Activities</b>							
General Government	\$ 1,398,601	\$ 1,660,200	\$ -	\$ -	\$ 261,599	\$ 261,599	
Public safety	4,668,707	553,945	176,458	202,316	(3,735,988)	(3,735,988)	
Public works	1,718,116	791,651	-	-	(926,465)	(926,465)	
Parks, recreation, and tourism	848,809	101,145	21,314	25,127	(701,223)	(701,223)	
Community development	746,775	-	640,114	-	(106,661)	(106,661)	
Community promotion and projects	487,751	18,118	-	-	(469,633)	(469,633)	
Interest on long-term debt	39,291	-	-	-	(39,291)	(39,291)	
<b>Total Governmental Activities</b>	<b>9,908,050</b>	<b>3,125,059</b>	<b>837,886</b>	<b>227,443</b>	<b>(5,717,662)</b>	<b>(5,717,662)</b>	
<b>Business-Type Activities</b>							
Utility system	33,263,055	36,180,215	103,106	409,593	-	3,429,859	
<b>Total Primary Government</b>	<b>\$ 43,171,105</b>	<b>\$ 39,305,274</b>	<b>\$ 940,992</b>	<b>\$ 637,036</b>	<b>(5,717,662)</b>	<b>3,429,859</b>	
<b>General Revenues</b>							
Taxes							
Property taxes, levied for general purposes					2,470,966	2,470,966	
Local hospitality and accommodations fee					865,734	865,734	
Intergovernmental revenue					910,716	910,716	
Interest revenue					11,674	468,303	
Gain on sale of capital assets					41,446	41,446	
Miscellaneous					208,189	208,189	
<b>Transfers</b>					1,865,909	(1,865,909)	
<b>Total General Revenues and Transfers</b>					<b>6,374,634</b>	<b>4,977,028</b>	
<b>Change in Net Position</b>					<b>656,972</b>	<b>2,689,225</b>	
<b>Net Position, beginning</b>					<b>10,511,378</b>	<b>52,728,487</b>	
<b>Net Position, ending</b>					<b>\$ 11,168,350</b>	<b>\$ 55,417,712</b>	

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

## **FUND FINANCIAL STATEMENTS**

**CITY OF NEWBERRY**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2016**

	<u>General</u>	<u>Other Governmental</u>	<u>Totals June 30, 2016</u>
<b>Assets</b>			
Cash and cash equivalents	\$ 7,453,541	\$ 3,092,527	\$ 10,546,068
Receivables (net of allowance for uncollectibles)			
Taxes	107,475	-	107,475
Grants	11,258	-	11,258
Intergovernmental	55,991	139,004	194,995
Interest and other	35,216	93,917	129,133
Notes receivable	-	355,000	355,000
Due from other funds	183,576	167,352	350,928
Inventories	32,731	-	32,731
<b>Total Assets</b>	<u>\$ 7,879,788</u>	<u>\$ 3,847,800</u>	<u>\$ 11,727,588</u>
<b>Liabilities</b>			
Accounts payable	\$ 25,408	\$ 29,383	\$ 54,791
Intergovernmental	23,477	-	23,477
Accrued salaries and payroll liabilities	400,925	-	400,925
Due to other funds	57	306,065	306,122
<b>Total Liabilities</b>	<u>449,867</u>	<u>335,448</u>	<u>785,315</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenues	82,510	363,410	445,920
<b>Total Deferred Inflows of Resources</b>	<u>82,510</u>	<u>363,410</u>	<u>445,920</u>
<b>Fund Balances</b>			
Nonspendable	32,731	355,000	387,731
Restricted	-	946,494	946,494
Committed	-	1,108,052	1,108,052
Assigned	1,488,869	739,396	2,228,265
Unassigned	5,825,811	-	5,825,811
<b>Total Fund Balances</b>	<u>7,347,411</u>	<u>3,148,942</u>	<u>10,496,353</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 7,879,788</u>	<u>\$ 3,847,800</u>	<u>11,727,588</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, 2016**

<b>Fund Balance - Governmental Funds</b>		\$ 10,496,353
<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	20,013,691	
Accumulated depreciation is	<u>(10,813,327)</u>	9,200,364
<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	(350,286)	
Capital lease obligations	<u>(1,165,431)</u>	(1,515,717)
<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	(19,580)	
Net pension liability	<u>(8,042,168)</u>	(8,061,748)
<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	720,422	
Deferred inflows of resources related to pensions	<u>(117,244)</u>	603,178
<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>445,920</u>
<b>Total Net Position - Governmental Activities</b>		<u><u>\$ 11,168,350</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, 2016**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds June 30, 2016</u>
<b>Revenues</b>			
Taxes	\$ 2,475,067	\$ -	\$ 2,475,067
Licenses, permits and franchise fees	1,660,200	-	1,660,200
Fines, forfeitures and penalties	479,177	53,681	532,858
Charges for services	892,796	883,852	1,776,648
Intergovernmental	1,247,277	749,855	1,997,132
Miscellaneous	130,798	173,370	304,168
<b>Total Revenues</b>	<u>6,885,315</u>	<u>1,860,758</u>	<u>8,746,073</u>
<b>Expenditures</b>			
General government	778,396	-	778,396
Public safety	3,568,205	69,560	3,637,765
Public works	1,468,908	-	1,468,908
Parks, recreation, and tourism	724,731	-	724,731
Community development	-	914,556	914,556
Non-departmental	1,891,538	366,479	2,258,017
Debt service			
Principal	213,235	94,513	307,748
Interest	19,115	20,176	39,291
<b>Total Expenditures</b>	<u>8,664,128</u>	<u>1,465,284</u>	<u>10,129,412</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,778,813)</u>	<u>395,474</u>	<u>(1,383,339)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in (out)			
Permanent fund	-	2,640	2,640
Special revenue funds	(633,611)	630,971	(2,640)
Utility system fund	1,865,909	-	1,865,909
<b>Total Other Financing Sources (Uses)</b>	<u>1,232,298</u>	<u>633,611</u>	<u>1,865,909</u>
<b>Net Change in Fund Balances</b>	(546,515)	1,029,085	482,570
<b>Fund Balances, beginning</b>	<u>7,893,926</u>	<u>2,119,857</u>	<u>10,013,783</u>
<b>Fund Balances, ending</b>	<u>\$ 7,347,411</u>	<u>\$ 3,148,942</u>	<u>\$ 10,496,353</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, 2016**

**Net Change in Fund Balances - Total Governmental Funds** \$ 482,570

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 depreciation exceeded capital outlays in the period.

Depreciation expense	(791,642)	
Capital outlay	<u>774,247</u>	(17,395)

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.

Repayment of long-term debt		307,748
-----------------------------	--	---------

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	268	
Compensated absences	<u>19,379</u>	19,647

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	507,391	
Cost of benefits earned, net of employee contributions	<u>(596,029)</u>	(88,638)

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

(46,960)

**Change in Net Position of Governmental Activities** **\$ 656,972**

**CITY OF NEWBERRY**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2016**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance With Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 2,405,521	\$ 2,405,521	\$ 2,475,067	\$ 69,546
Licenses, permits and franchise fees	1,507,070	1,507,070	1,660,200	153,130
Fines and forfeitures	603,000	603,000	479,177	(123,823)
Charges for services	831,000	831,000	892,796	61,796
Intergovernmental	1,272,604	1,272,604	1,247,277	(25,327)
Miscellaneous	21,000	21,000	130,798	109,798
<b>Total Revenues</b>	<b>6,640,195</b>	<b>6,640,195</b>	<b>6,885,315</b>	<b>245,120</b>
<b>Expenditures</b>				
General government				
City council	110,634	110,634	108,384	2,250
City manager	240,327	240,327	239,638	689
Human resources	114,232	114,232	107,990	6,242
Finance	132,933	132,933	126,787	6,146
City hall	31,560	31,560	28,869	2,691
Planning and development	187,850	187,850	166,728	21,122
Public safety				
Police department	2,022,560	2,022,560	1,740,038	282,522
Justice and law	492,202	492,202	442,738	49,464
Fire department	1,354,062	1,354,062	1,385,429	(31,367)
Public works				
Public works administration	199,828	199,828	148,203	51,625
Streets	913,564	913,564	552,014	361,550
Sanitation	651,291	651,291	570,340	80,951
Building maintenance	51,015	51,015	46,021	4,994
Garage	168,367	168,367	152,330	16,037
Parks, recreation, and tourism	747,877	747,877	724,731	23,146
Non-departmental				
General insurance	110,679	110,679	135,958	(25,279)
Employee benefits	1,908,478	1,908,478	1,634,308	274,170
Community promotions and projects	126,875	126,875	121,272	5,603
Capital lease payments	249,761	249,761	232,350	17,411
<b>Total Expenditures</b>	<b>9,814,095</b>	<b>9,814,095</b>	<b>8,664,128</b>	<b>1,149,967</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(3,173,900)</b>	<b>(3,173,900)</b>	<b>(1,778,813)</b>	<b>1,395,087</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)				
State accommodations tax fund	28,279	28,279	32,889	4,610
Local hospitality/accommodations fund	133,500	133,500	133,500	-
Utility system	1,865,909	1,865,909	1,865,909	-
Oakland tennis fund	-	-	(800,000)	(800,000)
<b>Total Other Financing Sources (Uses)</b>	<b>2,027,688</b>	<b>2,027,688</b>	<b>1,232,298</b>	<b>(795,390)</b>
<b>Net Change in Fund Balances</b>	<b>(1,146,212)</b>	<b>(1,146,212)</b>	<b>(546,515)</b>	<b>599,697</b>
<b>Fund Balances, beginning</b>	<b>7,893,926</b>	<b>7,893,926</b>	<b>7,893,926</b>	<b>-</b>
<b>Fund Balances, ending</b>	<b>\$ 6,747,714</b>	<b>\$ 6,747,714</b>	<b>\$ 7,347,411</b>	<b>\$ 599,697</b>

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

**CITY OF NEWBERRY  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 JUNE 30, 2016**

**Assets**

**Current Assets**

Cash and cash investments	\$	13,362,039
Receivables (net of allowances for uncollectibles)		
Accounts		4,383,996
Intergovernmental		11,024
Other		8,971
Inventory		1,855,759
Restricted assets		
Cash and cash investments		2,477,221

**Total Current Assets**

22,099,010

**Noncurrent Assets**

Capital Assets

Land and land improvements		437,589
Buildings and fixtures		17,645,491
Office furniture and equipment		388,514
Traffic controls and fire alarm system		185,112
Street Lighting		457,575
Other equipment		1,297,085
Motor vehicles and equipment		2,661,663
Electric distribution system		14,340,643
Water distribution system		25,201,631
Sewer collection system		35,360,907
Construction in progress		15,816,953

**Totals**

113,793,163

Less accumulated depreciation

(49,906,550)

**Total Capital Assets**

63,886,613

Restricted Assets

Cash and cash investments		19,332,820
---------------------------	--	------------

**Total Noncurrent Assets**

83,219,433

**Total Assets**

105,318,443

**Deferred Outflows of Resources**

Deferred outflows of resources related to pensions

308,752

**Total Deferred Outflows of Resources**

308,752

(Continued)

**CITY OF NEWBERRY  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION (CONTINUED)  
 JUNE 30, 2016**

**Liabilities**

**Current Liabilities**

Accounts payable	\$	2,501,888
Accrued salaries payable		126,151
Compensated absences payable		99,625
Retainage payable		647,381
Due to other funds		44,806
Accrued interest payable		398,741
Revenue bonds payable		1,268,946
Loans payable		848,480

<b>Total Current Liabilities</b>		5,936,018
----------------------------------	--	-----------

**Noncurrent Liabilities**

Loans payable		14,359,753
Revenue bonds payable		37,516,021
Compensated absences payable		59,556
Net pension liability		3,446,644
Other post-employment benefit obligation		9,594

<b>Total Noncurrent Liabilities</b>		55,391,568
-------------------------------------	--	------------

<b>Total Liabilities</b>		61,327,586
--------------------------	--	------------

**Deferred Inflows of Resources**

Deferred inflows of resources related to pensions		50,247
---	--	--------

<b>Total Deferred Inflows of Resources</b>		50,247
--	--	--------

**Net Position**

Net investment in capital assets		30,352,537
Restricted for		
Debt service		875,689
Maintenance		125,958
Unrestricted		12,895,178

<b>Total Net Position</b>	\$	44,249,362
---------------------------	----	------------

*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, 2016

	<b>Business - Type Activities</b>
	<b>Electric, Water, and Sewer</b>
<b>Operating Revenues</b>	
Charges for sales and services	\$ 36,125,084
Miscellaneous	55,131
<b>Total Operating Revenues</b>	36,180,215
<b>Operating Expenses</b>	
Costs of sales and services	27,307,224
Administration	706,240
Depreciation	3,363,803
<b>Total Operating Expenses</b>	31,377,267
<b>Operating Income</b>	4,802,948
<b>Nonoperating Revenues (Expenses)</b>	
Interest revenue	468,303
Interest expense, bank management fees and other	(1,885,788)
Federal grants	103,106
<b>Total Nonoperating Revenues (Expenses)</b>	(1,314,379)
<b>Income Before Capital Contributions and Transfers</b>	3,488,569
Capital Contributions	409,593
<b>Transfers In (Out)</b>	
General fund	(1,865,909)
<b>Change in Net Position</b>	2,032,253
<b>Net Position, beginning</b>	42,217,109
<b>Net Position, ending</b>	\$ 44,249,362

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

**CITY OF NEWBERRY  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 2016**

<b>Cash Flows from Operating Activities</b>	
Receipts from customers	\$ 36,222,606
Purchase of electricity	(21,115,845)
Payments to suppliers	(5,682,423)
Payments to employees	(1,876,381)
<b>Net Cash Provided by Operating Activities</b>	7,547,957
<b>Cash Flows from Noncapital Financing Activities</b>	
Transfers in (out)	(1,865,909)
<b>Net Cash Used in Noncapital Financing Activities</b>	(1,865,909)
<b>Cash Flows from Capital and Related Financing Activities</b>	
Acquisition and construction of capital assets	(14,309,474)
Subsidy from federal grants	103,106
Principal payments on bonds and notes payable	(1,790,943)
Interest and other fees paid	(1,687,065)
<b>Net Cash Used in Capital and Related Financing Activities</b>	(17,684,376)
<b>Cash Flows from Investing Activities</b>	
Interest on investments	468,303
<b>Net Cash Provided by Investing Activities</b>	468,303
<b>Net Decrease in Cash</b>	(11,534,025)
<b>Cash and Cash Investments, beginning</b>	46,706,105
<b>Cash and Cash Investments, ending</b>	\$ 35,172,080
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 4,802,948
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation expense	3,363,803
Loss on disposal of capital assets	61,247
Changes in assets and deferred outflows of resources	
Receivables, net	37,182
Inventories	(356,070)
Deferred outflows related to pensions	(10,605)
Changes in liabilities and deferred inflows of resources	
Accounts payable	(414,606)
Accrued expenses and due to other funds	311,072
Deferred inflows related to pensions	(247,014)
<b>Net Cash Provided by Operating Activities</b>	\$ 7,547,957
<b>Noncash Capital Activities</b>	
Acquisition of capital assets on account	\$ -
Contributions of capital assets	\$ -

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

## CITY OF NEWBERRY

### NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

#### **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 financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. 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 taxes, 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 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, Seizure, and Oakland Tennis 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 Balances – 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 are recorded at estimated fair value on the date received.

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.

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.

## **Reclassifications**

Certain reclassifications have been made to the 2015 comparative supplementary schedules. Total net position and change in net position are unchanged due to these reclassifications.

## **New Pronouncements - Implementation of GASB Statement on Fair Value**

The GASB issued Statement No. 72, “*Fair Value Measurement and Application*” in February 2015. Statement No. 72 is effective for the City for the fiscal year ended June 30, 2016, and has been implemented in these financial statements.

The primary objective of Statement No. 72 is to address accounting and financial reporting issues related to fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The statement provides guidance for determining fair value measurement for financial reporting purposes. The statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

## **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, 2016:

<u>Fund/Function/Department</u>	<u>Excess Amount</u>
General Fund:	
Public Safety - Fire Department	\$ 31,367
General Insurance - Non-departmental	25,279

### Note 3 – Deposits and Investments

The State of South Carolina General Statutes permit the City to invest in certain types of financial instruments. In addition, the State has a Local Government Investment Pool (where the fair value of the position in the pool is the same as the value of the pool shares) which invests in the types of instruments allowed under state laws.

Cash is maintained in demand deposits or savings accounts, certificates of deposits, repurchase agreements, or U.S. Government Securities. 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.

As of June 30, 2016, the City had deposits and investments as follows:

Deposits with financial institutions	\$ 44,503,684
Investments with S.C. Local Government Investment Pool	<u>2,594,987</u>
	<u><u>\$ 47,098,671</u></u>

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting its investments to the State’s investment pools which do not normally have maturity dates and can be withdrawn on demand.

*Credit risk.* As of June 30, 2016, in accordance with its investment policy, the City is invested with the S.C. Local Government Investment Pool as overseen by the State, which invests in instruments allowed under state laws. The Investment Pool is not rated. It’s a money market type pool, which is fully collateralized, and the underlying securities are held by a third party bank for the pool.

*Concentration of credit risk.* The City’s investment policy currently does not involve investment in any individual issuers.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s policy is that all deposits in excess of federal insurance amounts be collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name. As of June 30, 2016, all deposits are either insured or fully collateralized.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with its investment policy, the City invests in the state investment pool which is not subject to custodial risk.

