

**BAMBERG COUNTY, SOUTH CAROLINA**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2016**

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of County Council  
Bamberg County, South Carolina

### Report on the 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 Bamberg County, South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County'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 opinions 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.

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## INDEPENDENT AUDITOR'S REPORT

(continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

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 Bamberg County, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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, schedules of funding progress for the retiree health plan, schedules of the County's proportionate share of the net pension liability – SCRS and PORS, and schedules of County contributions – SCRS and PORS on pages 4–16 and 66–68 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 opinions on the financial statements that collectively comprise Bamberg County, South Carolina's basic financial statements. The combining and individual fund schedules and the supplemental section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## INDEPENDENT AUDITOR'S REPORT

(continued)

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2017, on our consideration of Bamberg County, 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 Bamberg County, South Carolina's internal control over financial reporting and compliance.

*Mc Gregor + Company LLP*

Orangeburg, South Carolina  
March 31, 2017



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

Bamberg County management's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities 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 the financial statements and notes to the basic financial statements.

The government-wide financial statements include Bamberg County (known as the primary government). The Bamberg Facilities Corporation, a non-profit corporation, was formed in June, 2013 and meets the criteria to be included in these financial statements as a blended component unit of the County. Information included in this discussion and analysis focuses on the activities of the primary government.

**Financial Highlights:**

- Bamberg County's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2016 by \$3,353,357 (net position). The County's unrestricted net position portion of this amount is a deficit \$(4,683,755).
- The County's total net position increased \$376,267 over the previous year.
- At June 30, 2016, the County's governmental fund balance sheet reported a combined ending fund balance of \$7,579,556 a decrease of \$1,776,578 from the previous fiscal year. Of this amount, \$1,797,523 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$3,208,164 a decrease from last fiscal year of \$30,400. The unassigned fund balance is \$2,004,750.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 County's finances, in a manner similar to a private-sector business.

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



**BAMBERG COUNTY**  
**BAMBERG, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of Bamberg County that are principally supported by taxes and intergovernmental revenues (governmental activities) and fees (business-type activities). The County's governmental activities include general government, public safety, physical environment, economic environment, human services, and cultural/recreation. The County's business-type activities include landfill and solid waste related services.

The government-wide financial statements can be found on pages 17 and 18 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. Bamberg County, 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 County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Bamberg County maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund and Capital Projects Sales Tax Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

Bamberg County adopts an annual appropriation budget for its General Fund and most of its other governmental funds. Required budgetary comparison schedules have been provided for the General Fund to demonstrate compliance with the budget.



**BAMBERG COUNTY**  
**BAMBERG, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

The basic governmental funds financial statements can be found on pages 19 through 28 of this report.

*Proprietary fund:* Bamberg County utilizes one proprietary fund for its landfill and solid waste related activities. This fund accounts for the assessed solid waste fees and the landfill usage fees. These statements are found on pages 24 through 27.

*Fiduciary fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to the basic 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 basic financial statements can be found on pages 29 through 65 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, the Governmental Accounting Standards Board requires information pertaining to other post employment benefits and the pension plan be presented to supplement the basic financial statements. This required supplemental information (RSI) is presented immediately following the notes to the financial statements. Combining and individual fund schedules referred to earlier are presented following the RSI. The RSI can be found on pages 66 through 68 and the combining and individual fund schedules can be found on pages 69 through 86 of this report.

#### **Government-wide Financial Analysis**

The government-wide financial statements are provided as part of the new approach mandated by the GASB. GASB sets the uniform standards for presenting government 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 Bamberg County, assets and deferred outflows exceeded liabilities and deferred inflow by \$3,353,357 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$376,267.

One of the largest portions of the County's net position (\$2,652,994) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County'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.

An additional portion of the County's net position (\$5,384,118) represents resources that are subject to restrictions on how they may be used. The remaining balance is a deficit of (\$4,028,683) unrestricted net position.