**Note 4 – Receivables**

Current receivables at June 30, 2016, consist of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Receivables		
Property taxes	\$ 152,803	\$ -
Accounts	-	3,200,410
Grants	11,258	-
Unbilled accounts	-	1,978,928
Intergovernmental	194,995	11,024
Interest and other	129,133	8,971
Gross receivables	<u>488,189</u>	<u>5,199,333</u>
Less: allowance for uncollectibles	<u>(45,328)</u>	<u>(795,342)</u>
<b>Net Receivables</b>	<u><u>\$ 442,861</u></u>	<u><u>\$ 4,403,991</u></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, 2016, 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, 2016, was as follows:

	<b>Beginning Balances</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Ending Balances</b>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 820,620	\$ 900	\$ (900)	\$ 820,620
<b>Total Capital Assets Not Being Depreciated</b>	<b>820,620</b>	<b>900</b>	<b>(900)</b>	<b>820,620</b>
Capital assets being depreciated:				
Land improvements	1,509,596	-	(11,845)	1,497,751
Buildings	8,112,426	248,795	-	8,361,221
Motor vehicles and equipment	5,749,094	518,216	(313,775)	5,953,535
Office furniture and equipment	79,239	-	-	79,239
Other equipment	1,420,041	6,336	-	1,426,377
Streets, sidewalks and bridges	1,874,948	-	-	1,874,948
<b>Total Capital Assets Being Depreciated</b>	<b>18,745,344</b>	<b>773,347</b>	<b>(325,620)</b>	<b>19,193,071</b>
Less accumulated depreciation:				
Land improvements	657,172	38,697	19,842	715,711
Buildings	2,648,851	192,384	-	2,841,235
Motor vehicles and equipment	4,409,292	484,438	(303,503)	4,590,227
Office furniture and equipment	56,933	5,695	-	62,628
Other equipment	1,289,381	31,799	-	1,321,180
Streets, sidewalks and bridges	1,243,717	38,629	-	1,282,346
<b>Total Accumulated Depreciation</b>	<b>10,305,346</b>	<b>791,642</b>	<b>(283,661)</b>	<b>10,813,327</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>8,439,998</b>	<b>(18,295)</b>	<b>(41,959)</b>	<b>8,379,744</b>
<b>Governmental Activity Capital Assets, Net</b>	<b>\$ 9,260,618</b>	<b>\$ (17,395)</b>	<b>\$ (42,859)</b>	<b>\$ 9,200,364</b>

	<b>Beginning Balances</b>	<b>Additions and Transfers</b>	<b>Disposals and Transfers</b>	<b>Ending Balances</b>
<b>Business - Type Activities</b>				
Utility Proprietary Fund				
Capital assets not being depreciated				
Land	\$ 320,344	\$ -	\$ -	\$ 320,344
Construction in progress	8,517,726	7,299,227	-	15,816,953
<b>Total Capital Assets Not Being Depreciated</b>	<b>8,838,070</b>	<b>7,299,227</b>	<b>-</b>	<b>16,137,297</b>
Capital assets being depreciated				
Land improvements	117,245	-	-	117,245
Buildings	15,993,391	1,681,242	(29,142)	17,645,491
Motor vehicles and equipment	2,550,475	111,188	-	2,661,663
Office furniture and equipment	211,010	177,504	-	388,514
Traffic Controls	185,112	-	-	185,112
Street Lighting	455,238	2,337	-	457,575
Other equipment	1,212,035	85,050	-	1,297,085
Electric distribution system	13,888,774	670,468	(218,599)	14,340,643
Water distribution system	22,040,948	3,189,733	(29,050)	25,201,631
Sewer collection system	32,890,860	2,470,047	-	35,360,907
<b>Total Capital Assets Being Depreciated</b>	<b>89,545,088</b>	<b>8,387,569</b>	<b>(276,791)</b>	<b>97,655,866</b>
Less accumulated depreciation				
Land improvements	50,990	3,368	-	54,358
Buildings	4,224,791	657,445	(8,809)	4,873,427
Motor vehicles and equipment	1,964,161	216,183	-	2,180,344
Office furniture and equipment	137,167	15,464	-	152,631
Traffic controls	185,111	1	-	185,112
Street lighting	435,043	6,603	-	441,646
Other equipment	490,011	109,474	-	599,485
Electric distribution system	8,946,907	336,108	(175,349)	9,107,666
Water distribution system	11,650,932	690,527	-	12,341,459
Sewer collection system	18,641,792	1,328,630	-	19,970,422
<b>Total Accumulated Depreciation</b>	<b>46,726,905</b>	<b>3,363,803</b>	<b>(184,158)</b>	<b>49,906,550</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>42,818,183</b>	<b>5,023,766</b>	<b>(92,633)</b>	<b>47,749,316</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 51,656,253</b>	<b>\$ 12,322,993</b>	<b>\$ (92,633)</b>	<b>\$ 63,886,613</b>

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

General Government	\$	239,543
Public Safety		209,120
Public Works		323,396
Recreation		19,583
<b>Total</b>	<b>\$</b>	<b>791,642</b>

Depreciation of general infrastructure assets (streets, sidewalks and bridges) in the amount of \$113,899 was included in the public works function.

At June 30, 2016, the City had outstanding construction and purchase commitments. The business-type activity commitment was \$4,621,101 related to the rehabilitation and expansion of the wastewater treatment plant and other water and sewer projects.

#### **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, 2016.

##### **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 December 20, 2007, the City issued \$380,000 combined Public Utility System Revenue Bond, series 2007 at a 3.42% interest rate for the purpose of providing financing related to its combined Public Utility System. This bond was paid off during the year ended June 30, 2016.

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, 2016.

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, 2016, the City did not have any excess arbitrage earning 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	\$ 1,143,927
Less Accumulated Depreciation	(436,598)
	\$ 707,329

The future minimum lease obligations for equipment as of June 30, 2016, were as follows:

Year Ending June 30,	Governmental Activities
2017	\$ 214,941
2018	167,860
2019	94,772
2020	51,358
2021	51,358
Thereafter	179,752
Total Minimum Lease Obligation	760,041
Less Amount Representing Interest	(59,134)
Present Value of Future Minimum Lease Payments	\$ 700,907

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
2017	\$ 114,689
2018	114,689
2019	114,689
2020	114,689
2021	47,786
Total Minimum Lease Payments	506,542
Less Amount Representing Interest	(42,018)
Present Value of Future Minimum Lease Payments	<u>\$ 464,524</u>

Changes in long-term liabilities for the year ended June 30, 2016, are as follows:

	July 1, 2015	Increases	Decreases	June 30, 2016	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 369,665	\$ 219,481	\$ (238,860)	\$ 350,286	\$ 222,147
Net OPEB Obligation	19,848	-	(268)	19,580	-
Net Pension Liability	7,352,422	689,746	-	8,042,168	-
Capital Lease Obligations	1,473,179	-	(307,748)	1,165,431	297,950
<b>Total</b>	<u>\$ 9,215,114</u>	<u>\$ 909,227</u>	<u>\$ (546,876)</u>	<u>\$ 9,577,465</u>	<u>\$ 520,097</u>

	July 1, 2015	Increases	Decreases	June 30, 2016	Due Within One Year
Business-Type Activities					
Compensated Absences	\$ 166,516	\$ 96,247	\$ (103,582)	\$ 159,181	\$ 99,625
Other OPEB Obligation	9,712	-	(118)	9,594	-
Net Pension Liability	3,151,038	295,606	-	3,446,644	-
Revenue Bonds, Series 2007	327	-	(327)	-	-
Revenue Bonds, Series 2015	39,005,000	-	(960,000)	38,045,000	1,230,000
Revenue Bond Premium	778,913	-	(38,946)	739,967	38,946
State Revolving Fund Loan	16,038,849	-	(830,616)	15,208,233	848,480
<b>Total</b>	<u>\$ 59,150,355</u>	<u>\$ 391,853</u>	<u>\$ (1,933,589)</u>	<u>\$ 57,608,619</u>	<u>\$ 2,217,051</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, 2016:

**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>
2017	\$ 1,230,000	\$ 1,481,356	\$ 2,711,356
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
2022-2026	7,965,000	5,594,730	13,559,730
2027-2031	9,645,000	3,921,506	13,566,506
2032-2035	13,855,000	1,430,200	15,285,200
<b>Total</b>	<u>\$ 38,045,000</u>	<u>\$ 17,932,516</u>	<u>\$ 55,977,516</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, 2016 is as follows:

System operating revenues, exclusive of interest earning and non-operating income	\$ 36,180,215
System operating expenses, exclusive of depreciation and non-operating expenses	<u>28,013,464</u>
Amount available for debt service	<u>\$ 8,166,751</u>
Debt service - principal	\$ 1,790,943
Debt service - interest	<u>1,623,215</u>
Total	<u>\$ 3,414,158</u>
Coverage	<u>2.39%</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>
2017	\$ 848,480	\$ 334,046	\$ 1,182,526
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
2022-2026	4,945,737	966,895	5,912,632
2027-2031	5,537,193	375,438	5,912,631
2032	293,922	1,709	295,631
<b>Total</b>	<u>\$ 15,208,233</u>	<u>\$ 2,825,291</u>	<u>\$ 18,033,524</u>

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

## Note 8 – Fund Balance Classifications

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Permanent Fund</u>	<u>Total Governmental Funds</u>
Fund Balances				
<b>Nonspendable</b>				
Inventories	\$ 32,731	\$ -	\$ -	\$ 32,731
Long-term receivable	-	355,000	-	355,000
<b>Restricted</b>				
In accordance with donor stipulations	-	-	10,000	10,000
State accommodations tax	-	56,204	-	56,204
Streetscape	-	208,797	-	208,797
Local hospitality	-	657,830	-	657,830
Victims' rights	-	1,485	-	1,485
Seizure fund	-	12,178	-	12,178
<b>Committed</b>				
NANU	-	6,656	-	6,656
Federal equitable sharing	-	8,150	-	8,150
Tourism	-	163,650	-	163,650
Special events	-	59,159	-	59,159
Cultural arts	-	48,536	-	48,536
Volunteer fire	-	11,897	-	11,897
Victims' rights	-	3,441	-	3,441
Oakland tennis	-	806,563	-	806,563
<b>Assigned</b>				
Depreciation	1,488,869	-	-	1,488,869
Japanese gardens maintenance	-	-	12,859	12,859
Community/housing development	-	726,537	-	726,537
<b>Unassigned</b>				
	5,825,811	-	-	5,825,811
<b>Total</b>	<u>\$ 7,347,411</u>	<u>\$ 3,126,083</u>	<u>\$ 22,859</u>	<u>\$ 10,496,353</u>

## Note 9 – Interfund Receivables, Payables, and Transfers

At June 30, 2016, 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	\$ 183,576	\$ 57
Special Revenue Funds		
Cultural Arts	-	2,524
Special Events	25,000	-
Accommodations Tax	-	17,151
Tourism	14,712	250
Local Hospitality	-	286,140
Community Housing/Development	125,000	-
Proprietary Fund - Unrestricted	-	44,806
Permanent Fund - Japanese Gardens	2,640	-
<b>Total</b>	<u>\$ 350,928</u>	<u>\$ 350,928</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, 2016 were as follows:

Transfer Out:	Transfer In			Total
	General Fund	Permanent Fund	Special Revenue Funds	
General Fund	\$ -	\$ -	\$ 800,000	\$ 800,000
Proprietary Funds	1,865,909	-	-	1,865,909
Special Revenue Funds	166,389	2,640	-	169,029
	<u>\$ 2,032,298</u>	<u>\$ 2,640</u>	<u>\$ 800,000</u>	<u>\$ 2,834,938</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 2016, the cost of power purchased amounted to \$21,115,845. 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 2016, the City contributed \$20,100 to the plan. As of July 1, 2015, 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
2016	\$ 19,556	\$ 1,178	\$ (1,020)	\$ 19,714	\$ 20,100	\$ (386)	\$ 29,560	\$ 29,174

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

General Fund (.671)	\$ 19,580
Utility Enterprise (.329)	9,594
	<u>\$ 29,174</u>

The contribution for the fiscal year ended June 30, 2016, consisted of the following:

Implicitly Subsidized Benefits	\$ 20,100
Total	<u>\$ 20,100</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>
6/30/2016	\$ 19,714	101.96%	\$ 29,174
6/30/2015	\$ 16,798	95.25%	\$ 29,560
6/30/2014	\$ 15,246	78.70%	\$ 28,762

**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 summarized actuarial methods and assumptions used:

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**

#### *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 rate 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 at least earn \$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 the 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, 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 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 are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	8.16%	8.00%
Employee Class Three	8.16%	8.00%
State ORP		
Employee	8.16%	8.00%
PORS		
Employee Class Two	8.74%	8.41%
Employee Class Three	8.74%	8.41%

Required employer contribution rates are as follows:

	<u>Fiscal Year 2016</u>	<u>Fiscal Year 2015</u>
SCRS		
Employee Class Two	10.91%	10.75%
Employee Class Three	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	10.91%	10.75%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	13.34%	13.01%
Employee Class Three	13.34%	13.01%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

### ***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. The last experience study was performed on data through June 30, 2010, and the next experience study, performed on data through June 30, 2015, is currently underway.

The June 30, 2015, total pension plan liability, net pension liability, and sensitivity information were determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2014, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2014. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2015, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS:

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

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, 2014 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, 2016, the City reported a liability of \$11,488,812 for its proportionate share of the net pension liability. A liability of \$8,042,168 was reported for governmental liabilities and a liability of \$3,446,644 was reported for business-type activities. The net pension liability was measured as of June 30, 2015, 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, 2016, the City recognized pension expense of \$837,546. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Governmental Activities		Business-type Activities	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 145,287	\$ 4,734	\$ 66,427	\$ 9,196
Changes of assumptions:				
Net difference between projected and actual earnings on pension plan investments	67,744	-	24,872	-
Changes in proportion and differences between:				
City contributions and proportionate share of contributions	-	112,510	-	41,051
City contributions subsequent to the measurement date	507,391	-	217,453	-
<b>Total</b>	<b>\$ 720,422</b>	<b>\$ 117,244</b>	<b>\$ 308,752</b>	<b>\$ 50,247</b>

\$507,391 and \$217,453 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plan at the measurement date was 4 years for SCRS:

Measurement Period Ending June 30,	Governmental Activities	Business-type Activities
2017	\$ 23,947	\$ 10,263
2018	23,947	10,263
2019	23,947	10,263
2020	23,946	10,263
<b>New Balance of Deferred Outflow/(Inflow) of Resources</b>	<b>\$ 95,787</b>	<b>\$ 41,052</b>

### *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, 2015, 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	\$ 44,097,310,230	\$ 25,131,828,101	\$ 18,965,482,129	57.0%
PORS	\$ 6,151,321,222	\$ 3,971,824,838	\$ 2,179,496,384	64.6%

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, 2014, actuarial valuations, was based upon the 30-year capital market outlook at the end of the fourth quarter 2013, as developed by the Retirement Systems Investment Commission in collaboration with its investment consultant Aon Hewitt. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economics forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation as adopted by the Investment Commission for fiscal year 2015. The long-term expected rate of return is produced by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return set in statute 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.

(Remainder of Page Intentionally Left Blank)

<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>
<b>Short-term</b>			
Cash	2.0%	1.90%	0.04%
Short duration	3.0%	2.00%	0.06%
<b>Domestic Fixed Income</b>			
Core fixed income	7.0%	2.70%	0.19%
Mixed credit	6.0%	3.80%	0.23%
<b>Global Fixed Income</b>			
Global fixed income	3.0%	2.80%	0.08%
Emerging markets debt	6.0%	5.10%	0.31%
<b>Global Public Equity</b>	31.0%	7.10%	2.20%
<b>Global Tactical Asset Allocation</b>	10.0%	4.90%	0.49%
<b>Alternatives</b>			
Hedge funds (low beta)	8.0%	4.30%	0.34%
Private debt	7.0%	9.90%	0.69%
Private equity	9.0%	9.90%	0.89%
Real estate (broad market)	5.0%	6.00%	0.30%
Commodities	3.0%	5.90%	0.18%
Total expected real return	100.0%		6.00%
Inflation for Actuarial purposes			2.75%
Total expected nominal return			8.75%

#### *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 Systems' 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 collective net pension liability of the participating employers 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	\$ 23,910,053,704	\$ 18,965,482,129	\$ 14,821,302,520
PORS	\$ 2,968,982,818	\$ 2,179,496,384	\$ 1,473,738,169

### *Pension Plan Fiduciary Net Position*

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

### **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, 2016.

### **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 2 FISCAL YEARS**

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

The 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 2 FISCAL YEARS**

	2016	2015
<u>SCRS</u>		
City's proportion of the net pension liability	0.041%	0.042%
City's proportionate share of the net pension liability	\$ 7,789,313	\$ 7,148,368
City's covered-employee payroll	\$ 4,050,395	\$ 3,850,922
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	192.31%	185.63%
Plan's fiduciary net position	\$ 25,131,828,101	\$ 25,738,521,026
Plan fiduciary net position as a percentage of the total pension liability from PEBA	57.0%	59.9%
	2016	2015
<u>PORS</u>		
City's proportion of the net pension liability	0.170%	0.175%
City's proportionate share of the net pension liability	\$ 3,699,499	\$ 3,355,092
City's covered-employee payroll	\$ 2,121,035	\$ 2,102,812
City's proportionate share of the net pension liability as a percentage of its covered-employee payroll	174.42%	159.55%
Plan's fiduciary net position	\$ 3,971,824,838	\$ 3,985,101,996
Plan fiduciary net position as a percentage of the total pension liability from PEBA	64.6%	67.5%

The 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, 2016

**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, 2015, 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, 2016 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, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total June 30, 2016</u>	<u>Total June 30, 2015</u>
<b>Assets</b>				
Cash and investments	\$ 3,072,320	\$ 20,207	\$ 3,092,527	\$ 2,018,637
Accounts/fees receivable	93,905	-	93,905	72,818
Notes receivable	355,000	-	355,000	355,000
Due from other governments	139,004	-	139,004	50,049
Interest and other	-	12	12	3
Due from other funds	164,712	2,640	167,352	18,702
<b>Total Assets</b>	<u>\$ 3,824,941</u>	<u>\$ 22,859</u>	<u>\$ 3,847,800</u>	<u>\$ 2,515,209</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 29,383	\$ -	\$ 29,383	\$ 13,362
Due to other funds	306,065	-	306,065	19,671
<b>Total Liabilities</b>	<u>335,448</u>	<u>-</u>	<u>335,448</u>	<u>33,033</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	363,410	-	363,410	362,319
<b>Total Deferred Inflows of Resources</b>	<u>363,410</u>	<u>-</u>	<u>363,410</u>	<u>362,319</u>
<b>Fund Balances</b>				
Nonspendable	355,000	-	355,000	355,000
Restricted	936,494	10,000	946,494	1,098,123
Committed	1,108,052	-	1,108,052	206,377
Assigned	726,537	12,859	739,396	460,357
<b>Total Fund Balances</b>	<u>3,126,083</u>	<u>22,859</u>	<u>3,148,942</u>	<u>2,119,857</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,824,941</u>	<u>\$ 22,859</u>	<u>\$ 3,847,800</u>	<u>\$ 2,515,209</u>

**CITY OF NEWBERRY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total June 30, 2016</u>	<u>Total June 30, 2015</u>
<b>Revenues</b>				
Charges for services	\$ 883,852	\$ -	\$ 883,852	\$ 837,744
Intergovernmental	749,855	-	749,855	628,275
Fines, forfeitures and penalties	53,681	-	53,681	35,214
Donations	41,600	-	41,600	30,960
Rental and other	131,712	-	131,712	118,198
Interest	34	24	58	72
<b>Total Revenues</b>	<u>1,860,734</u>	<u>24</u>	<u>1,860,758</u>	<u>1,650,463</u>
<b>Expenditures</b>				
Public safety	69,560	-	69,560	76,279
Community development	913,371	1,185	914,556	477,955
Non-departmental	366,479	-	366,479	367,415
Debt service				
Principal	94,513	-	94,513	90,894
Interest	20,176	-	20,176	23,795
<b>Total Expenditures</b>	<u>1,464,099</u>	<u>1,185</u>	<u>1,465,284</u>	<u>1,036,338</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>396,635</u>	<u>(1,161)</u>	<u>395,474</u>	<u>614,125</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in (out)	630,971	2,640	633,611	(161,457)
<b>Total Other Financing Sources (Uses)</b>	<u>630,971</u>	<u>2,640</u>	<u>633,611</u>	<u>(161,457)</u>
<b>Net Change in Fund Balances</b>	1,027,606	1,479	1,029,085	452,668
<b>Fund Balances, beginning</b>	<u>2,098,477</u>	<u>21,380</u>	<u>2,119,857</u>	<u>1,667,189</u>
<b>Fund Balances, ending</b>	<u>\$ 3,126,083</u>	<u>\$ 22,859</u>	<u>\$ 3,148,942</u>	<u>\$ 2,119,857</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, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
<b>Assets</b>		
Cash and investments	\$ 7,453,541	\$ 7,895,125
Receivables (net of allowances for uncollectibles)		
Taxes	107,475	128,618
Intergovernmental	67,249	82,975
Interest receivable	10	8
Other	35,206	112,957
Due from other funds	183,576	46,601
Inventories	32,731	38,392
<b>Total Assets</b>	<b>\$ 7,879,788</b>	<b>\$ 8,304,676</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 25,408	\$ 29,883
Intergovernmental	23,477	29,652
Accrued salaries and payroll liabilities	400,925	259,826
Due to other funds	57	3,687
<b>Total Liabilities</b>	449,867	323,048
<b>Deferred Inflows of Resources</b>		
Unavailable revenues	82,510	87,702
<b>Total Deferred Inflows of Resources</b>	82,510	87,702
<b>Fund Balances</b>		
Nonspendable	32,731	38,392
Assigned	1,488,869	1,625,510
Unassigned	5,825,811	6,230,024
<b>Total Fund Balances</b>	7,347,411	7,893,926
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,879,788</b>	<b>\$ 8,304,676</b>

**CITY OF NEWBERRY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Revenues</b>					
Taxes	\$ 2,405,521	\$ 2,405,521	\$ 2,475,067	\$ 69,546	\$ 2,725,212
Licenses, permits and franchise fees	1,507,070	1,507,070	1,660,200	153,130	1,574,727
Fines and forfeitures	603,000	603,000	479,177	(123,823)	480,954
Charges for services	831,000	831,000	892,796	61,796	837,925
Intergovernmental	1,272,604	1,272,604	1,247,277	(25,327)	1,047,721
Miscellaneous	21,000	21,000	130,798	109,798	44,871
<b>Total Revenues</b>	<u>6,640,195</u>	<u>6,640,195</u>	<u>6,885,315</u>	<u>245,120</u>	<u>6,711,410</u>
<b>Expenditures</b>					
General government					
City council	110,634	110,634	108,384	2,250	80,338
City manager	240,327	240,327	239,638	689	214,397
Human resources	114,232	114,232	107,990	6,242	122,463
Finance	132,933	132,933	126,787	6,146	117,330
City hall	31,560	31,560	28,869	2,691	28,750
Planning and development	187,850	187,850	166,728	21,122	180,573
Public safety					
Police department	2,022,560	2,022,560	1,740,038	282,522	1,779,534
Justice and law	492,202	492,202	442,738	49,464	421,108
Fire department	1,354,062	1,354,062	1,385,429	(31,367)	1,512,960
Public works					
Public works administration	199,828	199,828	148,203	51,625	134,741
Streets	913,564	913,564	552,014	361,550	620,891
Sanitation	651,291	651,291	570,340	80,951	470,723
Building maintenance	51,015	51,015	46,021	4,994	48,609
Garage	168,367	168,367	152,330	16,037	130,580
Parks, recreation, and tourism	747,877	747,877	724,731	23,146	612,242
Non-departmental					
General insurance	110,679	110,679	135,958	(25,279)	43,998
Employee benefits	1,908,478	1,908,478	1,634,308	274,170	1,636,802
Community promotions and projects	126,875	126,875	121,272	5,603	166,423
Capital lease payments	249,761	249,761	232,350	17,411	291,930
<b>Total Expenditures</b>	<u>9,814,095</u>	<u>9,814,095</u>	<u>8,664,128</u>	<u>1,149,967</u>	<u>8,614,392</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(3,173,900)</u>	<u>(3,173,900)</u>	<u>(1,778,813)</u>	<u>1,395,087</u>	<u>(1,902,982)</u>

(Continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Other Financing Sources (Uses)</b>					
Capital leases	\$ -	\$ -	\$ -	\$ -	\$ 778,061
Transfers in (out)					
State accommodations tax fund	28,279	28,279	32,889	4,610	27,957
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)	(800,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,027,688</u>	<u>2,027,688</u>	<u>1,232,298</u>	<u>(795,390)</u>	<u>2,805,427</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures</b>	(1,146,212)	(1,146,212)	(546,515)	599,697	902,445
<b>Fund Balances, beginning</b>	<u>7,893,926</u>	<u>7,893,926</u>	<u>7,893,926</u>	<u>-</u>	<u>6,991,481</u>
<b>Fund Balances, ending</b>	<u>\$ 6,747,714</u>	<u>\$ 6,747,714</u>	<u>\$ 7,347,411</u>	<u>\$ 599,697</u>	<u>\$ 7,893,926</u>

**CITY OF NEWBERRY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Taxes</b>					
Vehicle property taxes	\$ 230,000	\$ 230,000	\$ 265,490	\$ 35,490	\$ 245,340
Other current property taxes	1,992,855	1,992,855	2,050,061	57,206	1,979,683
Delinquent property tax	55,000	55,000	36,927	(18,073)	46,734
Tax penalties	15,000	15,000	18,649	3,649	61,297
Fees in lieu of taxes	2,500	2,500	3,858	1,358	2,925
Oakland special assessment	110,166	110,166	100,082	(10,084)	389,233
<b>Totals</b>	<b>2,405,521</b>	<b>2,405,521</b>	<b>2,475,067</b>	<b>69,546</b>	<b>2,725,212</b>
<b>Licenses, Permits and Franchise Fees</b>					
Business licenses	1,360,500	1,360,500	1,484,704	124,204	1,422,046
Business license penalties	6,000	6,000	9,453	3,453	6,405
Building/sign permits	38,000	38,000	45,449	7,449	37,726
Inspections, lot clearing, zoning	23,820	23,820	37,114	13,294	25,505
Cable TV	64,000	64,000	68,475	4,475	67,932
Franchise Fees	14,750	14,750	15,005	255	15,113
<b>Totals</b>	<b>1,507,070</b>	<b>1,507,070</b>	<b>1,660,200</b>	<b>153,130</b>	<b>1,574,727</b>
<b>Fines and Forfeitures</b>					
Court fines, forfeitures and other	603,000	603,000	479,177	(123,823)	480,954
<b>Totals</b>	<b>603,000</b>	<b>603,000</b>	<b>479,177</b>	<b>(123,823)</b>	<b>480,954</b>
<b>Charges for Services</b>					
Recreation revenues	71,000	71,000	101,145	30,145	70,178
Public works charges	760,000	760,000	791,651	31,651	767,747
<b>Totals</b>	<b>831,000</b>	<b>831,000</b>	<b>892,796</b>	<b>61,796</b>	<b>837,925</b>
<b>Intergovernmental</b>					
Federal government					
Grants/receipts	60,930	60,930	264,981	204,051	91,217
State of South Carolina					
Merchants' inventory tax	58,392	58,392	58,392	-	58,392
Local government fund	223,000	223,000	224,960	1,960	224,960
Other receipts	300,000	300,000	25,127	(274,873)	-
Newberry County and county schools					
Recreation fee	18,000	18,000	21,314	3,314	21,470
County fire contribution	87,282	87,282	113,793	26,511	113,452
Other	10,000	10,000	14,950	4,950	13,775
Economic Development Contribution	20,000	20,000	20,000	-	20,000
Clinton Newberry Natural Gas Authority	495,000	495,000	503,760	8,760	504,455
<b>Totals</b>	<b>1,272,604</b>	<b>1,272,604</b>	<b>1,247,277</b>	<b>(25,327)</b>	<b>1,047,721</b>
<b>Miscellaneous Revenues</b>					
Sale of unserviceable equipment	11,000	11,000	84,305	73,305	12,691
Other	7,500	7,500	15,375	7,875	15,070
Interest earned	2,500	2,500	11,616	9,116	5,095
Insurance reimbursement	-	-	19,502	19,502	12,015
<b>Totals</b>	<b>21,000</b>	<b>21,000</b>	<b>130,798</b>	<b>109,798</b>	<b>44,871</b>
<b>Total Revenues</b>	<b>\$ 6,640,195</b>	<b>\$ 6,640,195</b>	<b>\$ 6,885,315</b>	<b>\$ 245,120</b>	<b>\$ 6,711,410</b>

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>General Government</b>					
<b>City Council</b>					
Salaries and wages	\$ 63,295	\$ 63,295	\$ 65,803	\$ (2,508)	\$ 55,764
Overtime	100	100	-	100	-
Printing	1,300	1,300	103	1,197	249
Office supplies	1,200	1,200	808	392	864
Postage	500	500	59	441	113
Membership	600	600	250	350	615
Travel	18,295	18,295	14,421	3,874	9,981
Vehicle fuel	450	450	-	450	-
Vehicle repair	1,000	1,000	407	593	60
Telecommunications	4,146	4,146	8,873	(4,727)	4,137
Advertising	1,200	1,200	523	677	1,055
Rental/lease of equipment	2,048	2,048	919	1,129	761
Employee training	1,500	1,500	470	1,030	982
Municipal election	-	-	50	(50)	218
Codification	3,500	3,500	2,195	1,305	2,649
Special projects	11,500	11,500	13,503	(2,003)	2,890
<b>Totals</b>	<b>110,634</b>	<b>110,634</b>	<b>108,384</b>	<b>2,250</b>	<b>80,338</b>
<b>City Manager</b>					
Salaries and wages	210,397	210,397	214,814	(4,417)	191,409
Printing	300	300	83	217	336
Office supplies	800	800	838	(38)	558
Postage	400	400	35	365	36
Membership, dues and subscriptions	1,400	1,400	2,459	(1,059)	1,168
Travel	12,044	12,044	7,827	4,217	5,954
Car allowance	7,200	7,200	7,240	(40)	7,220
Telecommunications	4,188	4,188	4,431	(243)	3,617
Advertising	300	300	544	(244)	258
Rental/lease of equipment	2,048	2,048	1,277	771	1,168
Employee training	1,250	1,250	90	1,160	2,673
<b>Totals</b>	<b>240,327</b>	<b>240,327</b>	<b>239,638</b>	<b>689</b>	<b>214,397</b>
<b>Human Resources</b>					
Salaries and wages	84,747	84,747	82,157	2,590	114,047
Overtime	-	-	-	-	14
Printing	1,200	1,200	-	1,200	773
Office supplies	750	750	855	(105)	1,232
Postage	200	200	207	(7)	211
Membership, dues and subscriptions	285	285	240	45	790
Travel	2,055	2,055	3,656	(1,601)	770
Telecommunications	1,370	1,370	3,107	(1,737)	1,444
Small equipment purchases	200	200	-	200	-
Safety training/hygiene	400	400	75	325	-
Advertising	1,000	1,000	1,620	(620)	206
Rental/lease of equipment	1,000	1,000	848	152	744
Employee training	100	100	225	(125)	25
Contracts	20,925	20,925	15,000	5,925	2,207
<b>Totals</b>	<b>114,232</b>	<b>114,232</b>	<b>107,990</b>	<b>6,242</b>	<b>122,463</b>

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>General Government (Continued)</b>					
<b>Finance</b>					
Salaries and wages	\$ 79,772	\$ 79,772	\$ 80,190	\$ (418)	\$ 77,229
Overtime	300	300	78	222	-
Printing	1,373	1,373	678	695	1,283
Office supplies	3,000	3,000	2,402	598	1,912
Postage	3,598	3,598	2,650	948	2,960
Membership, dues and subscriptions	525	525	390	135	390
Travel	1,735	1,735	365	1,370	616
Telecommunications	2,052	2,052	1,320	732	1,888
Maintenance contracts	14,550	14,550	12,749	1,801	9,629
Equipment repair	500	500	67	433	-
Small equipment purchases	560	560	203	357	-
Advertising	600	600	192	408	291
Rental/lease of equipment	2,853	2,853	2,271	582	2,150
Employee training	315	315	205	110	205
Auditor	11,250	11,250	11,250	-	10,685
Refunds	250	250	-	250	-
Preparation of taxes	8,200	8,200	7,913	287	8,092
Computer programming	1,500	1,500	3,864	(2,364)	-
<b>Totals</b>	<b>132,933</b>	<b>132,933</b>	<b>126,787</b>	<b>6,146</b>	<b>117,330</b>
<b>City Hall</b>					
Service contracts	30,960	30,960	28,476	2,484	28,529
Small equipment purchases	600	600	393	207	221
<b>Totals</b>	<b>31,560</b>	<b>31,560</b>	<b>28,869</b>	<b>2,691</b>	<b>28,750</b>
<b>Planning and Development</b>					
Salaries and wages	110,319	110,319	115,851	(5,532)	104,697
Printing	1,200	1,200	88	1,112	-
Office supplies	2,200	2,200	1,433	767	1,065
Postage	500	500	344	156	347
Membership, dues and subscriptions	960	960	799	161	1,195
Travel	4,060	4,060	3,501	559	3,980
Vehicle fuel	2,921	2,921	999	1,922	1,819
Vehicle repair	500	500	232	268	269
Tires and tubes	400	400	985	(585)	-
Telecommunications	4,485	4,485	5,474	(989)	5,752
Small hand tools	250	250	237	13	151
Uniforms	800	800	789	11	758
Safety supplies	100	100	27	73	50
Advertising	500	500	532	(32)	528
Rental/lease of equipment	1,000	1,000	1,349	(349)	1,001
Employee training	2,955	2,955	2,100	855	2,125
Boards and commissions	2,200	2,200	3,138	(938)	3,798
Refunds	500	500	-	500	-
Contracts - mapping	25,000	25,000	6,907	18,093	-
Code enforcement	25,000	25,000	20,414	4,586	29,816
Computer programming	2,000	2,000	1,529	471	1,559
Automotive equipment	-	-	-	-	21,663
<b>Totals</b>	<b>187,850</b>	<b>187,850</b>	<b>166,728</b>	<b>21,122</b>	<b>180,573</b>

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Public Safety</b>					
<b>Police Department</b>					
Salaries and wages	\$ 1,433,925	\$ 1,433,925	\$ 1,319,576	\$ 114,349	\$ 1,307,764
Holiday pay	47,267	47,267	22,343	24,924	40,399
Training pay	6,000	6,000	7,284	(1,284)	7,572
Court pay	500	500	20	480	270
Overtime	8,500	8,500	10,041	(1,541)	12,132
Callbacks	21,000	21,000	24,154	(3,154)	26,746
Printing	2,600	2,600	632	1,968	1,346
Office supplies	3,500	3,500	2,812	688	8,251
Crime prevention	1,500	1,500	880	620	1,940
Postage	300	300	211	89	478
Membership, dues and subscriptions	3,860	3,860	3,054	806	2,789
Travel	8,150	8,150	5,981	2,169	2,793
Vehicle fuel	127,017	127,017	56,921	70,096	75,114
Vehicle repair	16,000	16,000	9,844	6,156	23,977
Tires and tubes	5,000	5,000	4,701	299	5,946
Utilities	12,809	12,809	15,195	(2,386)	14,078
Telecommunications	14,961	14,961	8,548	6,413	12,905
Maintenance contracts	6,700	6,700	4,577	2,123	4,690
Equipment repair	4,000	4,000	1,921	2,079	4,409
Building and fixture repair	4,000	4,000	3,926	74	5,152
Small hand tools	500	500	347	153	783
Small equipment purchases	41,200	41,200	35,371	5,829	41,894
Uniforms	18,000	18,000	18,200	(200)	18,925
Safety training/hygiene	1,500	1,500	1,352	148	2,029
Dry cleaning and laundry	2,000	2,000	722	1,278	1,536
Janitorial services	1,500	1,500	1,449	51	2,148
Medical and lab supplies	500	500	190	310	131
Prisoner care	3,875	3,875	4,228	(353)	7,558
Drug dog care	2,000	2,000	1,170	830	-
Advertising	2,500	2,500	2,327	173	744
Rental/lease of equipment	30,746	30,746	4,222	26,524	20,754
Employee training	6,500	6,500	5,566	934	15,047
Photo supplies	200	200	-	200	-
Special investigation	5,700	5,700	5,325	375	3,485
Office equipment	5,000	5,000	3,950	1,050	-
Automotive equipment	153,750	153,750	134,141	19,609	105,749
Machines and equipment	4,500	4,500	2,649	1,851	-
Building	15,000	15,000	16,208	(1,208)	-
<b>Totals</b>	<b>2,022,560</b>	<b>2,022,560</b>	<b>1,740,038</b>	<b>282,522</b>	<b>1,779,534</b>
<b>Justice and Law</b>					
Salaries and wages	105,710	105,710	126,808	(21,098)	92,373
State assessments	342,027	342,027	275,216	66,811	273,954
Printing	1,110	1,110	764	346	1,258
Office supplies	1,800	1,800	1,060	740	2,201
Postage	1,400	1,400	1,176	224	1,721
Memberships, dues and subscriptions	75	75	65	10	65
Refund of fines	13,000	13,000	22,002	(9,002)	12,294
Travel	1,529	1,529	1,142	387	1,331

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Public Safety (Continued)</b>					
<b>Justice and Law (Continued)</b>					
Jury fees	\$ 2,400	\$ 2,400	\$ 2,230	\$ 170	\$ 2,390
Telecommunications	1,179	1,179	990	189	1,416
Maintenance contracts	1,800	1,800	1,807	(7)	1,850
Small equipment purchases	600	600	-	600	464
Rental/lease of equipment	1,950	1,950	1,761	189	1,724
Employee training	460	460	1,007	(547)	598
Legal services	8,662	8,662	915	7,747	27,469
Building	8,500	8,500	5,795	2,705	-
<b>Totals</b>	<b>492,202</b>	<b>492,202</b>	<b>442,738</b>	<b>49,464</b>	<b>421,108</b>
<b>Fire Department</b>					
Salaries and wages	837,611	837,611	840,349	(2,738)	777,937
Training pay	6,000	6,000	7,443	(1,443)	7,763
Volunteer pay	18,200	18,200	5,728	12,472	7,208
Overtime	1,000	1,000	162	838	181
Callbacks	10,000	10,000	9,000	1,000	10,659
Printing	1,500	1,500	1,131	369	1,035
Office supplies	3,000	3,000	2,127	873	2,740
Postage	650	650	320	330	539
Membership, dues and subscriptions	1,050	1,050	609	441	780
Travel	6,900	6,900	5,026	1,874	2,767
Vehicle fuel	18,986	18,986	11,145	7,841	15,255
Vehicle repair	12,000	12,000	20,901	(8,901)	31,123
Tires and tubes	2,400	2,400	2,346	54	4,807
Utilities	52,511	52,511	38,055	14,456	35,485
Telecommunications	11,121	11,121	6,952	4,169	9,257
Maintenance contracts	20,420	20,420	23,437	(3,017)	23,375
Equipment repair	4,000	4,000	3,381	619	4,153
Fire extinguishers	750	750	53	697	255
Building and fixture repair	16,000	16,000	8,873	7,127	10,006
Small hand tools	2,500	2,500	1,548	952	941
Small equipment purchases	8,500	8,500	2,914	5,586	7,487
Radio supplies and maintenance	7,000	7,000	6,909	91	5,251
Uniforms	8,500	8,500	11,735	(3,235)	8,216
Safety equipment	11,265	11,265	8,319	2,946	11,470
Safety training/hygiene	1,530	1,530	1,461	69	961
Dry cleaning and laundry	500	500	660	(160)	505
Cleaning and sanitation supplies	2,000	2,000	2,010	(10)	2,039
Janitorial services	-	-	-	-	375
Medical and lab supplies	400	400	280	120	321
Advertising	500	500	225	275	299
Rental/lease of equipment	1,848	1,848	2,433	(585)	1,815
Employee training	2,120	2,120	3,011	(891)	2,417
Physical exams	3,600	3,600	3,635	(35)	7,330
Safer grant	-	-	16,271	(16,271)	-
Fire hose supplies	2,500	2,500	2,059	441	2,288
Boarding supplies	3,000	3,000	2,883	117	2,421
Fire investigation unit	500	500	75	425	231
Fire prevention	6,000	6,000	4,909	1,091	4,875
Volunteer firemen	2,500	2,500	1,592	908	1,333

(continued)