**BAMBERG COUNTY**  
**BAMBERG, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Bamberg County's Net Position**  
(Dollars in Thousands)

|   | <u>Governmental</u><br><u>Activities</u> |                 | <u>Business-type</u><br><u>Activities</u> |                | <u>Total</u>   |                 |
|---|--|-----------------|---|----------------|----------------|-----------------|
|   | <u>2016</u>                              | <u>2015</u>     | <u>2016</u>                               | <u>2015</u>    | <u>2016</u>    | <u>2015</u>     |
| Current and other assets                        | \$ 9,382                                 | \$11,009        | \$ 139                                    | \$ 59          | \$9,520        | \$ 11,068       |
| Capital assets                                  | <u>12,038</u>                            | <u>8,258</u>    | <u>744</u>                                | <u>451</u>     | <u>12,783</u>  | <u>8,709</u>    |
| Total assets                                    | <u>21,420</u>                            | <u>19,267</u>   | <u>883</u>                                | <u>510</u>     | <u>22,303</u>  | <u>19,777</u>   |
| Total deferred outflows of resources            | <u>2,461</u>                             | <u>399</u>      | <u>33</u>                                 | <u>23</u>      | <u>2,494</u>   | <u>422</u>      |
| Long-term liabilities                           |  |                 |   |                |                |                 |
| Outstanding                                     | 17,974                                   | 14,286          | 1,092                                     | 856            | 19,066         | 15,142          |
| Other liabilities                               | <u>2,146</u>                             | <u>1,599</u>    | <u>227</u>                                | <u>82</u>      | <u>2,373</u>   | <u>1,681</u>    |
| Total liabilities                               | <u>20,120</u>                            | <u>15,885</u>   | <u>1,319</u>                              | <u>938</u>     | <u>21,439</u>  | <u>16,823</u>   |
| Total deferred inflows of resources             | <u>5</u>                                 | <u>378</u>      | <u>-</u>                                  | <u>21</u>      | <u>5</u>       | <u>399</u>      |
| Net Position                                    |  |                 |   |                |                |                 |
| Invested in capital assets, net of related debt | 2,401                                    | 2,858           | 252                                       | 247            | 2,653          | 3,105           |
| Restricted                                      | 5,384                                    | 7,010           | -   | -              | 5,384          | 7,010           |
| Unrestricted                                    | <u>(4,029)</u>                           | <u>(6,465)</u>  | <u>(655)</u>                              | <u>(673)</u>   | <u>(4,684)</u> | <u>(7,138)</u>  |
| Total net position                              | <u>\$ 3,756</u>                          | <u>\$ 3,403</u> | <u>\$(403)</u>                            | <u>\$(426)</u> | <u>\$3,353</u> | <u>\$ 2,977</u> |

The changes in net position displayed below shows the governmental and business-type activities during the fiscal year.

**Bamberg County's Changes in Net Position**  
(Dollars in Thousands)

|                                  | <u>Governmental</u><br><u>Activities</u> |             | <u>Business-type</u><br><u>Activities</u> |             | <u>Total</u> |             |
|----------------------------------|--|-------------|---|-------------|--------------|-------------|
|                                  | <u>2016</u>                              | <u>2015</u> | <u>2016</u>                               | <u>2015</u> | <u>2016</u>  | <u>2015</u> |
| <b>Revenues</b>                  |  |             |   |             |              |             |
| Program revenues:                |  |             |   |             |              |             |
| Charges for services             | \$ 783                                   | \$ 776      | \$ 994                                    | \$ 935      | \$ 1,777     | \$ 1,711    |
| Operating grants                 | 474                                      | 1,242       | 32  | 23          | 506          | 1,265       |
| Capital grants and contributions | 683                                      | 212         | -   | -           | 683          | 212         |