**CITY OF NEWBERRY**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<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, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Public Safety (Continued)</b>					
<b>Fire Department (Continued)</b>					
Explorer scout post	\$ 700	\$ 700	\$ 571	\$ 129	\$ 562
Automotive equipment	-	-	-	-	443,119
Machines and equipment	264,500	264,500	321,514	(57,014)	63,379
Building	-	-	3,377	(3,377)	-
<b>Totals</b>	<u>1,354,062</u>	<u>1,354,062</u>	<u>1,385,429</u>	<u>(31,367)</u>	<u>1,512,960</u>
<b>Public Works</b>					
<b>Public Works Administration</b>					
Salaries and wages	108,989	108,989	110,604	(1,615)	103,615
Overtime	150	150	5	145	6
Printing	400	400	107	293	127
Office supplies	1,180	1,180	624	556	923
Postage	100	100	70	30	104
Membership, dues and subscriptions	550	550	275	275	90
Travel	800	800	38	762	242
Vehicle fuel	1,719	1,719	811	908	1,121
Vehicle repair	350	350	148	202	144
Tires and tubes	225	225	106	119	258
Utilities	18,337	18,337	15,920	2,417	15,670
Telecommunications	6,192	6,192	3,663	2,529	4,040
Maintenance contracts	11,192	11,192	5,079	6,113	6,504
Equipment repair	300	300	-	300	22
Small equipment purchases	650	650	53	597	-
Radio maintenance	150	150	-	150	27
Safety equipment	780	780	521	259	590
Safety training/hygiene	96	96	-	96	-
Cleaning and sanitation supplies	100	100	59	41	67
Advertising	1,465	1,465	-	1,465	384
Rental/lease of equipment	528	528	823	(295)	427
Employee training	575	575	464	111	380
Building	45,000	45,000	8,833	36,167	-
<b>Totals</b>	<u>199,828</u>	<u>199,828</u>	<u>148,203</u>	<u>51,625</u>	<u>134,741</u>
<b>Streets</b>					
Salaries and wages	329,283	329,283	314,915	14,368	298,040
Holiday pay	445	445	1,641	(1,196)	-
Overtime	4,900	4,900	4,582	318	2,756
Memberships, dues and subscriptions	35	35	-	35	-
Travel	100	100	19	81	-
Vehicle fuel	28,567	28,567	14,199	14,368	21,556
Vehicle repair	4,500	4,500	4,732	(232)	3,832
Tires and tubes	5,487	5,487	2,626	2,861	5,605
Equipment repair	20,300	20,300	13,959	6,341	18,829
Small hand tools	1,500	1,500	313	1,187	930
Small equipment purchases	4,350	4,350	3,552	798	1,328
Cement and masonry	1,000	1,000	82	918	875
Sidewalk repair	20,000	20,000	9,035	10,965	19,748
Storm drain and pipe	1,000	1,000	825	175	684
Asphalt supplies and gravel	10,897	10,897	8,460	2,437	2,104

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Public Works (Continued)</b>					
<b>Streets (Continued)</b>					
Radio maintenance	\$ 250	\$ 250	\$ -	\$ 250	\$ 307
Uniforms	3,850	3,850	2,385	1,465	1,601
Safety equipment	4,000	4,000	3,482	518	3,056
Safety training/hygiene	500	500	213	287	140
Chemicals	10,350	10,350	8,114	2,236	7,747
Signs	7,000	7,000	3,828	3,172	4,376
Employee training	250	250	600	(350)	75
General supplies	2,000	2,000	1,470	530	1,541
Rights of way	8,000	8,000	8,994	(994)	18,918
Street paving/resurfacing	300,000	300,000	-	300,000	-
Automotive equipment	-	-	-	-	7,463
Machines and equipment	145,000	145,000	143,988	1,012	199,380
<b>Totals</b>	<b>913,564</b>	<b>913,564</b>	<b>552,014</b>	<b>361,550</b>	<b>620,891</b>
<b>Sanitation</b>					
Salaries and wages	194,345	194,345	191,290	3,055	183,717
Holiday pay	1,100	1,100	1,546	(446)	814
Overtime	11,000	11,000	4,966	6,034	7,178
Vehicle fuel	84,717	84,717	35,432	49,285	59,190
Vehicle repair	20,900	20,900	16,931	3,969	19,883
Tires and tubes	21,303	21,303	22,513	(1,210)	22,043
Roll carts	10,500	10,500	9,657	843	9,590
Equipment repair	31,500	31,500	27,048	4,452	25,694
Small hand tools	200	200	40	160	135
Small equipment purchases	21,819	21,819	21,357	462	5,181
Radio maintenance	350	350	188	162	169
Uniforms	1,750	1,750	1,241	509	682
Safety equipment	400	400	174	226	352
Safety training/hygiene	532	532	168	364	238
Chemicals	250	250	-	250	-
Employee training	25	25	720	(695)	-
General supplies	600	600	386	214	296
Automotive equipment	250,000	250,000	236,683	13,317	135,561
<b>Totals</b>	<b>651,291</b>	<b>651,291</b>	<b>570,340</b>	<b>80,951</b>	<b>470,723</b>
<b>Building Maintenance</b>					
Salaries and wages	40,257	40,257	40,392	(135)	38,255
Holiday pay	-	-	152	(152)	-
Overtime	500	500	198	302	413
Vehicle fuel	3,657	3,657	1,811	1,846	3,148
Vehicle repair	250	250	81	169	34
Tires and tubes	400	400	280	120	560
Equipment repair	100	100	60	40	-
Building and fixture repair	4,000	4,000	2,183	1,817	5,144
Small hand tools	350	350	39	311	133
Small equipment purchases	425	425	314	111	425
Radio maintenance	50	50	-	50	-
Uniforms	350	350	174	176	134
Safety equipment	125	125	87	38	7

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Public Works (Continued)</b>					
<b>Building Maintenance (Continued)</b>					
Employee training	\$ 25	\$ 25	\$ -	\$ 25	\$ -
General supplies	526	526	250	276	356
<b>Totals</b>	<b>51,015</b>	<b>51,015</b>	<b>46,021</b>	<b>4,994</b>	<b>48,609</b>
<b>Garage</b>					
Salaries and wages	108,041	108,041	106,623	1,418	89,864
Holiday pay	-	-	221	(221)	-
Overtime	800	800	438	362	785
Membership, dues and subscriptions	125	125	-	125	100
Travel	225	225	13	212	50
Vehicle fuel	2,920	2,920	1,331	1,589	2,090
Vehicle repair	575	575	212	363	261
Tires and tubes	416	416	300	116	115
Grease and oil	10,800	10,800	10,701	99	11,688
Telecommunications	2,046	2,046	1,352	694	1,371
Disposal	1,500	1,500	717	783	246
Equipment repair	3,800	3,800	1,307	2,493	9,320
Building and fixture repair	2,300	2,300	771	1,529	1,389
Small hand tools	2,000	2,000	836	1,164	1,697
Small equipment purchases	3,000	3,000	1,087	1,913	1,536
Radio maintenance	150	150	-	150	-
Uniforms	1,050	1,050	459	591	624
Safety equipment	175	175	97	78	171
Safety training/hygiene	150	150	-	150	71
Chemicals	2,180	2,180	2,031	149	1,961
Rental/lease of equipment	264	264	286	(22)	214
Employee training	850	850	300	550	51
General supplies	8,000	8,000	6,518	1,482	6,976
Automotive equipment	17,000	17,000	16,730	270	-
<b>Totals</b>	<b>168,367</b>	<b>168,367</b>	<b>152,330</b>	<b>16,037</b>	<b>130,580</b>
<b>Parks, Recreation, and Tourism</b>					
Salaries and wages	395,457	395,457	389,160	6,297	365,189
Holiday pay	-	-	997	(997)	-
Overtime	7,500	7,500	13,986	(6,486)	8,059
Printing	1,400	1,400	1,408	(8)	1,196
Office supplies	1,750	1,750	1,598	152	1,564
Postage	750	750	1,499	(749)	1,086
Membership, dues and subscriptions	1,325	1,325	1,296	29	1,173
Travel	1,000	1,000	1,091	(91)	799
Vehicle fuel	18,000	18,000	9,895	8,105	11,333
Vehicle repair	1,750	1,750	1,257	493	1,076
Tires and tubes	1,200	1,200	707	493	1,578
Utilities	48,250	48,250	49,550	(1,300)	48,655
Telecommunications	5,925	5,925	3,218	2,707	3,424
Maintenance contracts	8,000	8,000	7,034	966	3,746
Equipment repair	3,500	3,500	6,797	(3,297)	6,578
Building and fixture repair	15,000	15,000	13,224	1,776	21,290
Landscape repair	2,000	2,000	1,721	279	1,334

(continued)

**CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Parks, Recreation, and Tourism (Continued)</b>					
Tree maintenance	\$ 25,000	\$ 25,000	\$ 6,092	\$ 18,908	\$ 11,750
Small hand tools	700	700	671	29	268
Small equipment purchases	1,500	1,500	1,063	437	1,487
Uniforms	1,500	1,500	1,393	107	1,429
Safety training/hygiene	1,500	1,500	1,495	5	920
Cleaning and sanitation supplies	1,000	1,000	1,223	(223)	1,004
Chemicals	3,000	3,000	2,125	875	2,111
Advertising	1,250	1,250	1,057	193	94
Rental/lease of equipment	1,320	1,320	2,393	(1,073)	1,668
Employee training	1,950	1,950	1,645	305	2,354
Engineering	10,000	10,000	10,000	-	-
Team pictures	2,000	2,000	1,628	372	1,187
Football	14,000	14,000	13,758	242	12,971
Cheerleading	2,850	2,850	1,351	1,499	2,010
Baseball	17,500	17,500	14,583	2,917	14,106
Softball	6,000	6,000	5,334	666	4,508
Basketball	7,000	7,000	4,105	2,895	5,371
Soccer	1,000	1,000	345	655	709
Arts program	25,000	25,000	39,991	(14,991)	41,177
Senior adult programs	4,000	4,000	5,268	(1,268)	3,934
Other events	6,000	6,000	6,041	(41)	3,677
Sports camp	6,500	6,500	4,892	1,608	845
Machines and equipment	39,500	39,500	43,830	(4,330)	13,463
Youth football field upgrade	20,000	20,000	16,116	3,884	7,119
Willowbrook playground	35,000	35,000	33,894	1,106	-
<b>Totals</b>	<u>747,877</u>	<u>747,877</u>	<u>724,731</u>	<u>23,146</u>	<u>612,242</u>
<b>Non-Departmental</b>					
<b>General Insurance</b>					
Claims reimbursement	800	800	-	800	-
SCMIRF	109,879	109,879	135,958	(26,079)	43,998
<b>Totals</b>	<u>110,679</u>	<u>110,679</u>	<u>135,958</u>	<u>(25,279)</u>	<u>43,998</u>
<b>Employee Benefits</b>					
SC retirement	205,429	205,429	213,779	(8,350)	199,836
SC police retirement	328,386	328,386	291,991	36,395	282,882
Social security	324,927	324,927	301,197	23,730	288,574
City's share of employee insurance	807,799	807,799	709,016	98,783	668,019
Workers' compensation	155,227	155,227	66,491	88,736	87,586
Workers' comp. deductibles	43,550	43,550	16,875	26,675	82,158
Unemployment	8,500	8,500	3,136	5,364	1,039
Employer/employee relations	23,000	23,000	21,796	1,204	20,465
Physical exams	2,160	2,160	1,250	910	2,563
Wellness program	9,500	9,500	8,777	723	3,680
<b>Totals</b>	<u>1,908,478</u>	<u>1,908,478</u>	<u>1,634,308</u>	<u>274,170</u>	<u>1,636,802</u>
<b>Community Promotions and Projects</b>					
MASC dues	5,267	5,267	5,267	-	5,267
Council on Aging	6,000	6,000	6,000	-	6,000
Newberry Co. LEOA	2,000	2,000	-	2,000	2,000

(continued)

CITY OF NEWBERRY  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Non-Departmental</b> (Continued)					
<b>Community Promotions and     Projects</b> (Continued)					
Community enhancement	\$ 20,000	\$ 20,000	\$ 15,604	\$ 4,396	\$ 60,485
Economic dev. contributions	5,000	5,000	5,000	-	5,000
City beautification	80,000	80,000	80,793	(793)	79,063
Parking lot rental	900	900	900	-	900
Regional planning	7,708	7,708	7,708	-	7,708
<b>Totals</b>	<u>126,875</u>	<u>126,875</u>	<u>121,272</u>	<u>5,603</u>	<u>166,423</u>
Capital lease principal and interest payments	249,761	249,761	232,350	17,411	291,930
<b>Totals</b>	<u>249,761</u>	<u>249,761</u>	<u>232,350</u>	<u>17,411</u>	<u>291,930</u>
<b>Grand Totals</b>	<u>\$ 9,814,095</u>	<u>\$ 9,814,095</u>	<u>\$ 8,664,128</u>	<u>\$ 1,149,967</u>	<u>\$ 8,614,392</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	NANU	Federal Equitable Sharing	Tourism Fund	Special Events Fund	State Accommodations Tax Fund	Cultural Arts Fund
<b>Assets</b>						
Cash and cash investments	\$ 6,669	\$ 8,150	\$ 163,866	\$ 32,404	\$ 24,351	\$ 50,904
Accounts/fees receivable	-	-	-	1,755	-	12,252
Notes receivable	-	-	-	-	-	-
Due from other governments	-	-	-	-	49,004	-
Due from other funds	-	-	14,712	25,000	-	-
<b>Total Assets</b>	<b>\$ 6,669</b>	<b>\$ 8,150</b>	<b>\$ 178,578</b>	<b>\$ 59,159</b>	<b>\$ 73,355</b>	<b>\$ 63,156</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable and accrued expenses	\$ 13	\$ -	\$ 6,268	\$ -	\$ -	\$ 12,096
Due to other funds	-	-	250	-	17,151	2,524
<b>Total Liabilities</b>	<b>13</b>	<b>-</b>	<b>6,518</b>	<b>-</b>	<b>17,151</b>	<b>14,620</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenues	-	-	8,410	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>8,410</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	56,204	-
Committed	6,656	8,150	163,650	59,159	-	48,536
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>6,656</b>	<b>8,150</b>	<b>163,650</b>	<b>59,159</b>	<b>56,204</b>	<b>48,536</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 6,669</b>	<b>\$ 8,150</b>	<b>\$ 178,578</b>	<b>\$ 59,159</b>	<b>\$ 73,355</b>	<b>\$ 63,156</b>

<b>Community Housing/ Development</b>	<b>Streetscape Fund</b>	<b>Local Hospitality Fee Fund</b>	<b>Volunteer Fire</b>	<b>Victim's Rights Fund</b>	<b>Seizure Fund</b>	<b>Oakland Tennis</b>	<b>Totals June 30, 2016</b>	<b>Totals June 30, 2015</b>
\$ 867,537	\$ 208,797	\$ 867,513	\$ 11,897	\$ 1,498	\$ 12,178	\$ 816,556	\$ 3,072,320	\$ 1,997,260
-	-	76,457	-	3,441	-	-	93,905	72,818
355,000	-	-	-	-	-	-	355,000	355,000
90,000	-	-	-	-	-	-	139,004	50,049
125,000	-	-	-	-	-	-	164,712	18,702
<u>\$ 1,437,537</u>	<u>\$ 208,797</u>	<u>\$ 943,970</u>	<u>\$ 11,897</u>	<u>\$ 4,939</u>	<u>\$ 12,178</u>	<u>\$ 816,556</u>	<u>\$ 3,824,941</u>	<u>\$ 2,493,829</u>
\$ 1,000	\$ -	\$ -	\$ -	\$ 13	-	\$ 9,993	\$ 29,383	\$ 13,362
-	-	286,140	-	-	-	-	306,065	19,671
<u>1,000</u>	<u>-</u>	<u>286,140</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>9,993</u>	<u>335,448</u>	<u>33,033</u>
355,000	-	-	-	-	-	-	363,410	362,319
<u>355,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>363,410</u>	<u>362,319</u>
355,000	-	-	-	-	-	-	355,000	355,000
-	208,797	657,830	-	1,485	12,178	-	936,494	1,088,123
-	-	-	11,897	3,441	-	806,563	1,108,052	206,377
726,537	-	-	-	-	-	-	726,537	448,977
<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>\$ 1,437,537</u>	<u>\$ 208,797</u>	<u>\$ 943,970</u>	<u>\$ 11,897</u>	<u>\$ 4,939</u>	<u>\$ 12,178</u>	<u>\$ 816,556</u>	<u>\$ 3,824,941</u>	<u>\$ 2,493,829</u>

CITY OF NEWBERRY  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	NANU	Federal Equitable Sharing	Tourism Fund	Special Events Fund	State Accommodations Tax Fund	Cultural Arts Fund
<b>Revenues</b>						
Fees						
Hospitality	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accommodations	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Intergovernmental						
Public safety	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Accommodations tax	-	-	-	-	108,654	-
Local						
Other	-	-	-	18,118	-	-
Drug seizure	4,451	-	-	-	-	-
Donations	-	-	-	25,050	-	-
Rental and other	-	-	105,978	-	-	25,734
Interest Income	-	-	-	-	-	-
<b>Total Revenues</b>	<u>4,451</u>	<u>-</u>	<u>105,978</u>	<u>43,168</u>	<u>108,654</u>	<u>25,734</u>
<b>Expenditures</b>						
Grants						
Capital expenditures	-	-	-	-	-	-
Other						
Operating expenditures	10,975	4,614	301,842	65,704	28,679	279,994
Capital expenditures	-	-	-	-	-	-
Tourism contribution/NOHF	-	-	-	-	-	-
Debt service						
Principal	-	-	94,513	-	-	-
Interest	-	-	20,176	-	-	-
<b>Total Expenditures</b>	<u>10,975</u>	<u>4,614</u>	<u>416,531</u>	<u>65,704</u>	<u>28,679</u>	<u>279,994</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(6,524)</u>	<u>(4,614)</u>	<u>(310,553)</u>	<u>(22,536)</u>	<u>79,975</u>	<u>(254,260)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in/(out)						
General Fund	-	-	-	-	(32,889)	-
Permanent Fund	-	-	-	-	-	-
Other Special Revenue Funds	5,018	-	356,185	34,150	(46,646)	298,186
<b>Total Other Financing Sources (Uses)</b>	<u>5,018</u>	<u>-</u>	<u>356,185</u>	<u>34,150</u>	<u>(79,535)</u>	<u>298,186</u>
<b>Fund Balances, beginning</b>	<u>8,162</u>	<u>12,764</u>	<u>118,018</u>	<u>47,545</u>	<u>55,764</u>	<u>4,610</u>
<b>Fund Balances, ending</b>	<u>\$ 6,656</u>	<u>\$ 8,150</u>	<u>\$ 163,650</u>	<u>\$ 59,159</u>	<u>\$ 56,204</u>	<u>\$ 48,536</u>

<u>Community Housing/ Development</u>	<u>Streetscape Fund</u>	<u>Local Hospitality Fee Fund</u>	<u>Volunteer Fire</u>	<u>Victim's Rights Fund</u>	<u>Seizure Fund</u>	<u>Oakland Tennis</u>	<u>Totals June 30, 2016</u>	<u>Totals June 30, 2015</u>
\$ -	\$ -	\$ 731,420	\$ -	\$ -	\$ -	\$ -	\$ 731,420	\$ 674,732
-	-	131,544	-	-	-	-	131,544	136,672
-	-	2,770	-	-	-	-	2,770	4,136
-	-	-	21,087	-	-	-	21,087	21,000
620,114	-	-	-	-	-	-	620,114	501,000
-	-	-	-	-	-	-	108,654	106,275
-	-	-	-	33,666	-	-	51,784	56,748
-	-	-	-	-	15,564	-	20,015	670
-	-	-	-	-	-	16,550	41,600	26,895
-	-	-	-	-	-	-	131,712	118,198
18	-	10	-	-	-	6	34	57
<u>620,132</u>	<u>-</u>	<u>865,744</u>	<u>21,087</u>	<u>33,666</u>	<u>15,564</u>	<u>16,556</u>	<u>1,860,734</u>	<u>1,646,383</u>
-	45,613	-	-	-	-	-	45,613	133,840
50,500	-	-	20,781	53,971	-	-	817,060	740,221
417,072	6,202	-	-	-	-	9,993	433,267	35,454
-	-	53,470	-	-	-	-	53,470	10,985
-	-	-	-	-	-	-	94,513	90,894
-	-	-	-	-	-	-	20,176	23,795
<u>467,572</u>	<u>51,815</u>	<u>53,470</u>	<u>20,781</u>	<u>53,971</u>	<u>-</u>	<u>9,993</u>	<u>1,464,099</u>	<u>1,035,189</u>
<u>152,560</u>	<u>(51,815)</u>	<u>812,274</u>	<u>306</u>	<u>(20,305)</u>	<u>15,564</u>	<u>6,563</u>	<u>396,635</u>	<u>611,194</u>
-	-	(133,500)	-	-	-	800,000	633,611	(161,457)
-	-	(2,640)	-	-	-	-	(2,640)	(2,640)
125,000	-	(766,875)	-	-	(5,018)	-	-	-
<u>125,000</u>	<u>-</u>	<u>(903,015)</u>	<u>-</u>	<u>-</u>	<u>(5,018)</u>	<u>800,000</u>	<u>630,971</u>	<u>(164,097)</u>
<u>803,977</u>	<u>260,612</u>	<u>748,571</u>	<u>11,591</u>	<u>25,231</u>	<u>1,632</u>	<u>-</u>	<u>2,098,477</u>	<u>1,651,380</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>

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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Drug seizure	\$ 5,000	\$ 5,000	\$ 4,451	\$ (549)	\$ 670
<b>Total Revenues</b>	<u>5,000</u>	<u>5,000</u>	<u>4,451</u>	<u>(549)</u>	<u>670</u>
<b>Expenditures</b>					
Other					
Operating expenditures	24,649	24,649	10,975	13,674	14,030
<b>Total Expenditures</b>	<u>24,649</u>	<u>24,649</u>	<u>10,975</u>	<u>13,674</u>	<u>14,030</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(19,649)	(19,649)	(6,524)	13,125	(13,360)
<b>Other Financing Sources</b>					
Transfers in					
Other special revenue funds	-	-	5,018	5,018	-
<b>Fund Balances, beginning</b>	<u>8,162</u>	<u>8,162</u>	<u>8,162</u>	<u>-</u>	<u>21,522</u>
<b>Fund Balances, ending</b>	<u>\$ (11,487)</u>	<u>\$ (11,487)</u>	<u>\$ 6,656</u>	<u>\$ 18,143</u>	<u>\$ 8,162</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Rental and other	\$ 82,100	\$ 82,100	\$ 105,978	\$ 23,878	\$ 68,193
<b>Total Revenues</b>	<u>82,100</u>	<u>82,100</u>	<u>105,978</u>	<u>23,878</u>	<u>68,193</u>
<b>Expenditures</b>					
Other					
Operating expenditures	298,628	298,628	301,842	(3,214)	273,989
Debt service					
Principal	94,513	94,513	94,513	-	90,894
Interest	20,176	20,176	20,176	-	23,795
<b>Total Expenditures</b>	<u>413,317</u>	<u>413,317</u>	<u>416,531</u>	<u>(3,214)</u>	<u>388,678</u>
<b>Excess (Deficiency) of</b>					
<b>Revenues Over Expenditures</b>	(331,217)	(331,217)	(310,553)	20,664	(320,485)
<b>Other Financing Sources</b>					
Transfers in					
Other special revenue funds	338,364	338,364	356,185	17,821	357,872
<b>Fund Balances, beginning</b>	<u>118,018</u>	<u>118,018</u>	<u>118,018</u>	<u>-</u>	<u>80,631</u>
<b>Fund Balances, ending</b>	<u><u>\$ 125,165</u></u>	<u><u>\$ 125,165</u></u>	<u><u>\$ 163,650</u></u>	<u><u>\$ 38,485</u></u>	<u><u>\$ 118,018</u></u>

CITY OF NEWBERRY  
SPECIAL REVENUE FUNDS - SPECIAL EVENTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Local - other	\$ 16,000	\$ 16,000	\$ 18,118	\$ 2,118	\$ 22,204
Donations	51,000	51,000	25,050	(25,950)	26,895
<b>Total Revenues</b>	<u>67,000</u>	<u>67,000</u>	<u>43,168</u>	<u>(23,832)</u>	<u>49,099</u>
<b>Expenditures</b>					
Other					
Operating expenditures	99,350	99,350	65,704	33,646	81,077
<b>Total Expenditures</b>	<u>99,350</u>	<u>99,350</u>	<u>65,704</u>	<u>33,646</u>	<u>81,077</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(32,350)	(32,350)	(22,536)	9,814	(31,978)
<b>Other Financing Sources</b>					
Transfers in					
Other special revenue funds	32,000	32,000	34,150	2,150	36,100
<b>Fund Balances, beginning</b>	<u>47,545</u>	<u>47,545</u>	<u>47,545</u>	<u>-</u>	<u>43,423</u>
<b>Fund Balances, ending</b>	<u>\$ 47,195</u>	<u>\$ 47,195</u>	<u>\$ 59,159</u>	<u>\$ 11,964</u>	<u>\$ 47,545</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Intergovernmental					
Accommodations tax	\$ 90,582	\$ 90,582	\$ 108,654	\$ 18,072	\$ 106,275
<b>Total Revenues</b>	<u>90,582</u>	<u>90,582</u>	<u>108,654</u>	<u>18,072</u>	<u>106,275</u>
<b>Expenditures</b>					
Other					
Operating expenditures	-	-	28,679	(28,679)	22,538
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>28,679</u>	<u>(28,679)</u>	<u>22,538</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	90,582	90,582	79,975	(10,607)	83,737
<b>Other Financing Uses</b>					
Transfers out					
General Fund	(28,279)	(28,279)	(32,889)	(4,610)	(27,957)
Other special revenue funds	(64,675)	(64,675)	(46,646)	18,029	(50,283)
<b>Fund Balances, beginning</b>	<u>55,764</u>	<u>55,764</u>	<u>55,764</u>	<u>-</u>	<u>50,267</u>
<b>Fund Balances, ending</b>	<u>\$ 53,392</u>	<u>\$ 53,392</u>	<u>\$ 56,204</u>	<u>\$ 2,812</u>	<u>\$ 55,764</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Newberry Opera House reimbursement	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)	\$ 22,538
Facility fee	25,000	25,000	25,734	734	27,467
<b>Total Revenues</b>	<u>55,000</u>	<u>55,000</u>	<u>25,734</u>	<u>(29,266)</u>	<u>50,005</u>
<b>Expenditures</b>					
Other					
Operating expenditures	317,185	317,185	279,994	37,191	266,811
<b>Total Expenditures</b>	<u>317,185</u>	<u>317,185</u>	<u>279,994</u>	<u>37,191</u>	<u>266,811</u>
<b>Excess (Deficiency) of</b>					
<b>Revenues Over Expenditures</b>	(262,185)	(262,185)	(254,260)	7,925	(216,806)
<b>Other Financing Sources</b>					
Transfers in					
Other special revenue funds	298,186	298,186	298,186	-	210,000
<b>Fund Balances, beginning</b>	<u>4,610</u>	<u>4,610</u>	<u>4,610</u>	<u>-</u>	<u>11,416</u>
<b>Fund Balances, ending</b>	<u>\$ 40,611</u>	<u>\$ 40,611</u>	<u>\$ 48,536</u>	<u>\$ 7,925</u>	<u>\$ 4,610</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Intergovernmental					
Community development	\$ 601,000	\$ 601,000	\$ 620,114	\$ 19,114	\$ 501,000
Interest income	20	20	18	(2)	24
<b>Total Revenues</b>	<u>601,020</u>	<u>601,020</u>	<u>620,132</u>	<u>19,112</u>	<u>501,024</u>
<b>Expenditures</b>					
Other					
Operating expenditures	-	-	50,500	(50,500)	-
Capital expenditures	725,000	725,000	417,072	307,928	35,454
<b>Total Expenditures</b>	<u>725,000</u>	<u>725,000</u>	<u>467,572</u>	<u>257,428</u>	<u>35,454</u>
<b>Excess (Deficiency) of</b>					
<b>Revenues Over Expenditures</b>	(123,980)	(123,980)	152,560	276,540	465,570
<b>Other Financing Sources (Uses)</b>					
Transfers in/out					
Other special revenue funds	125,000	125,000	125,000	-	-
Other special revenue funds	(338,970)	(338,970)	-	338,970	-
<b>Fund Balances, beginning</b>	<u>803,977</u>	<u>803,977</u>	<u>803,977</u>	<u>-</u>	<u>338,407</u>
<b>Fund Balances, ending</b>	<u>\$ 466,027</u>	<u>\$ 466,027</u>	<u>\$ 1,081,537</u>	<u>\$ 615,510</u>	<u>\$ 803,977</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Intergovernmental					
Community development	\$ 1,002,500	\$ 1,002,500	\$ -	\$ (1,002,500)	\$ -
<b>Total Revenues</b>	<u>1,002,500</u>	<u>1,002,500</u>	<u>-</u>	<u>(1,002,500)</u>	<u>-</u>
<b>Expenditures</b>					
Grants					
Capital expenditures	50,000	50,000	45,613	4,387	133,840
Other					
Capital expenditures	<u>1,302,657</u>	<u>1,302,657</u>	<u>6,202</u>	<u>1,296,455</u>	<u>-</u>
<b>Total Expenditures</b>	<u>1,352,657</u>	<u>1,352,657</u>	<u>51,815</u>	<u>1,300,842</u>	<u>133,840</u>
<b>Excess (Deficiency) of</b>					
<b>Revenues Over Expenditures</b>	(350,157)	(350,157)	(51,815)	298,342	(133,840)
<b>Other Financing Sources</b>					
Transfers in					
Other special revenue funds	338,970	338,970	-	(338,970)	-
<b>Fund Balances, beginning</b>	<u>260,612</u>	<u>260,612</u>	<u>260,612</u>	<u>-</u>	<u>394,452</u>
<b>Fund Balances, ending</b>	<u>\$ 249,425</u>	<u>\$ 249,425</u>	<u>\$ 208,797</u>	<u>\$ (40,628)</u>	<u>\$ 260,612</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Fees					
Hospitality	\$ 610,000	\$ 610,000	\$ 731,420	\$ 121,420	\$ 674,732
Accommodations	120,000	120,000	131,544	11,544	136,672
Penalties	1,075	1,075	2,770	1,695	4,136
Interest income	20	20	10	(10)	33
<b>Total Revenues</b>	<u>731,095</u>	<u>731,095</u>	<u>865,744</u>	<u>134,649</u>	<u>815,573</u>
<b>Expenditures</b>					
Tourism contribution/NOHF	-	-	53,470	(53,470)	10,985
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>53,470</u>	<u>(53,470)</u>	<u>10,985</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	731,095	731,095	812,274	81,179	804,588
<b>Other Financing Uses</b>					
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	(766,875)	(766,875)	(766,875)	-	(553,689)
<b>Fund Balances, beginning</b>	<u>748,571</u>	<u>748,571</u>	<u>748,571</u>	<u>-</u>	<u>633,812</u>
<b>Fund Balances, ending</b>	<u>\$ 576,651</u>	<u>\$ 576,651</u>	<u>\$ 657,830</u>	<u>\$ 81,179</u>	<u>\$ 748,571</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, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Court fines and assessments	\$ 35,450	\$ 35,450	\$ 33,666	\$ (1,784)	\$ 34,544
<b>Total Revenues</b>	<u>35,450</u>	<u>35,450</u>	<u>33,666</u>	<u>(1,784)</u>	<u>34,544</u>
<b>Expenditures</b>					
Drug seizure/other					
Operating expenditures	67,206	67,206	53,971	13,235	62,249
<b>Total Expenditures</b>	<u>67,206</u>	<u>67,206</u>	<u>53,971</u>	<u>13,235</u>	<u>62,249</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(31,756)	(31,756)	(20,305)	11,451	(27,705)
<b>Fund Balances, beginning</b>	<u>25,231</u>	<u>25,231</u>	<u>25,231</u>	<u>-</u>	<u>52,936</u>
<b>Fund Balances, ending</b>	<u><u>\$ (6,525)</u></u>	<u><u>\$ (6,525)</u></u>	<u><u>\$ 4,926</u></u>	<u><u>\$ 11,451</u></u>	<u><u>\$ 25,231</u></u>

**CITY OF NEWBERRY**  
**SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES**  
**VICTIM'S RIGHTS FUND**  
**YEAR ENDED JUNE 30, 2016**

**Municipal Court Revenue to City of Newberry**

Court revenue booked in General Fund, excluding Victim's Rights money and other police revenue		\$ 449,887
Court assessments and surcharges to State of South Carolina		(275,216)
Court Refunds		(22,002)
		152,669
Net Court Revenue to City of Newberry		\$ 152,669

**Municipal Court Revenue to State of South Carolina**

Court assessments to the State Treasurer	\$ 174,662	
DUI assessments to the State Treasurer	221	
DUI Spinal Cord Research Surcharges to the State Treasurer	1,843	
DUI DPS Pullouts to the State Treasurer	1,843	
DUS DPS Pullouts to the State Treasurer	6,200	
Drug Surcharges to the State Treasurer	12,069	
Law Enforcement Surcharges to State Treasurer	64,981	
Criminal Justice Academy Surcharges	12,972	
DUI/DUAC Test Conviction Fees	125	
Bond Estreatments	300	
	275,216	
Total Court Revenue to State Treasurer		\$ 275,216

**Victim Services**

Court assessments allocated to Victim Services	\$ 21,947	
Court surcharges allocated to Victim Services	11,719	
	33,666	
Funds allocated to Victim Services		\$ 33,666
Victim Services expenditures and Transfers		(53,971)

**Excess of Revenues Over (Under) Expenditures**

Fund Balances, beginning		25,231
Fund Balances, ending		\$ 4,926



## **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, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
Cash and investments	\$ 20,207	\$ 21,377
Interest receivable	12	3
Due from other funds	2,640	-
<b>Total Assets</b>	<b>\$ 22,859</b>	<b>\$ 21,380</b>
 <b>Liabilities and Fund Balances</b>		
<b>Fund Balances</b>		
Restricted	\$ 10,000	\$ 10,000
Assigned	12,859	11,380
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,859</b>	<b>\$ 21,380</b>

CITY OF NEWBERRY  
 JAPANESE GARDENS PERMANENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 2016  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Revenues</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ 4,065
Interest revenue	20	20	24	4	15
<b>Total Revenues</b>	<u>20</u>	<u>20</u>	<u>24</u>	<u>4</u>	<u>4,080</u>
<b>Expenditures</b>					
Maintenance of Japanese Gardens	2,660	2,660	1,185	1,475	1,149
<b>Total Expenditures</b>	<u>2,660</u>	<u>2,660</u>	<u>1,185</u>	<u>1,475</u>	<u>1,149</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	(2,640)	(2,640)	(1,161)	1,479	2,931
<b>Other Financing Sources</b>					
Transfers In Special Revenue Fund	2,640	2,640	2,640	-	2,640
<b>Fund Balances, beginning</b>	<u>21,380</u>	<u>21,380</u>	<u>21,380</u>	<u>-</u>	<u>15,809</u>
<b>Fund Balances, ending</b>	<u>\$ 21,380</u>	<u>\$ 21,380</u>	<u>\$ 22,859</u>	<u>\$ 1,479</u>	<u>\$ 21,380</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, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash investments	\$ 13,362,039	\$ 15,969,015
Receivables (net of allowances for uncollectibles)		
Accounts	4,383,996	4,426,387
Intergovernmental	11,024	4,650
Interest receivable	11	11
Other	8,960	10,125
Inventory	1,855,759	1,499,689
Restricted Assets		
Cash and cash investments	2,477,221	992,015
<b>Total Current Assets</b>	<b>22,099,010</b>	<b>22,901,892</b>
<b>Noncurrent Assets</b>		
Capital Assets		
Land and land improvements	437,589	437,589
Buildings and fixtures	17,645,491	15,993,391
Office furniture and equipment	388,514	211,010
Traffic controls and fire alarm system	185,112	185,112
Street lighting	457,575	455,238
Other equipment	1,297,085	1,212,035
Motor vehicles and equipment	2,661,663	2,550,475
Electric distribution system	14,340,643	13,888,774
Water distribution system	25,201,631	22,040,948
Sewer collection system	35,360,907	32,890,860
Construction in progress	15,816,953	8,517,726
Totals	113,793,163	98,383,158
Less accumulated depreciation	(49,906,550)	(46,726,905)
Total Capital Assets	63,886,613	51,656,253
Restricted assets		
Cash and cash investments	19,332,820	29,745,075
<b>Total Noncurrent Assets</b>	<b>83,219,433</b>	<b>81,401,328</b>
<b>Total Assets</b>	<b>105,318,443</b>	<b>104,303,220</b>
<b>Deferred Outflows of Resources</b>		
Deferred outflows of resources related to pensions	308,752	298,147
<b>Total Deferred Outflows of Resources</b>	<b>308,752</b>	<b>298,147</b>

(Continued)

**CITY OF NEWBERRY  
ENTERPRISE FUND  
COMPARATIVE STATEMENTS OF NET POSITION  
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 2,501,888	\$ 2,474,638
Accrued salaries payable	126,151	106,093
Compensated absences payable	99,625	105,397
Retainage payable	647,381	152,894
Due to other funds	44,806	41,945
Accrued interest payable	398,741	161,072
Revenue bonds payable	1,268,946	999,273
Loans payable	848,480	830,616
<b>Total Current Liabilities</b>	<u>5,936,018</u>	<u>4,871,928</u>
<b>Noncurrent Liabilities</b>		
Loans payable	14,359,753	15,208,233
Revenue bonds payable	37,516,021	38,784,967
Compensated absences payable	59,556	61,119
Other post-employment benefit obligation	9,594	9,712
Net pension liability	3,446,644	3,151,038
<b>Total Noncurrent Liabilities</b>	<u>55,391,568</u>	<u>57,215,069</u>
<b>Total Liabilities</b>	<u>61,327,586</u>	<u>62,086,997</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	50,247	297,261
<b>Total Deferred Inflows of Resources</b>	<u>50,247</u>	<u>297,261</u>
<b>Net Position</b>		
Net investment in capital assets	30,352,537	25,789,683
Restricted for		
Debt service	875,689	1,281,070
Maintenance of utility system	125,958	125,520
Unrestricted	12,895,178	15,020,836
<b>Total Net Position</b>	<u>\$ 44,249,362</u>	<u>\$ 42,217,109</u>

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<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, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Operating Revenues</b>					
Connection and reconnection fees	\$ 96,000	\$ 96,000	\$ 124,690	\$ 28,690	\$ 124,471
Water receipts	4,672,881	4,672,881	4,956,538	283,657	4,381,736
Electric receipts	25,895,491	25,895,491	25,609,993	(285,498)	25,016,672
Sewer receipts	4,362,190	4,362,190	4,496,826	134,636	4,097,619
Sales and use tax	480,000	480,000	529,664	49,664	519,259
Utility penalty	275,000	275,000	337,614	62,614	336,304
Water taps	10,000	10,000	9,700	(300)	7,700
Sewer taps	2,000	2,000	3,700	1,700	3,400
Temporary electric services	7,200	7,200	7,160	(40)	6,920
Newberry Housing Authority	1,086	1,086	1,086	-	1,086
Fire flow access fees	23,000	23,000	23,113	113	23,242
Fiber optic revenue	30,000	30,000	25,000	(5,000)	67,500
Other revenue	13,000	13,000	10,506	(2,494)	21,211
CATV - pole rental	44,550	44,550	44,625	75	44,550
<b>Total Operating Revenues</b>	<u>35,912,398</u>	<u>35,912,398</u>	<u>36,180,215</u>	<u>267,817</u>	<u>34,651,670</u>
<b>Operating Expenses</b>					
City Hall	33,605	33,605	43,359	(9,754)	27,549
Finance	443,463	443,463	417,655	25,808	394,964
Utility administration	237,656	237,656	245,226	(7,570)	197,424
Warehouse	66,386	66,386	76,891	(10,505)	41,315
Information services	93,980	93,980	66,900	27,080	67,968
Electric distribution	962,751	962,751	842,194	120,557	820,026
Water and sewer maintenance	980,644	980,644	1,176,101	(195,457)	726,486
Water production	1,234,490	1,234,490	1,268,980	(34,490)	1,153,771
Waste treatment	950,879	950,879	1,086,002	(135,123)	920,758
General insurance	128,211	128,211	52,228	75,983	63,109
Employee fringe benefits	862,995	862,995	751,187	111,808	737,798
Nondepartmental	21,878,981	21,878,981	21,986,741	(107,760)	21,190,360
Depreciation	1,700,000	1,700,000	3,363,803	(1,663,803)	3,192,800
<b>Total Operating Expenses</b>	<u>29,574,041</u>	<u>29,574,041</u>	<u>31,377,267</u>	<u>(1,803,226)</u>	<u>29,534,328</u>
<b>Operating Income</b>	<u>6,338,357</u>	<u>6,338,357</u>	<u>4,802,948</u>	<u>(1,535,409)</u>	<u>5,117,342</u>