**BAMBERG COUNTY**  
**BAMBERG, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**Bamberg County's Change in Net Position**  
**(Dollars in Thousands)**

|                          | <u>Governmental</u> |                 | <u>Business-type</u> |                | <u>Total</u>  |               |
|--------------------------|---------------------|-----------------|----------------------|----------------|---------------|---------------|
|                          | <u>2016</u>         | <u>2015</u>     | <u>2016</u>          | <u>2015</u>    | <u>2016</u>   | <u>2015</u>   |
| <b>General revenue:</b>  |                     |                 |                      |                |               |               |
| Taxes:                   |                     |                 |                      |                |               |               |
| Property taxes           | 6,285               | 5,862           | -                    | -              | 6,285         | 5,862         |
| Sales tax                | 806                 | 930             | -                    | -              | 806           | 930           |
| State shared revenue     | 593                 | 594             | -                    | -              | 593           | 594           |
| Gain on sale of assets   | 86                  | 11              | 27                   | -              | 113           | 11            |
| Interest earnings        | 4                   | 6               | -                    | -              | 4             | 6             |
| Miscellaneous            | 96                  | 120             | -                    | -              | 96            | 120           |
| Contributions            | <u>53</u>           | <u>382</u>      | <u>-</u>             | <u>-</u>       | <u>53</u>     | <u>382</u>    |
| Total revenues           | <u>9,863</u>        | <u>10,135</u>   | <u>1,053</u>         | <u>958</u>     | <u>10,916</u> | <u>11,093</u> |
| <b>Expenses:</b>         |                     |                 |                      |                |               |               |
| General government       | 2,723               | 2,436           | -                    | -              | 2,723         | 2,436         |
| Judicial                 | 700                 | 680             | -                    | -              | 700           | 680           |
| Public safety            | 2,556               | 2,092           | -                    | -              | 2,556         | 2,092         |
| Public works             | 556                 | 474             | -                    | -              | 556           | 474           |
| Economic development     | 413                 | 139             | -                    | -              | 413           | 139           |
| Culture and recreation   | 175                 | 697             | -                    | -              | 175           | 697           |
| Miscellaneous            | 166                 | 169             | -                    | -              | 166           | 169           |
| Health and welfare       | 932                 | 1,558           | -                    | -              | 932           | 1,558         |
| Interest and charges     | 1,316               | 882             | -                    | -              | 1,316         | 882           |
| Landfill and solid waste | <u>-</u>            | <u>-</u>        | <u>1,003</u>         | <u>979</u>     | <u>1,003</u>  | <u>979</u>    |
| Total expenses           | <u>9,537</u>        | <u>9,127</u>    | <u>1,003</u>         | <u>979</u>     | <u>10,540</u> | <u>10,106</u> |
| <b>Transfers</b>         | <u>27</u>           | <u>-</u>        | <u>(27)</u>          | <u>-</u>       | <u>-</u>      | <u>-</u>      |
| Change in net position   | <u>\$ 353</u>       | <u>\$ 1,008</u> | <u>\$ 23</u>         | <u>\$ (21)</u> | <u>\$ 376</u> | <u>\$ 987</u> |

**Primary Government Activities:** Revenues for the County's governmental activities were \$9,863,607 for fiscal year 2016. Taxes constitute the largest source of County revenues, amounting to approximately \$7,090,592 for the fiscal year 2016. Real, personal property, and vehicle taxes of \$6,284,994 represent over 88% of total taxes and 65% of all revenue combined. The business-type activities had an increase in net position for the year of \$22,959.

**Financial Analysis of Bamberg County's Funds**

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

**Governmental funds:** The focus of Bamberg County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bamberg County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

As of June 30, 2016, Bamberg County governmental funds reported combined fund balances of \$7,579,556, a decrease of \$1,776,578 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2016, total fund balance in the General Fund was \$3,208,164, of which \$2,004,750 was unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balances compared to total fund expenditures was 31%. The fund balance of the General Fund decreased by \$30,400 during the current fiscal year.

The major Capital Projects Sales Tax fund is used to account for specific revenues and debt proceeds slated to fund the approved capital projects under the sales tax referendum. The fund balance for this fund decreased by \$1,498,821 during the fiscal year as construction of approved projects were underway resulting in an ending fund balance of \$3,514,053 at June 30, 2016.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds decreased by \$247,657 from the prior year. A major portion of this decrease is due to the decreased lease proceeds being received in the prior fiscal year but the related vehicle purchases-not being made until the 2016 fiscal year.