(continued)

CITY OF NEWBERRY  
ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Nonoperating Income (Expenses)</b>					
Interest revenue	\$ 2,000	\$ 2,000	\$ 468,303	\$ 466,303	\$ 2,613
Federal grants	-	-	103,106	103,106	-
Bond issue costs	-	-	-	-	(453,413)
Interest expense, bank management fees and other	(2,500)	(2,500)	(1,885,788)	(1,883,288)	(520,346)
<b>Total Nonoperating Income (Expenses)</b>	(500)	(500)	(1,314,379)	(1,313,879)	(971,146)
<b>Income Before Contributions and Transfers</b>	6,337,857	6,337,857	3,488,569	(2,849,288)	4,146,196
<b>Capital Contributions</b>	-	-	409,593	409,593	308,411
<b>Transfer from (to) General fund</b>	(1,865,909)	(1,865,909)	(1,865,909)	-	(1,865,909)
<b>Change in Net Position</b>	4,471,948	4,471,948	2,032,253	(2,439,695)	2,588,698
<b>Net Position, beginning</b>	42,217,109	42,217,109	42,217,109	-	39,628,411
<b>Net Position, ending</b>	\$ 46,689,057	\$ 46,689,057	\$ 44,249,362	\$ (2,439,695)	\$ 42,217,109

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>City Hall</b>					
Utilities	\$ 26,205	\$ 26,205	\$ 27,216	\$ (1,011)	\$ 24,348
Building and fixture repair	5,500	5,500	14,768	(9,268)	1,499
Cleaning and sanitation supplies	1,900	1,900	1,375	525	1,702
<b>Totals</b>	<u>33,605</u>	<u>33,605</u>	<u>43,359</u>	<u>(9,754)</u>	<u>27,549</u>
<b>Finance</b>					
Salaries and wages	303,945	303,945	276,964	26,981	291,271
Overtime	1,200	1,200	14,114	(12,914)	1,338
Printing	500	500	103	397	48
Office supplies	3,000	3,000	2,715	285	2,447
Postage	37,252	37,252	37,676	(424)	30,377
Membership, dues and subscriptions	210	210	80	130	80
Travel	1,770	1,770	200	1,570	484
Vehicle fuel	7,706	7,706	3,038	4,668	5,232
Vehicle repair	1,100	1,100	1,178	(78)	1,530
Tires and tubes	1,000	1,000	300	700	507
Telecommunications	5,664	5,664	5,749	(85)	6,573
Maintenance contracts	45,389	45,389	35,715	9,674	39,561
Equipment repair	750	750	213	537	-
Small hand tools	500	500	223	277	442
Small equipment purchases	6,235	6,235	1,936	4,299	422
Radio supplies	200	200	-	200	-
Uniforms	3,000	3,000	408	2,592	976
Safety equipment	200	200	274	(74)	286
Safety training/hygiene	300	300	-	300	-
Advertising	500	500	-	500	141
Rental/lease of equipment	4,437	4,437	1,755	2,682	1,723
Employee training	855	855	185	670	276
Audit	11,250	11,250	831	10,419	11,250
Computer programming	6,500	6,500	33,998	(27,498)	-
<b>Totals</b>	<u>443,463</u>	<u>443,463</u>	<u>417,655</u>	<u>25,808</u>	<u>394,964</u>
<b>Utility Administration</b>					
Salaries and wages	198,202	198,202	213,163	(14,961)	162,522
Overtime	2,500	2,500	3,266	(766)	6,079
Printing	250	250	-	250	343
Office supplies	2,400	2,400	2,768	(368)	2,146
Postage	500	500	820	(320)	496
Membership, dues and subscriptions	1,000	1,000	322	678	500
Travel	2,450	2,450	-	2,450	2,230
Vehicle fuel	4,500	4,500	2,362	2,138	4,573
Vehicle repair	-	-	282	(282)	-
Utilities	2,500	2,500	182	2,318	182
Telecommunications	3,312	3,312	5,165	(1,853)	3,489
Maintenance contracts	792	792	-	792	-
Building and fixture repair	2,500	2,500	951	1,549	1,937
Small equipment purchases	750	750	-	750	127
Advertising	10,000	10,000	10,198	(198)	7,770

(continued)

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>Year Ended June 30, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Utility Administration (Continued)</b>					
Rent/lease of equipment	\$ 1,000	\$ 1,000	\$ 1,843	\$ (843)	\$ 480
Employee training	2,500	2,500	1,542	958	1,857
Engineering supplies	2,500	2,500	2,362	138	2,693
<b>Totals</b>	<u>237,656</u>	<u>237,656</u>	<u>245,226</u>	<u>(7,570)</u>	<u>197,424</u>
<b>Warehouse</b>					
Salaries and wages	41,863	41,863	42,849	(986)	30,518
Overtime	2,500	2,500	12,906	(10,406)	30
Office supplies	1,100	1,100	865	235	870
Postage	30	30	7	23	5
Membership, dues and subscriptions	40	40	-	40	-
Travel	25	25	-	25	-
Vehicle fuel (forklift)	300	300	40	260	56
Utilities	5,214	5,214	5,788	(574)	4,053
Telecommunications	2,001	2,001	924	1,077	1,158
Maintenance contracts	625	625	468	157	54
Equipment repair	100	100	-	100	-
Building and fixture repair	300	300	110	190	74
Small equipment purchases	2,600	2,600	1,569	1,031	2,144
Safety equipment	100	100	17	83	-
Rental/lease of equipment	288	288	-	288	-
Employee training	100	100	-	100	-
Freight and Shipping	300	300	-	300	-
Cost of sales	400	400	-	400	-
Inventory loss	3,500	3,500	7,712	(4,212)	2,353
Machines and equipment	5,000	5,000	3,636	1,364	-
<b>Totals</b>	<u>66,386</u>	<u>66,386</u>	<u>76,891</u>	<u>(10,505)</u>	<u>41,315</u>
<b>Information Services</b>					
Salaries and wages	58,031	58,031	42,448	15,583	42,997
Overtime	-	-	1,125	(1,125)	-
Printing	175	175	-	175	-
Office supplies	150	150	66	84	511
Postage	350	350	12	338	257
Membership, dues and subscriptions	350	350	75	275	-
Travel	4,000	4,000	1,573	2,427	60
Vehicle fuel	1,500	1,500	-	1,500	-
Vehicle repair	250	250	-	250	-
Tires and tubes	250	250	-	250	-
Telecommunications	5,532	5,532	8,070	(2,538)	11,215
Maintenance contracts	5,000	5,000	2,162	2,838	3,651
Equipment repair	5,000	5,000	3,902	1,098	4,740
Small equipment purchases	2,500	2,500	2,383	117	2,311
Computers	2,500	2,500	2,320	180	1,874
Safety Equipment	100	100	-	100	-
Rental/lease of equipment	792	792	101	691	-
Employee training	7,500	7,500	2,663	4,837	352
<b>Totals</b>	<u>93,980</u>	<u>93,980</u>	<u>66,900</u>	<u>27,080</u>	<u>67,968</u>

(continued)

CITY OF NEWBERRY  
ENTERPRISE FUND  
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Electric Distribution</b>					
Salaries and wages	\$ 432,185	\$ 432,185	\$ 371,577	\$ 60,608	\$ 378,062
Overtime and holiday pay	45,500	45,500	62,557	(17,057)	58,476
Office supplies	1,500	1,500	508	992	498
Membership, dues and subscriptions	1,600	1,600	1,505	95	1,478
Travel	4,250	4,250	1,681	2,569	4,027
Vehicle fuel	45,000	45,000	26,158	18,842	30,781
Vehicle repair	20,000	20,000	15,965	4,035	13,947
Tires and tubes	10,000	10,000	2,377	7,623	480
Utilities	10,000	10,000	3,191	6,809	2,410
Telecommunications	7,386	7,386	10,405	(3,019)	8,977
Maintenance contracts	150,000	150,000	150,065	(65)	150,080
Contracts - elec. rates/needs	11,000	11,000	8,140	2,860	5,821
Meter testing	5,000	5,000	4,823	177	250
Equipment repair	12,000	12,000	7,639	4,361	6,856
Substation repair	7,500	7,500	1,905	5,595	2,089
Building and fixture repair	2,000	2,000	54	1,946	1,107
Small hand tools	10,000	10,000	6,944	3,056	8,054
Small equipment purchases	4,500	4,500	2,132	2,368	2,340
Cement and masonry	5,000	5,000	4,628	372	-
Uniforms	10,000	10,000	12,500	(2,500)	7,448
Safety equipment	12,500	12,500	6,621	5,879	16,960
Cleaning and sanitation supplies	1,250	1,250	889	361	710
Meters and meter parts	5,000	5,000	4,808	192	2,074
Electric materials	100,000	100,000	120,623	(20,623)	84,865
Advertising	2,500	2,500	-	2,500	221
Rental/lease of equipment	2,080	2,080	650	1,430	626
Employee training	12,500	12,500	6,259	6,241	18,798
Engineering	15,000	15,000	5,290	9,710	5,307
Legal expenses	10,000	10,000	-	10,000	7,284
Rights of way	7,500	7,500	2,300	5,200	-
<b>Totals</b>	<b>962,751</b>	<b>962,751</b>	<b>842,194</b>	<b>120,557</b>	<b>820,026</b>
<b>Water and Sewer Maintenance</b>					
Salaries and wages	317,137	317,137	278,113	39,024	265,390
Overtime and holiday pay	45,000	45,000	51,885	(6,885)	28,924
Office supplies	450	450	570	(120)	285
Postage	150	150	-	150	8
Membership, dues and subscriptions	905	905	-	905	-
Travel	5,060	5,060	3,874	1,186	3,082
Vehicle fuel	38,164	38,164	24,883	13,281	26,531
Vehicle repair	25,000	25,000	6,408	18,592	9,230
Tires and tubes	6,000	6,000	3,821	2,179	3,813
Utilities	40,000	40,000	34,684	5,316	32,447
Telecommunications	7,386	7,386	6,988	398	5,886
Maintenance contracts	5,000	5,000	65	4,935	80
Contract - TV sewer lines	10,000	10,000	-	10,000	8,524
Meter testing	5,000	5,000	208	4,792	1,579

(continued)

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)**

	<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, 2015</u>
	<u>Original</u>	<u>Final</u>			
<b>Water and Sewer Maintenance</b>					
(Continued)					
Equipment repair	\$ 40,000	\$ 40,000	\$ 8,452	\$ 31,548	\$ 10,960
Building and fixture repair	2,000	2,000	179	1,821	967
Small hand tools	7,500	7,500	5,922	1,578	4,783
Small equipment purchases	7,500	7,500	3,206	4,294	844
Cement and masonry	100,000	100,000	73,508	26,492	47,347
Radio maintenance	-	-	-	-	27
Uniforms	6,000	6,000	8,321	(2,321)	7,379
Safety equipment	10,000	10,000	8,148	1,852	15,422
Cleaning and sanitation supplies	1,500	1,500	1,683	(183)	842
Chemicals	1,800	1,800	-	1,800	-
Meters and meter parts	10,000	10,000	319,392	(309,392)	23,133
Pipes, fittings and hydrants	100,000	100,000	143,039	(43,039)	56,340
Advertising	800	800	-	800	155
Rental/lease of equipment	792	792	900	(108)	626
Employee training	12,500	12,500	5,949	6,551	4,854
Engineering	5,000	5,000	16,880	(11,880)	-
Extra legal	5,000	5,000	4,023	977	866
Rights of way	165,000	165,000	165,000	-	166,162
<b>Totals</b>	<u>980,644</u>	<u>980,644</u>	<u>1,176,101</u>	<u>(195,457)</u>	<u>726,486</u>
<b>Water Production</b>					
Salaries and wages	362,782	362,782	309,103	53,679	304,591
Overtime and holiday pay	8,000	8,000	10,942	(2,942)	4,717
Regulatory fees	-	-	18,568	(18,568)	18,568
Printing	500	500	333	167	258
Office supplies	1,250	1,250	1,735	(485)	588
Postage	1,400	1,400	2,181	(781)	738
Membership, dues and subscriptions	3,000	3,000	2,687	313	3,158
Travel	750	750	73	677	-
Vehicle fuel	3,800	3,800	3,798	2	2,805
Vehicle repair	500	500	-	500	1,145
Tires and tubes	500	500	385	115	71
Diesel Fuel-WTP/WWTP	5,000	5,000	275	4,725	2,115
Utilities	450,000	450,000	516,213	(66,213)	491,897
Telecommunications	5,838	5,838	3,937	1,901	5,310
Maintenance contracts	18,000	18,000	16,363	1,637	11,304
Water tank maintenance	40,000	40,000	38,992	1,008	38,992
Rate study	3,500	3,500	-	3,500	680
Sludge handling contract	25,000	25,000	42,230	(17,230)	26,620
Outside lab testing	3,000	3,000	12,817	(9,817)	2,580
Equipment repair	55,000	55,000	63,092	(8,092)	59,621
Building and fixture repair	5,000	5,000	12,395	(7,395)	2,856
Small hand tools	500	500	338	162	54
Small equipment purchases	1,000	1,000	843	157	304
Uniforms	750	750	195	555	231
Safety equipment	6,000	6,000	4,782	1,218	6,038
Cleaning and sanitation supplies	1,000	1,000	247	753	464
Chemicals	195,000	195,000	168,881	26,119	142,837

(continued)

CITY OF NEWBERRY  
ENTERPRISE FUND  
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Water Production (Continued)</b>					
Medical and lab supplies	\$ 25,000	\$ 25,000	\$ 33,972	\$ (8,972)	\$ 23,008
Pipes, fittings and hydrants	2,500	2,500	1,517	983	1,377
Electrical materials	1,000	1,000	337	663	32
Advertising	500	500	395	105	-
Rental/lease of equipment	1,320	1,320	860	460	364
Employee training	2,100	2,100	489	1,611	448
Engineering	5,000	5,000	5	4,995	-
<b>Totals</b>	<b>1,234,490</b>	<b>1,234,490</b>	<b>1,268,980</b>	<b>(34,490)</b>	<b>1,153,771</b>
<b>Waste Treatment</b>					
Salaries and wages	185,033	185,033	189,877	(4,844)	169,243
Overtime and holiday pay	15,000	15,000	8,215	6,785	7,015
Regulatory fees	4,000	4,000	3,487	513	3,398
Office supplies	3,000	3,000	2,613	387	1,700
Postage	363	363	-	363	58
Membership, dues and subscriptions	1,045	1,045	2,679	(1,634)	2,883
Travel	1,600	1,600	199	1,401	2,044
Vehicle fuel	5,300	5,300	6,646	(1,346)	10,202
Vehicle repair	500	500	484	16	178
Tires and tubes	500	500	-	500	420
Diesel Fuel-WTP/WWTP	1,200	1,200	2,177	(977)	-
Utilities	345,000	345,000	356,681	(11,681)	350,886
Telecommunications	5,052	5,052	2,675	2,377	3,235
Maintenance contracts	10,000	10,000	15,002	(5,002)	7,222
Rate study	2,500	2,500	-	2,500	-
Sludge handling contract	175,000	175,000	229,009	(54,009)	162,399
Outside lab testing	20,000	20,000	15,217	4,783	14,343
Pretreatment program	7,500	7,500	8,606	(1,106)	4,763
Equipment repair	55,000	55,000	119,863	(64,863)	80,661
Building and fixture repair	5,000	5,000	1,474	3,526	2,117
Small hand tools	1,500	1,500	567	933	334
Small equipment purchases	1,000	1,000	860	140	3
Uniforms	1,200	1,200	959	241	22
Safety equipment	1,750	1,750	2,864	(1,114)	1,127
Safety training/hygiene	500	500	126	374	-
Cleaning and sanitation supplies	1,000	1,000	922	78	841
Chemicals	75,000	75,000	92,101	(17,101)	72,566
Medical and lab supplies	15,000	15,000	12,720	2,280	18,016
Pipes, fittings and hydrants	500	500	13	487	-
Electrical materials	500	500	148	352	54
Advertising	300	300	-	300	-
Rental/lease of equipment	1,036	1,036	-	1,036	-
Employee training	4,000	4,000	1,548	2,452	1,706
Engineering	5,000	5,000	8,270	(3,270)	3,322
<b>Totals</b>	<b>950,879</b>	<b>950,879</b>	<b>1,086,002</b>	<b>(135,123)</b>	<b>920,758</b>
<b>General Insurance</b>					
Claims reimbursement	800	800	-	800	-
SCMIRF	127,411	127,411	52,228	75,183	63,109
<b>Totals</b>	<b>128,211</b>	<b>128,211</b>	<b>52,228</b>	<b>75,983</b>	<b>63,109</b>

(continued)

CITY OF NEWBERRY  
ENTERPRISE FUND  
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget	Year Ended June 30, 2015
	Original	Final			
<b>Employee Fringe and Benefits</b>					
SC retirement	\$ 223,288	\$ 223,288	\$ 205,151	\$ 18,137	\$ 193,750
Social security	154,444	154,444	139,873	14,571	131,700
City's share of employee insurance	352,433	352,433	306,709	45,724	270,715
GASB 45 OPEB adjustment	5,000	5,000	(118)	5,118	243
GASB 68 pension adjustment	-	-	37,987	(37,987)	27,171
Workers' compensation	76,455	76,455	36,008	40,447	45,808
Workers' compensation deductibles	21,700	21,700	14,530	7,170	41,096
Unemployment claims	2,500	2,500	652	1,848	1,630
Employer/employee relations	18,175	18,175	11,237	6,938	13,794
Physical examinations	1,000	1,000	2,184	(1,184)	921
Wellness program	8,000	8,000	4,309	3,691	2,344
Compensated absences adjustment	-	-	(7,335)	7,335	8,626
<b>Totals</b>	<u>862,995</u>	<u>862,995</u>	<u>751,187</u>	<u>111,808</u>	<u>737,798</u>
<b>Nondepartmental</b>					
Sales and use tax	569,357	569,357	545,839	23,518	542,867
Purchase of electricity	21,035,483	21,035,483	21,115,845	(80,362)	20,438,668
SCE&G water contract	24,000	24,000	18,502	5,498	21,362
Streetlight charges	10,141	10,141	8,704	1,437	8,704
Refunds	10,000	10,000	7,033	2,967	7,750
Bad debt expense	155,000	155,000	249,940	(94,940)	141,338
Community enhancement	30,000	30,000	2,520	27,480	2,424
Web site maintenance	10,000	10,000	4,148	5,852	24,009
Lease - Lindsay Drivethru	35,000	35,000	34,210	790	3,238
<b>Totals</b>	<u>21,878,981</u>	<u>21,878,981</u>	<u>21,986,741</u>	<u>(107,760)</u>	<u>21,190,360</u>
<b>Depreciation</b>	<u>1,700,000</u>	<u>1,700,000</u>	<u>3,363,803</u>	<u>(1,663,803)</u>	<u>3,192,800</u>
<b>Grand Totals</b>	<u>\$ 29,574,041</u>	<u>\$ 29,574,041</u>	<u>\$ 31,377,267</u>	<u>\$ (1,803,226)</u>	<u>\$ 29,534,328</u>

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from customers	\$ 36,222,606	\$ 34,433,226
Purchase of electricity	(21,115,845)	(20,438,668)
Payments to suppliers	(5,682,423)	(4,154,447)
Payments to employees	(1,876,381)	(1,727,141)
<b>Net Cash Provided by Operating Activities</b>	7,547,957	8,112,970
<b>Cash Flows from Noncapital Financing Activities</b>		
Transfers in (out)	(1,865,909)	(1,865,909)
<b>Net Cash Used in Noncapital Financing Activities</b>	(1,865,909)	(1,865,909)
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(14,309,474)	(7,219,059)
Subsidy from federal grants	103,106	-
Proceeds from bond anticipation note	-	10,000,000
Payments on bond anticipation note	-	(15,750,000)
Principal payments on bonds and notes payable	(1,790,943)	(964,209)
Proceeds from bond issuance	-	39,783,913
Interest and other fees paid	(1,687,065)	(802,310)
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	(17,684,376)	25,048,335
<b>Cash Flows from Investing Activities</b>		
Interest on investments	468,303	2,613
<b>Net Cash Provided by Investing Activities</b>	468,303	2,613
<b>Net Increase (Decrease) in Cash</b>	(11,534,025)	31,298,009
<b>Cash and Cash Investments, Beginning</b>	46,706,105	15,408,096
<b>Cash and Cash Investments, Ending</b>	\$ 35,172,080	\$ 46,706,105

(Continued)

**CITY OF NEWBERRY**  
**ENTERPRISE FUND**  
**COMPARATIVE STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	<b>2016</b>	<b>2015</b>
<b>Reconciliation of Operating Income to</b>		
<b>Net Cash Provided by Operating Activities</b>		
Operating Income	\$ 4,802,948	\$ 5,117,342
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	3,363,803	3,192,800
Loss on disposal of capital assets	61,247	-
(Increase) decrease in assets and deferred outflows		
Accounts receivable	42,391	(218,444)
Inventories	(356,070)	(297,492)
Other receivables	(5,209)	40,878
Deferred outflows related to pensions	(10,605)	(97,082)
Increase (decrease) in liabilities and deferred inflows		
Accounts payable	(414,606)	273,863
Due to government agencies	-	(15,610)
Compensated absences	(7,335)	8,626
Accrued salaries	315,546	(158,697)
Due to other funds	2,861	(30,475)
Deferred inflows related to pensions	(247,014)	297,261
	<b>\$ 7,547,957</b>	<b>\$ 8,112,970</b>
<b>Net Cash Provided by Operating Activities</b>		
	<b>\$ 7,547,957</b>	<b>\$ 8,112,970</b>
<b>Noncash Capital Activities</b>		
Acquisition of capital assets on account	\$ -	\$ -
Contributions of capital assets	\$ -	\$ -
	<b>\$ -</b>	<b>\$ -</b>



## **CAPITAL ASSETS - GOVERNMENTAL FUNDS**

The Capital Assets - Governmental Funds provide accountability for the City's general capital assets. A capital asset is accounted for in this account when it has been purchased using general governmental resources and is used for general governmental purposes. Assets are recorded at historical cost if purchased, or if historical cost is not available, estimated historical cost, or fair market value on the date donated, if donated.

**CITY OF NEWBERRY**  
**COMPARATIVE SCHEDULES OF CAPITAL ASSETS**  
**USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**BY SOURCE**  
**JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>Capital Assets</b>		
Land and improvements	\$ 2,318,371	\$ 2,330,215
Buildings, improvements and fixtures	8,361,221	8,112,427
Streets, sidewalks and bridges	1,874,948	1,874,948
Motor vehicles and equipment	5,953,535	5,749,094
Office furniture and equipment	79,238	79,238
Other equipment	1,426,378	1,420,042
<b>Total Capital Assets</b>	<u>\$ 20,013,691</u>	<u>\$ 19,565,964</u>
<b>Investment in Capital Assets by Source</b>		
General Fund	\$ 9,225,626	\$ 8,936,381
Special Revenue Funds	4,498,704	4,340,222
Capital Projects Funds	983,603	983,603
Donations	4,533,279	4,533,279
Parking Enterprise Funds	374,186	374,186
Contribution by Utility Enterprise Fund	398,293	398,293
<b>Total Investment in Capital Assets</b>	<u>\$ 20,013,691</u>	<u>\$ 19,565,964</u>

**CITY OF NEWBERRY**  
**SCHEDULE OF CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY**  
**YEAR ENDED JUNE 30, 2016**

Function and Activity	Land and Land Improvements	Building Improvements and Fixtures	Streets, Sidewalks, and Bridges	Motor Vehicle and Equipment	Office Furniture and Equipment	Other Equipment	Total
<b>General Government</b>							
Council	\$ 1,902,396	\$ 7,781,562	\$ -	\$ -	\$ 110,980	\$ -	\$ 9,794,938
Finance	-	-	-	-	-	-	11,240
City Hall	-	-	-	-	8,850	-	72,266
Planning and development	-	-	-	40,669	-	-	40,669
Telecommunications	-	-	-	-	703,376	-	703,376
Community housing and development	35,000	-	-	-	-	-	35,000
<b>Total General Government</b>	<b>1,937,396</b>	<b>7,781,562</b>	<b>-</b>	<b>40,669</b>	<b>823,206</b>	<b>74,656</b>	<b>10,657,489</b>
<b>Public Safety</b>							
Police	-	3,400	-	931,956	4,582	113,074	1,053,012
Fire	-	132,775	-	2,189,049	-	181,255	2,503,079
Justice and law	-	-	-	-	-	7,000	7,000
<b>Total Public Safety</b>	<b>-</b>	<b>136,175</b>	<b>-</b>	<b>3,121,005</b>	<b>4,582</b>	<b>301,329</b>	<b>3,563,091</b>
<b>Public Works</b>							
Administration	-	8,833	-	20,425	-	23,069	52,327
Streets and drainage	-	4,255	1,874,948	703,853	-	18,107	2,601,163
Sanitation and streets	-	-	-	1,806,014	-	21,827	1,827,841
Building maintenance	-	-	-	45,784	-	-	45,784
Garage	-	-	-	25,747	-	58,363	84,110
<b>Total Public Works</b>	<b>-</b>	<b>13,088</b>	<b>1,874,948</b>	<b>2,601,823</b>	<b>-</b>	<b>121,366</b>	<b>4,611,225</b>
<b>Parks, Recreation and Tourism</b>							
	380,975	430,396	-	190,038	-	180,477	1,181,886
<b>Total Capital Assets</b>	<b>\$ 2,318,371</b>	<b>\$ 8,361,221</b>	<b>\$ 1,874,948</b>	<b>\$ 5,953,535</b>	<b>\$ 79,238</b>	<b>\$ 1,426,378</b>	<b>\$ 20,013,691</b>

**CITY OF NEWBERRY**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS - BY FUNCTION AND ACTIVITY**  
**YEAR ENDED JUNE 30, 2016**

<b>Function and Activity</b>	<b>Capital Assets June 30, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Capital Assets June 30, 2016</b>
<b>General Government</b>				
Council	\$ 9,627,156	\$ 168,682	\$ 900	\$ 9,794,938
Finance	11,240	-	-	11,240
City Hall	72,266	-	-	72,266
Planning and development	40,669	-	-	40,669
Telecommunications	703,376	-	-	703,376
Community housing and development	35,000	-	-	35,000
<b>Total General Government</b>	<b>10,489,707</b>	<b>168,682</b>	<b>900</b>	<b>10,657,489</b>
<b>Public Safety</b>				
Police	1,070,440	127,151	144,579	1,053,012
Fire	2,503,079	-	-	2,503,079
Justice and law	7,000	-	-	7,000
<b>Total Public Safety</b>	<b>3,580,519</b>	<b>127,151</b>	<b>144,579</b>	<b>3,563,091</b>
<b>Public Works</b>				
Administration	43,494	8,833	-	52,327
Streets and drainage	2,626,373	143,988	169,198	2,601,163
Sanitation and streets	1,591,158	236,683	-	1,827,841
Building maintenance	45,784	-	-	45,784
Garage	67,379	16,731	-	84,110
<b>Total Public Works</b>	<b>4,374,188</b>	<b>406,235</b>	<b>169,198</b>	<b>4,611,225</b>
<b>Parks, Recreation, and Tourism</b>	<b>1,121,550</b>	<b>72,180</b>	<b>11,844</b>	<b>1,181,886</b>
<b>Total Capital Assets</b>	<b>\$ 19,565,964</b>	<b>\$ 774,248</b>	<b>\$ 326,521</b>	<b>\$ 20,013,691</b>

# 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>
<b>Contents</b>	
Financial Trends	117-124
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	125-138
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.	
Debt Capacity	139-146
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.	
Demographic and Economic Information	147-148
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	149-151
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.	
Sources:	Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	5,014,176	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
Restricted	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Unrestricted	5,215,684	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
Total governmental activities net position	10,239,860	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
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	18,755,630	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
Restricted	1,528,920	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
Unrestricted	7,217,461	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
Total business-type activities net position	27,502,011	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
<b>Primary government</b>										
Invested in capital assets, net of related debt	23,769,806	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
Restricted	1,538,920	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
Unrestricted	12,433,145	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
Total primary government net position	37,741,871	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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Expenses</b>										
Governmental activities:										
General government	1,445,489	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
Public safety	3,825,223	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
Public works	1,382,291	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
Recreation	533,905	579,420	581,708	552,199	564,042	575,679	723,463	616,972	753,929	848,809
Community development	114,662	948,805	785,508	732,863	1,507,326	677,786	516,702	1,146,252	442,955	746,775
Community promotions	234,583	183,867	148,955	101,810	126,390	87,180	101,851	486,636	597,233	487,751
Interest on long-term debt	170,940	156,887	130,055	109,088	91,869	74,523	56,824	38,812	37,427	39,291
Total governmental activities expenses	7,707,093	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
Business-type activities: Utility system	19,046,776	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
Total primary government expenses	26,753,869	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
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	1,437,771	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
Public safety	862,315	988,539	791,774	768,505	711,268	720,042	610,677	681,044	537,168	553,945
Public works	579,809	574,127	609,412	611,839	615,684	613,789	617,555	623,084	767,747	791,651
Parks, Recreation, & Tourism	41,177	38,399	38,420	40,873	47,851	40,132	39,149	40,860	70,178	101,145
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	18,000	183,563	180,233	100,667	1,439,932	543,951	400,786	309,957	655,922	837,886
Capital grants and contributions	114,212	556,620	520,272	35,278	150,918	116,421	1,964	66,697	91,217	227,443
Total governmental activities program revenues	3,053,284	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
Business-type activities: Utility system	20,767,125	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
Charges for services	-	-	-	-	-	-	-	-	-	103,106
Operating grants and contributions	189,835	132,329	-	433,533	1,665,279	401,050	180,163	388,119	308,411	409,593
Capital grants and contributions	20,956,960	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
Total business-type activities program revenues	24,010,244	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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Net (expense)/revenue										
Governmental activities	(4,653,809)	(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)
Business-type activities	1,910,184	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
Total primary government net expense	(2,743,625)	(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)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	2,181,578	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
Local hospitality and accommodation fee	545,207	557,636	553,178	592,269	639,843	647,615	680,581	728,087	815,540	865,734
Intergovernmental revenue	1,098,074	1,861,027	1,741,740	1,957,652	905,362	870,913	1,112,994	1,037,343	907,857	910,716
Interest revenue	199,890	115,620	36,020	19,172	10,978	6,368	5,363	3,455	5,167	11,674
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	41,446
Miscellaneous	189,407	536,811	114,830	152,988	231,043	127,504	220,623	180,120	188,934	208,189
Transfers	1,080,700	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
Total governmental activities	5,294,856	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
Business-type activities:										
Intergovernmental revenue	234,805	1,773,933	491,261	-	217,650	2,989,331	219,299	143,720	-	-
Interest revenue	273,621	194,545	58,586	17,056	11,178	4,258	3,144	2,163	2,613	468,303
Miscellaneous	14,835	-	-	-	-	-	-	-	-	-
Transfers	(1,080,700)	(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)
Total business-type activities	(557,439)	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)
Total primary government	4,737,417	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
<b>Change in Net Position</b>										
Government activities	641,047	1,702,093	1,292,673	1,009,300	593,842	601,751	898,870	303,767	1,156,179	656,972
Business-type activities	1,352,745	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
Total primary government	1,993,792	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

**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> \$
2007	2,181,578
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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General fund										
Nonspendable	-	-	-	-	52,070	48,400	48,087	51,013	38,392	32,731
Reserved	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unreserved	4,262,543	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
Unassigned	-	-	-	-	4,327,273	4,931,838	5,161,918	6,150,934	6,230,024	5,825,811
Total general fund	4,262,543	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
All other governmental funds										
Nonspendable	-	-	-	-	355,000	355,000	355,000	355,000	355,000	355,000
Reserved	10,000	10,000	10,000	10,000	-	-	-	-	-	-
Restricted	-	-	-	-	984,603	1,138,747	1,767,069	1,139,044	1,098,123	946,494
Unreserved, reported in:										
Special revenue funds	675,608	1,064,410	1,430,335	1,714,026	-	-	-	-	-	-
Debt service fund	98,419	188,685	242,505	305,775	-	-	-	-	-	-
Permanent fund	4,544	6,382	6,713	6,899	-	-	-	-	-	-
Unrestricted:										
Committed	-	-	-	-	941,269	1,015,386	484,917	183,929	206,377	1,108,052
Assigned	-	-	-	-	6,384	5,815	5,370	5,809	11,380	739,396
Unassigned	-	-	-	-	-	-	-	(16,593)	448,977	-
Total all other governmental funds	788,571	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
Total all governmental funds	5,051,114	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

(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)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>										
Taxes	2,143,143	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
Licenses, permits and franchise fees	1,437,771	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
Fines and forfeitures	923,200	975,649	778,615	755,361	696,552	699,682	595,795	660,628	516,168	532,858
Charges for service	1,172,337	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
Intergovernmental	1,244,364	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
Miscellaneous	308,190	258,360	150,850	172,160	242,021	133,872	225,986	183,575	194,101	304,168
Total revenues	7,229,005	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
<b>Expenditures</b>										
General government	828,763	835,483	940,889	883,930	857,462	719,729	682,621	660,535	743,851	778,396
Public safety	2,933,901	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
Public works	1,192,851	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
Recreation	409,275	454,591	465,227	430,521	422,809	438,325	973,617	513,382	612,242	724,731
Community development	1,182,894	948,805	785,508	732,863	1,507,326	677,786	640,010	1,146,252	477,955	914,556
Nondepartmental	1,736,804	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
Debt Service										
Principal	487,063	518,789	518,492	592,055	595,425	608,779	622,854	632,785	369,192	307,748
Interest	174,369	160,561	139,615	112,237	95,077	77,788	60,147	42,196	37,427	39,291
Other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures, including capital	8,945,920	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
Total capital expenditures only	1,427,464	1,349,556	962,229	894,970	427,369	325,710	898,467	992,767	1,068,909	774,247
Excess of revenues over (under) expenditures	(1,716,915)	(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)
<b>Other financing sources (uses)</b>										
Transfers in	1,207,385	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
Transfers out	(126,685)	(45,178)	(27,846)	(25,653)	(25,000)	(25,000)	(25,000)	(410,099)	(164,097)	(633,611)
Issuance of debt/construction loan/costs	171,900	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)	1,252,600	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
Net change in fund balances	(464,315)	820,268	782,084	499,083	521,052	749,895	304,157	(68,983)	1,355,113	482,570
Debt service as a percentage of noncapital expenditures	8.8%	8.4%	8.0%	8.5%	7.4%	8.0%	7.8%	7.7%	4.7%	3.7%

**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
	\$		\$		\$		\$		\$
2007	14,527,809	70.0%	2,932,711	14.1%	2,549,842	12.3%	756,763	3.6%	20,767,125
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

(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	Debt Service	Total
	Fund Property Tax \$	Fund Property Tax (1) \$	
2007	1,902,399	240,744	2,143,143
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

(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)**

	June 2007	June 2008	June 2009	June 2010	June 2011	June 2012	June 2013	June 2014	June 2015	June 2016
<b>Electric Customers:</b>										
Residential	4,055	4,045	4,102	4,054	4,030	4,050	4,066	4,091	4,080	4,087
Commercial	874	859	862	873	872	863	868	891	872	873
Industrial	12	12	13	13	13	12	12	12	13	13
<b>Total</b>	<b>4,941</b>	<b>4,916</b>	<b>4,977</b>	<b>4,940</b>	<b>4,915</b>	<b>4,925</b>	<b>4,946</b>	<b>4,994</b>	<b>4,965</b>	<b>4,973</b>
<b>Water Customers:</b>										
Residential	4,103	4,096	4,147	4,108	4,087	4,096	4,113	4,148	4,126	4,143
Commercial	740	740	743	756	760	748	755	751	754	786
Industrial	25	26	26	26	26	27	28	28	27	26
<b>Total</b>	<b>4,868</b>	<b>4,862</b>	<b>4,916</b>	<b>4,890</b>	<b>4,873</b>	<b>4,871</b>	<b>4,896</b>	<b>4,927</b>	<b>4,907</b>	<b>4,955</b>
<b>Sewer Customers:</b>										
Residential	3,572	3,564	3,602	3,576	3,559	3,561	3,575	3,607	3,591	3,597
Commercial	578	570	573	575	579	578	580	577	581	589
Industrial	21	22	22	21	21	21	21	21	22	21
<b>Total</b>	<b>4,171</b>	<b>4,156</b>	<b>4,197</b>	<b>4,172</b>	<b>4,159</b>	<b>4,160</b>	<b>4,176</b>	<b>4,205</b>	<b>4,194</b>	<b>4,207</b>
<b>Total Number</b>	<b>5,895</b>	<b>5,881</b>	<b>5,946</b>	<b>5,893</b>	<b>5,877</b>	<b>5,873</b>	<b>5,899</b>	<b>5,933</b>	<b>5,910</b>	<b>5,929</b>

(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
2007	179,341,477	-0.27%		194,384,996	-1.40%		97,589,068	2.42%
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%

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 %
2007	91.51	1.80	18.47	3.36	23.44	4.36	133.42	2.46
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 (2)	138.56	0.00	26.70	13.18	43.66	14.89	208.92	4.38

(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, 2016. An overall increase of 9% on water minimum charges and 6% on sewer minimum charges became effective on the July 1, 2015 billing (fiscal year 2016). Additionally, please note that an overall rate increase of 2% on water and 2% on sewer became effective on the July 1, 2016 billing (fiscal year 2017).

**City of Newberry**  
**Principal Utility Customers by Total Billed (1)**  
**June 30, 2016**

Customer	Fiscal Year 2016			Fiscal Year 2007		
	Total Billed \$	Rank	Percentage of Total Operating Revenue (2)	Total Billed \$	Rank	Percentage of Total Operating Revenue (3)
Louis Rich	10,802,344	1	29.86%	4,521,245	1	21.77%
Newberry College	1,134,316	2	3.14%	607,607	3	2.93%
Saluda Commission of Public Works	1,053,329	3	2.91%	684,364	2	3.30%
Newberry County Memorial Hospital	752,811	4	2.08%	528,779	5	2.55%
Valmont Composite Structures	623,820	5	1.72%			0.00%
ISE	607,694	6	1.68%	533,693	4	2.57%
Newberry Housing Authority-Grant Homes	542,506	7	1.50%	280,188	8	1.35%
Packaging Corp. of America, Inc.	519,363	8	1.44%	313,550	7	1.51%
Wal-Mart	458,785	9	1.27%			0.00%
ST Partners, DBA Almark Foods	406,518	10	1.12%			0.00%
Shakespeare				374,325	6	1.80%
Newberry High School				202,120	9	0.97%
Lowe's Home Center				188,965	10	0.91%
<b>Total</b>	<b>16,901,486</b>		<b>46.71%</b>	<b>8,234,836</b>		<b>39.65%</b>

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

(2) Total audited operating revenue for fiscal year 2016 is \$ 36,180,215 .

(3) Total audited operating revenue for fiscal year 2007 is \$ 20,767,125 .