**General Fund Budgetary Highlights**

A budget to actual statement is provided for the General Fund on page 23. The expenditures incurred during the year were \$92,245 over the budgeted amounts and revenues were \$385,876 over the budgeted amounts.

**Capital Asset and Debt Administration**

**Capital assets:** Bamberg County's investment in capital assets for its governmental activities and business-type activities as of June 30, 2016 is stated below.

|                               | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|-------------------------------|------------------------------------|-------------------------------------|
|                               | (Dollars in Thousands)             |                                     |
| Land                          | \$ 793                             | \$ 36                               |
| Construction in process       | 3,916                              | -                                   |
| Buildings and improvements    | 4,981                              | 161                                 |
| Vehicles                      | 975                                | -                                   |
| Machinery and equipment       | 1,092                              | 547                                 |
| Infrastructure                | <u>281</u>                         | <u>-</u>                            |
| <br>Total capital assets, net | <br><u>\$12,038</u>                | <br><u>\$ 744</u>                   |

Additional information on the County's capital assets can be found in Note 7 on pages 41 through 42 of this report.



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

**Long-term debt:** At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,623,066, all of which is backed by the full faith and credit of the County. During the 15-16 fiscal year, the County issued \$145,000 general obligation bond 2015B and \$120,000 general obligation bond 2016 to provide funding for capital sales tax projects and payment of existing debt service on debt related to these projects. During the fiscal year, the County also executed five installment purchase contracts for a total of \$712,798 for heavy equipment. On November 17, 2015, the County through its blended component unit the Bamberg Facilities Corporation issued two installment purchase refunding revenue bonds - \$6,280,000 series 2015A and \$4,515,000 taxable series 2015B. Proceeds from these bonds were used to refund the outstanding installment purchase revenue bond taxable series 2013A. All of these debt issues pertained to the governmental activities. Under the business-type activities, the County entered into a \$318,051 installment purchase contract for heavy equipment.

**Bamberg County's Outstanding Debt  
(Dollars in Thousands)**

|                                    | <u>Governmental<br/>Activities</u> |                 | <u>Business- Type<br/>Activities</u> |               |
|------------------------------------|------------------------------------|-----------------|--------------------------------------|---------------|
|                                    | <u>2016</u>                        | <u>2015</u>     | <u>2016</u>                          | <u>2015</u>   |
| General obligation bonds           | \$ 1,623                           | \$ 1,483        | \$ -                                 | \$ -          |
| Installment purchase revenue bonds | 10,795                             | 8,305           | -                                    | -             |
| Tax Anticipation Notes             | 6                                  | 9               | -                                    | -             |
| Capital lease obligations          | <u>1,283</u>                       | <u>739</u>      | <u>318</u>                           | <u>204</u>    |
|                                    | <u>\$13,707</u>                    | <u>\$10,536</u> | <u>\$318</u>                         | <u>\$ 204</u> |

Additional information on Bamberg County's long-term debt can be found in Note 11 on pages 44 through 50 of this report.

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

**Physical Characteristics**



*New Bamberg County Entrance Sign on US Highway 301*



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

Bamberg County was established in 1897 and consists of 395.2 square miles. The population (2014) is 15,182. The County operates under the Council-Administrator form of government and employs approximately 113. The county intersects four U.S. Highways – U.S. 301, 601, 78 and 321.

**Rail Service:**

A north - south bound branch of CSX rail bisects Bamberg County and travels through the towns of Denmark, Govan and Olar. This rail offers easy access to both the ports of Savannah and Charleston.

**Air Service:**

Bamberg is served by a community airport consisting of an approximately 3600 foot runway capable of accommodating single and multi-engine air craft.

**Utility Providers:**

The Bamberg Board of Public Works serves the northeastern portion of the county and provides electric, water, wastewater and gas service to the Town of Bamberg and immediate surrounding areas. Electric service is provided within the unincorporated areas by Edisto Electric Cooperative.

A municipal system provides water and waste water to The City of Denmark. Power and gas within the City of Denmark is provided by South Carolina Electric and Gas.

In addition, a municipal water and sewer system serves the town Ehrhardt. The Towns of Olar and Govan are served by a joint municipal water system.

**School Districts:**

Bamberg County is composed of two school districts: Denmark-Olar and Bamberg Ehrhardt.

**Higher Education:**

Bamberg County is home to Voorhees College, Denmark Technical College and the Bamberg Job Corps Center.

**Healthcare:**

The Regional Medical Center operates an urgent care center within the Town of Bamberg. Acute and specialized care providers are located approximately 20 miles north in Orangeburg, SC.

**Quality of Life:**

The Edisto River borders the county to the north and offers ample canoeing and angling opportunities. Bamberg is home to a large population of wildlife and draws visitors from across the nation for game hunting and wing shooting. The municipalities or local clubs offer a full range of organized youth sporting activities on a year round basis. Further afield, the county is within roughly 90 minutes of historic Charleston, SC and Savannah, GA and an easy drive to world-class beach and resort destinations such as Hilton Head Island, SC.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

**Unique:**

Bamberg is the childhood home of Nikki Haley, the first female to serve as governor of South Carolina. She was nominated as the U.S. Ambassador to the United Nations in January of 2017.

**Largest Employers:**

Bamberg County boasts a robust mix of private employers with one of the largest sectors encompassing production and manufacturing. Some of Bamberg's most notable companies are summarized below.

***Masonite***

Masonite is located just outside the City of Denmark. They are one of the world's largest producers of residential doors, having the capacity to produce up to 7,000 doors a day. Presently, they employ around 200 people. Masonite is one of Bamberg's newest industries. Recognizing a tremendous opportunity to take advantage of Bamberg's proximity to markets and local workforce, the company has invested over 14 million in the community since 2011.

***UTC Aerospace/Delavan***

The Bamberg facility employs approximately 132 people and has been located in the community since 1970. As the maker of highly refined nozzles, UTC controls approximately 70 percent of this market. Future product development includes entry and growth in South Carolina's ever-advancing automotive and aerospace clusters.

***Rockland Industries***

Rockland Industries has been located at the current Bamberg County facility for over 40 years. As a maker of high performance specialty "black-out" fabric, Rockland is one the only textile companies in the nation that continues to export fabric to Asia and the Far East. They consistently employ approximately 130 individuals.

***Freudenberg Sealing Technologies***

German based FST is the newest addition to Bamberg County's family of companies. Last year, Freudenberg purchased the existing assets of Tobul Accumulator. Tobul had been a world leader in the Hydraulic Accumulator market and operating in Bamberg County since 1987. Capitalizing on this high level of foundational experience, Freudenberg continues to grow the company at the Bamberg location. The plant currently employs around 130.

***Phoenix Specialty***

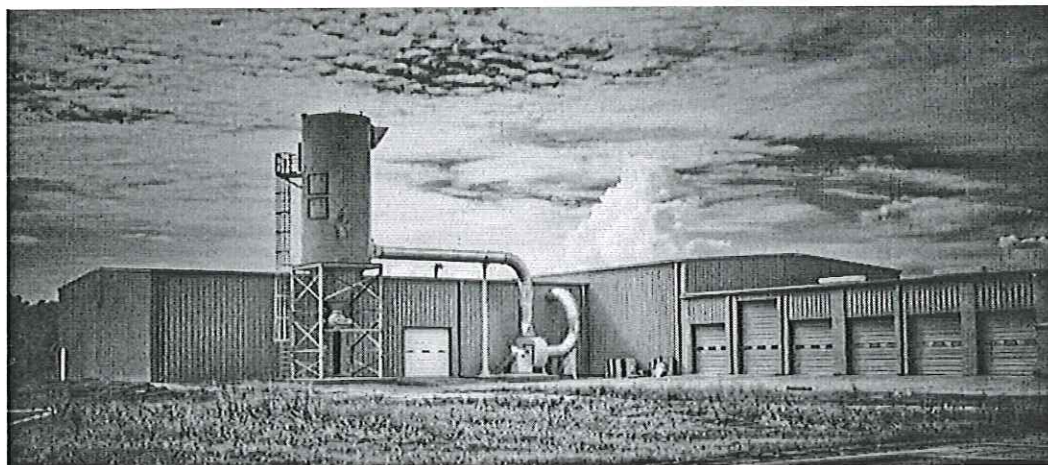
In business for over 100 years, today Phoenix produces high quality washers and shims for a variety of applications. Phoenix has the ability to create highly refined components. As a result, many of the parts made are used in aerospace propulsion systems. The aerospace division of General Electric is one of their larger customers. The company historically employs around 90 people and has been operating successfully in Bamberg since 1969.