**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
2012	214,979,829	632,847	901,531	21,661,035
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

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

<b>Fiscal Year</b>	<b>Total kWh</b>	<b>Peak Demand MW</b>
2012	198,169,681	40.4
2013	201,221,934	41.9
2014	208,077,428	43.1
2015	211,831,140	42.6
2016	211,675,426	44.7

**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
2012	103,618,422	316,432	745,321	11,079,947
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

City of Newberry  
Principal Water Customers by Total Billed  
June 30, 2016

Customer Name	Annual Consumption in Cubic Feet	Annual Billing	Percentage of Water Revenues
10 Newberry High	594,659	\$15,454	0.31%
9 Newberry County Memorial Hospital	1,336,075	\$29,706	0.60%
8 ISE	2,200,718	\$42,057	0.85%
7 ST Partners, DBA Almark Foods	3,372,930	\$47,546	0.96%
6 Newberry College	3,602,460	\$113,353	2.29%
5 Kiswire	5,007,900	\$76,005	1.53%
4 Newberry Housing Authority	5,616,654	\$70,196	1.42%
3 Newberry County Water & Sewer Authority	14,095,975	\$182,653	3.69%
2 Louis Rich	63,726,810	\$1,502,043	30.32%
1 Saluda Commission of Public Works	85,949,709	\$1,053,329	21.26%
	185,503,890	\$3,132,342	63.22%

\*\*\*Total water dollars sold from July 2015 to June 2016 is:

\$4,954,562

City of Newberry  
Principal Sewer Customers by Total Billed  
June 30, 2016

Customer Name	Annual Flows in Cubic Feet	Annual Billing	Percentage of Sewer Revenues
10 Newberry Arms	336,300	\$40,602	0.91%
9 J.F. Hawkins Nursing Home	483,597	\$15,630	0.35%
8 Newberry County Memorial Hospital	1,296,740	\$47,957	1.07%
7 Newberry County Water and Sewer	1,840,814	\$85,640	1.91%
6 Newberry College	2,646,658	\$125,745	2.81%
5 ST Partners, DBA Almark Foods	3,372,930	\$89,405	2.00%
4 Newberry Housing Authority	3,447,033	\$110,039	2.46%
3 ISE	3,693,852	\$117,877	2.63%
2 Kiswire	4,959,232	\$133,963	2.99%
1 Louis Rich	50,465,703	\$1,312,232	29.30%
	3,447,033	\$2,079,091	46.42%

\*\*\*Total sewer dollars sold from July 2015 to June 2016 is:

\$4,478,390

City of Newberry  
Principal Electric Customers by Total Billed  
June 30, 2016

Customer Name	KWH	Annual Billing	Percentage of Electric Revenues
10 Lowe's	1,933,930	\$251,399	0.98%
9 Newberry Housing Authority	2,421,722	362,271	1.42%
8 ST Partners, DBA Almark Foods	2,539,022	269,567	1.05%
7 ISE	3,145,886	447,760	1.75%
6 Wal-Mart	4,068,784	458,785	1.79%
5 PCA	4,336,788	519,363	2.03%
4 Valmont Composite Structures	5,258,642	623,820	2.44%
3 NCMH	5,960,638	675,148	2.64%
2 Newberry College	6,109,035	895,218	3.50%
1 Louis Rich	82,030,496	7,988,069	31.23%
	117,804,944	\$12,491,401	48.84%

\*\*\*Total Electric dollars sold from July 2015 to June 2016 is:

\$25,578,451

**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 \$				
2007 (1)	2006	7,228,310	9,214,640	16,442,950	2,364,620	3,878,970	6,243,590	22,686,540	86.00	414,017,506	5.48%
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%

(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 information.

(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

Fiscal Year	Tax Year	Overlapping Rates										Total Direct & Overlapping Rates
		City of Newberry					Newberry County School District (1)					
		Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total County Millage	Operating Millage	Debt Service Millage	Total School Millage	Other (1)	
2007 (2)	2006	86.0	0.0	86.0	135.5	9.8	145.3	182.1	53.0	235.1	6.6	473.0
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

(1) Source: Newberry County Auditor.

(2) Reassessment.

City of Newberry  
Principal Property Taxpayers (1)  
June 30, 2016

Taxpayer	Fiscal Year 2016 (Tax Year 2015)			Fiscal Year 2007 (Tax Year 2006)		
	Taxable Assessed Value	Percentage of Total Taxable Assessed Value (2)	Rank	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (3)
	\$			\$		
Bellsouth Telecomm Inc.	673,840	2.40%	1	639,990	2	2.82%
Oakland Mill Dev Group LLC	659,120	2.35%	2			
ISE Newberry Inc.	404,310	1.44%	3	645,070	1	2.84%
Wal-Mart Real Est.	367,890	1.31%	4	278,920	4	1.23%
Lowe's Home Centers	355,180	1.27%	5	357,170	3	1.57%
Newberry Real Estate Inv. Inc.	337,360	1.20%	6			
West Development LLC	247,380	0.88%	7			
Newberry Developments LLC	228,940	0.82%	8			
TD Bank	228,530	0.82%	9			
Paramount Hotels LLC	222,010	0.79%	10			
Ellett Brothers Inc.				163,600	9	0.72%
Racine Associates				178,180	7	0.79%
Glimcher Properties				253,820	5	1.12%
White Oak Manor Inc.				154,910	10	0.68%
Jemsite Development LLC				306,590	3	1.54%
Duke Energy				195,630	6	0.86%
145 Associates				178,170	8	0.79%
Total	3,724,560	13.29%		3,352,050		14.78%

(1) Source: Newberry County Auditor.

(2) Total assessed valuation for tax year 2015 is \$28,026,230 .

(3) Total assessed valuation for tax year 2006 is \$22,686,540 .

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

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year (2)	Collected within the Fiscal Year of the Levy		Collections/ Adjustments in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
		\$	\$		\$	\$	
2007	2006	1,928,695	1,842,532	95.5%	80,758	1,923,290	99.7%
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%

(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	CPU Bonds (3)	Capital Leases	Total			
2007	-	1,810,000	2,008,856	2,016,356	-	-	-	5,835,212	3.1%	537	
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	

(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**

Fiscal Year	General Obligation Bonds \$	Less: Amounts Available in Debt Service Fund \$	Total \$	Percentage of Estimated Actual Taxable Value of Property	Per Capita \$
----------------	--------------------------------------	--	-------------	--	---------------------

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, 2016**

<b><u>Direct Debt</u></b>	
City of Newberry:	
General Obligation Debt	-
Special Assessment Debt	-
Capital Lease Obligations	1,473,179
Total Direct Debt	1,473,179
<b><u>Overlapping Debt</u></b>	
Newberry County, South Carolina Overlapping Debt:	
General Obligation Debt (1)	1,845,859
Estimated % of debt applicable to the City of Newberry (2)	19.27%
Total Overlapping Debt	355,697
Total Direct and Overlapping Debt	\$ 1,828,876

(1) Source: Newberry County Treasurer

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

2000 County General Obligation Bond	Paid Out
2007 County General Obligation Bond	170,000
2007A County General Obligation Bond	230,405
2010 County General Obligation Bond	325,000
2010 Refunding County General Obligation Bond	1,140,000
2013 County General Obligation Bond	1,200,000
Lease Purchase	1,497,497
2013 Installment Purchase	1,555,979
	\$ 6,118,881

(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 \$145,471,881. City of Newberry assessed valuation from the table within this statistical section labeled "Assessed Value and Estimated Actual Value of Taxable Property" is \$28,026,230.

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Debt Limit - 8 percent of total assessed value	1,860,383	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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	1,860,383	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
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	\$ 28,026,230
Assessed Value - tax increment financing district	-
Total assessed value	<u>28,026,230</u>
Debt limit (8% of total assessed value)	2,242,098
Debt applicable to limit:	
Total general obligation bonds	<u>-</u>
Legal debt margin	<u>\$ 2,242,098</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	
	\$	\$	\$	\$	\$	\$	\$	\$
2007	241,125	126,685	-	367,810	210,000	93,835	303,835	1.21
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

(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			Total \$	Coverage (3)
				Principal \$	Interest \$	Total \$		
2007	20,767,125	17,231,152	3,535,973	546,385	83,425	629,810	5.61	
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	

(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, 2016**

<b>Bond Year</b>	<b>Principal</b>	<b>Interest (1)</b>	<b>Total Debt Service</b>	<b>City's Portion (2)</b>
<b>Ending</b>				
1/1/2016	\$53,365,000	\$43,580,323	\$96,945,323	\$8,628,134
1/1/2017	\$54,700,000	\$40,846,550	\$95,546,550	\$8,503,643
1/1/2018	\$53,175,000	\$38,184,056	\$91,359,056	\$8,130,956
1/1/2019	\$59,085,000	\$35,509,519	\$94,594,519	\$8,418,912
1/1/2020	\$62,340,000	\$32,250,294	\$94,590,294	\$8,418,536
1/1/2021	\$63,355,000	\$28,891,356	\$92,246,356	\$8,209,926
1/1/2022	\$56,522,296	\$33,179,367	\$89,701,662	\$7,983,448
1/1/2023	\$53,126,844	\$32,954,800	\$86,081,644	\$7,661,266
1/1/2024	\$55,724,666	\$30,358,621	\$86,083,287	\$7,661,413
1/1/2025	\$66,955,000	\$19,125,350	\$86,080,350	\$7,661,151
1/1/2026	\$31,273,050	\$54,807,138	\$86,080,187	\$7,661,137
1/1/2027	\$38,586,590	\$47,839,504	\$86,426,094	\$7,691,922
1/1/2028	\$38,415,269	\$48,000,925	\$86,416,194	\$7,691,041
1/1/2029	\$38,400,295	\$47,970,598	\$86,370,894	\$7,687,010
1/1/2030	\$38,356,998	\$47,864,346	\$86,221,344	\$7,673,700
1/1/2031	\$44,746,486	\$47,630,907	\$92,377,394	\$8,221,588
1/1/2032	\$48,486,167	\$43,695,726	\$92,181,893	\$8,204,188
1/1/2033	\$76,235,000	\$15,706,595	\$91,941,595	\$8,182,802
1/1/2034	\$84,095,880	\$7,641,893	\$91,737,773	\$8,164,662

(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, 2016**

	2012	2013	2014	2015	2016
Gross Revenues	\$27,130,430	\$28,066,615	\$30,733,794	\$34,651,670	\$36,180,215
Operating and Maintenance Expenses	\$21,947,588	\$23,510,242	\$24,006,961	\$26,341,528	\$28,013,464
Non-operating Revenues	\$4,258	\$3,144	\$2,163	\$2,613	\$468,303
Net Earnings	\$5,187,100	\$4,559,517	\$6,728,996	\$8,312,755	\$8,635,054
Debt Service	\$1,157,135	\$1,825,016	\$923,268	\$1,578,569	\$1,790,943
Debt Service Coverage	4.48	2.50	7.29	5.27	4.82

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

Fiscal Year	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Population	Personal Income \$	Per Capita Personal Income \$	Median Household Income \$	Median Age	Education Level In Years of Formal Schooling	School Enrollment	Unemployment Rate %
2007	10,874	189,033,616	17,384	31,865	33.8	12.6	5,733	6.1
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

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

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

(3) Estimates by City of Newberry Finance Department for fiscal years 2007-2008. Fiscal years 2009-2016 estimates from Central Midlands Council of Governments.

(4) Estimates by City of Newberry Finance Department for fiscal years 2007-2008. Fiscal years 2009-2016 estimates from Central Midlands Council of Governments.

(5) Estimates by City of Newberry Finance Department for fiscal years 2007-2009. Fiscal year 2010-2016 estimates from Central Midlands Council of Governments.

(6) Sources: Estimates by City of Newberry Finance Department based on 2000 Census for fiscal years 2007-2010. Estimate by Newberry County School District for 2011-2016.

(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**

EMPLOYER	2016				2007			
	PERCENTAGE		PERCENTAGE		PERCENTAGE		PERCENTAGE	
	EMPLOYEES	RANK	EMPLOYMENT (2)	OF TOTAL COUNTY	EMPLOYEES	RANK	EMPLOYMENT (2)	OF TOTAL COUNTY
Louis Rich (*)	2500	1	15.25%	1230	1	7.50%		
Newberry County School District (**)	860	2	5.25%	840	2	5.12%		
Georgia Pacific (*)	356	3	2.17%	275	5	1.68%		
Newberry College	320	4	1.95%	170	9	1.04%		
Newberry County Memorial Hospital (**)	314	5	1.92%	435	4	2.65%		
Caterpillar, Inc. (*)	275	6	1.68%					
Wal-Mart	250	7	1.53%					
Valmont Composite Structures (*)	200	8	1.22%					
Pioneer Foods (*)	200	9	1.22%					
Shakespeare Composite Structures	200	10	1.22%	165	10	1.01%		
County of Newberry				180	7	1.10%		
McKechnie Vehicle Components (*)				175	8	1.07%		
Renfro (*)				530	3	3.23%		
Bluewater Marine Group				250	6	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 164 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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Council	7	7	7	7	7	7	7	7	7.33	7.33
City Administration (2)	4	4	4	4	4	4	4	4	3.67	3.67
Finance	4	4	4	4	4	2	2	2	2	2
Planning and Development	4	4	4	4	4	4	2	2	1.66	2
Public Safety										
Police										
Officers	32	32	32	32	32	32	32	32	32	30
Civilians	3	3	3	3	3	3	3	3	3	3
Justice and Law Civilians	3.2	3.2	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Fire (3)										
Firefighters and Officers	19	19	19	19	19	19	19	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	10	9	10	10.5	10.5
Sanitation	7	7	5	5	5	5	5	5	5	5
Building Maintenance	2	2	2	1	1	1	1	1	1	1
Garage	3	3	3	3	3	3	3	3	3	3
Recreation	14	10	13	13	13	14	14	12	12	12
Utility System										
Administration/Finance/Warehouse/										
Information Services	11	12	13	13	15	13	13	14	14	13
Electric	12	11	11	11	11	9	9	9	9.34	9
Water/Sewer Maintenance	11	11	11	11	11	11	11	9	9	8
Water Plant	9	9	9	9	9	8	8	9	9	8
Wastetreatment Plant	6	6	6	6	6	6	6	4	4.5	5
<b>Total</b>	<b>164.2</b>	<b>160.2</b>	<b>162.8</b>	<b>161.8</b>	<b>161.8</b>	<b>155.8</b>	<b>154.8</b>	<b>152.8</b>	<b>153.8</b>	<b>149.3</b>

(1) Source: City of Newberry Human Resources Director

(2) City Administration comprised of City Manager and Human Resource departments.

(3) In addition to City staff, there were 16 Volunteer Firefighter positions in fiscal year 2016.

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

FUNCTION	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government (2)										
Finance										
Businesses with licenses (for last completed calendar year)	1,147	1,166	1,169	1,143	1,140	1,133	1,132	1,090	1,082	1,074
Planning and Development										
New construction values per building permits	\$ 20,250,479	\$ 12,229,166	\$ 6,720,921	\$ 805,603	\$ 1,594,436	\$ 721,880	\$ 5,408,294	\$ 658,393	\$ 1,730,680	\$ 1,710,341
Public Safety										
Police										
Incidents	11,814	12,901	12,742	11,492	11,373	11,355	11,215	11,988	11,294	10,712
Arrests and traffic violations	8,251	7,015	6,304	6,454	6,069	6,564	5,210	5,973	4,770	4,556
Parking violations	272	429	542	351	310	53	78	108	76	232
Fire										
Volunteer personnel	18	15	14	18	16	12	14	12	16	15
Calls answered	543	501	491	493	541	951	852	803	446	465
Inspections	583	761	739	595	603	559	525	507	26	363
Public Works (3)										
Streets										
Streets resurfaced (miles)	0.9	0.93	1.64	0.51	-	2.13	1.09	0.20	-	-
Sanitation										
Refuse collected in tons per year	8,707	8,228	7,615	7,715	7,493	7,213	7,119	7,197	7,566	7,342
Recreation										
# Participants residing within City limits	805	729	942	859	990	961	946	867	635	561
# Participants residing outside City limits	233	320	338	349	417	369	347	296	277	344
# Participants total	1,038	1,049	1,280	1,208	1,407	1,330	1,293	1,163	912	905
Utility System										
Electric										
Maximum monthly non-coincident purchased demand (kW)	30,670	30,697	31,314	32,243	32,243	31,606	31,606	41,851	43,100	43,300
Water										
Average production (gallons per day)	4,543,934	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
Sewer										
Average treatment (gallons per day)	2,390,000	2,200,000	2,342,925	2,921,639 (5)	2,462,896 (5)	2,650,000 (5)	2,650,000 (5)	2,820,000 (5)	2,900,000 (5)	3,000,000

(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)	FISCAL YEAR									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	38	38	38	38	40	40	40	44	41
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Fire trucks	6	7	7	7	7	7	7	7	7	7
Public Works (3)										
Streets										
Streets within City (miles)	84	84	87	87	87	87	87	87	87	87
Sanitation										
Packer trucks	5	5	5	5	5	5	5	5	5	6
Recreation										
Parks	15	15	15	15	15	15	15	15	15	15
Parks acreage	100	100	100	100	100	100	100	100	100	100
Utility System										
Electric										
Miles of primary conductor	253	255	259	260	260	260	260	260	262	262
Miles of secondary conductor	88	89	91	92	93	93	93	93	93	93
Water										
Miles of water main lines	125	126	127	127	127	127	127	127	127	127
Fire hydrants	481	482	482	483	486	493	500	598	594	600
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	3,220,000	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.

**SINGLE AUDIT SECTION**

CITY OF NEWBERRY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through South Carolina Department of Commerce			
Community Development Block Grant (CDBG)	14.228	4-CI-13-015	\$ 192,500
Community Development Block Grant (CDBG)	14.228	4-CI-14-015	217,093
	<b>Total 14.228</b>		<u>409,593</u>
<u>U.S. Department of the Interior</u>			
Passed through South Carolina Department of Parks, Recreation, and Tourism			
Land and Water Conservation Fund Grant	15.916	45-01099	<u>100,000</u>
<u>U.S. Department of Homeland Security</u>			
Passed through South Carolina Emergency Management Division			
Disaster Grants - Public Assistance	97.036	FEMA 4241-PA-SC	<u>117,363</u>
Passed through Federal Emergency Management Agency			
Assistance to Firefighters Grant	97.044	EMW-2014-FO-04618	<u>174,477</u>
Staffing for Adequate Fire and Emergency Response Grants (SAFER)	97.083	EMW-2013-FF-00383	62,665
Staffing for Adequate Fire and Emergency Response Grants (SAFER)	97.083	EMW-2014-FF-00471	13,582
	<b>Total 97.083</b>		<u>76,247</u>
Total U.S. Department of Homeland Security			<u>368,087</u>
<b>Total Federal Awards Expended</b>			<u>\$ 877,680</u>

See accompanying notes to schedule.

**CITY OF NEWBERRY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2016**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – MATCHING COSTS**

Matching costs, i.e., the non-federal share of certain program costs, are not included in the accompanying schedule.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newberry, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 22, 2016.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 22, 2016

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
November 22, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

*Report on Compliance for Each Major Federal Program*

We have audited the City of Newberry's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

*Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

*Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

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 22, 2016

***Opinion on Each Major Federal Program***

In our opinion, the City of Newberry, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

**Report on Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City’s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
November 22, 2016

**CITY OF NEWBERRY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2016**

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the City of Newberry.
2. No significant deficiencies or material weaknesses in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the City of Newberry were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major programs were disclosed by the audit.
5. The auditor's report on compliance for the major federal award programs for the City of Newberry expresses an unmodified opinion.
6. The audit disclosed no audit findings relating to the major federal award programs for the City of Newberry that the auditor is required to report in accordance with the Uniform Guidance.
7. Identification of major programs:  

Community Development Block Grants (CDBG) 14.228
8. The threshold for distinguishing Type A programs was \$750,000.
9. The City of Newberry did not qualify as a low-risk auditee, with respect to federal awards programs, under the Uniform Guidance.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

**CITY OF NEWBERRY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2016**

There were no federal award-related audit findings in the prior year.