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

*Black Water Barrels*

Black Water Barrels began operations in January of 2016, retrofitting and expanding upon existing commercial space in Bamberg. This welcome economic announcement entails adding 57 new jobs and an investment of \$3.6 million. Their product is used in the distilling of bourbon, wine, spirits and beers. Below is a before and after picture of the facility.





**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2016**

**Southern Carolina Alliance:**

Bamberg County is a charter member of the Southern Carolina Regional Development Alliance. The Alliance began as three rural counties including Bamberg, Allendale and Barnwell in 1996. Since that time, the Alliance has grown to serve a total of six counties in the South Carolina Lowcountry. In an effort to advance the quality of life of the region through job creation and capital investment, the Alliance provides a full range of economic development services to Bamberg. These include product development, existing industry support, community development, and national and international marketing and industrial recruitment.

**Unemployment**

The growth of Bamberg County's existing companies along with new announcements, have resulted in the County's unemployment rate decreasing markedly the past year. According to the S.C. Department of Employment and Workforce (DEW), Bamberg County's unemployment rate was 7.3%, as of December 2016, representing an 18% decrease from the December of 2015 rate of 8.9%. The state of South Carolina unemployment rates were 4.3% in December of 2016 and 5.5% in December of 2015.

**FY17 Budget**

Current economic factors were taken into consideration in preparing the FY17 budget. The county held most operating expenses at FY16 levels with the exception of some much needed capital replacements for the Road Maintenance Department and Solid Waste. In addition the County continues to follow its capital replacement plan in purchasing vehicles for Public Safety and other mission critical areas. The county telephone system was also replaced with the addition of the new County Annex Building. The county did budget for an across the board 2% increase to employee salaries in the FY17 budget as well as increases for the Sheriff's Department and the Detention Center. These targeted increases were intended to combat turnover in these two departments. These increases totaled \$107,975. Staffing levels remain flat with the exception of the addition of one part-time position in the Voters Registration and Election Department. Both health insurance premiums and retirement contributions increased in FY17. Overall, the total County budget was \$14,554,710 for FY17 compared to \$13,600,238 and FY16.

**Tax Levies**

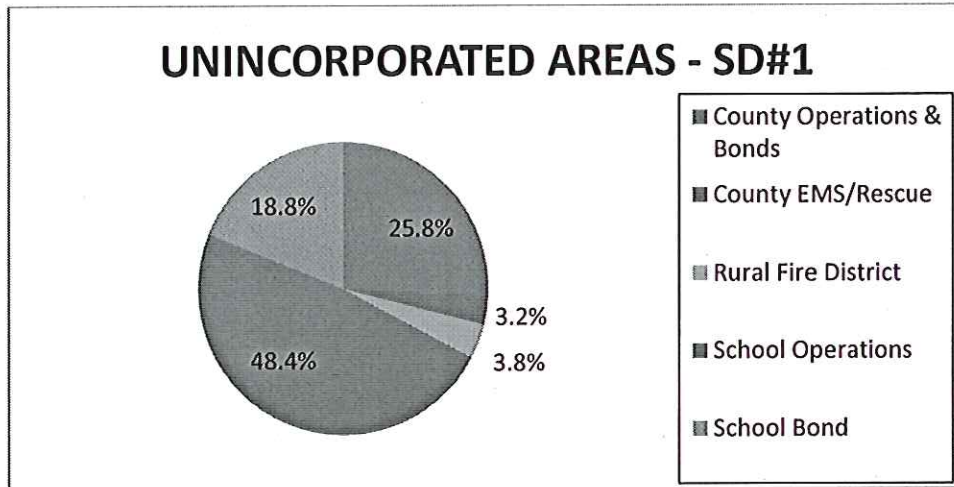
Below is a summary of the tax levies supporting the FY17 Budget, as compared to the FY16 levies. The county adheres to levy limitation laws and strives not to incur significant increases from year to year.

| <b>Levy</b>                      | <b>FY17 Levy</b> | <b>FY16 Levy</b> |
|----------------------------------|------------------|------------------|
| County Operations                | 124.2            | 124.0            |
| Capital Needs                    | 14.4             | 6.8              |
| EMS/Rescue                       | 18.5             | 18.5             |
| Fire Service                     | 22.0             | 22.0             |
| <b>Subtotal Operating Levies</b> | <b>179.1</b>     | <b>171.3</b>     |
| <b>Bonded Indebtedness</b>       | <b>10.5</b>      | <b>7.4</b>       |
| <b>Total Levy</b>                | <b>189.6</b>     | <b>178.7</b>     |

**BAMBERG COUNTY  
 BAMBERG, SOUTH CAROLINA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 FOR THE YEAR ENDED JUNE 30, 2016**

There are two school districts in Bamberg County. Below are graphs that depict the combined tax levies of both the county and each of the school districts.

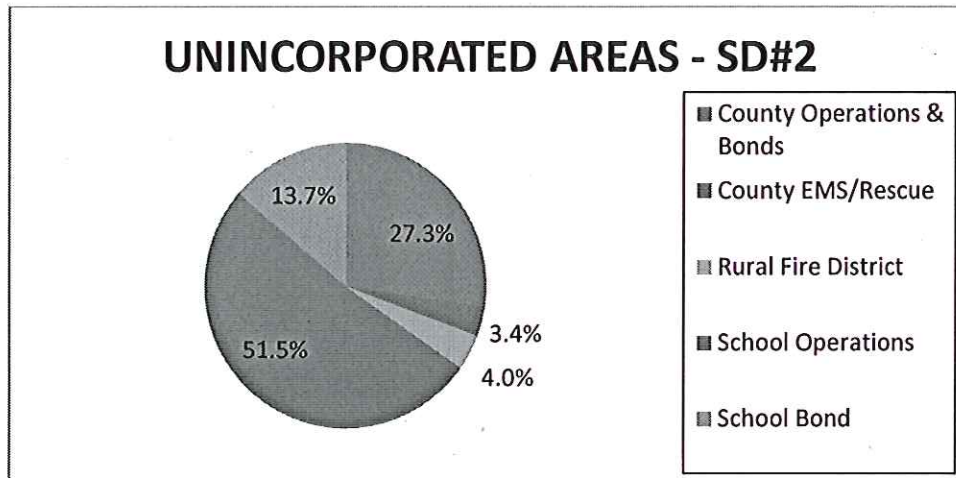
| <b>UNINCORPORATED AREAS - SCHOOL DISTRICT ONE</b> |        |             |
|---|--------|-------------|
|   |        | <b>LEVY</b> |
| County Operations & Bonds                         | 25.8%  | 149.1       |
| County EMS/Rescue                                 | 3.2%   | 18.5        |
| Rural Fire District                               | 3.8%   | 22.0        |
| School Operations                                 | 48.4%  | 279.8       |
| School Bond                                       | 18.8%  | 109.0       |
|   |        |             |
| Total Millage                                     | 100.0% | 578.4       |





**BAMBERG COUNTY  
 BAMBERG, SOUTH CAROLINA  
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 FOR THE YEAR ENDED JUNE 30, 2016**

| <b>UNINCORPORATED AREAS - SCHOOL DISTRICT TWO</b> |               |               |
|---|---------------|---------------|
|   |               | <b>LEVY</b>   |
| County Operations & Bonds                         | 27.3%         | 149.1         |
| County EMS/Rescue                                 | 3.4%          | 18.5          |
| Rural Fire District                               | 4.0%          | 22.0          |
| School Operations                                 | 51.5%         | 281.24        |
| School Bond                                       | 13.7%         | 75.0          |
|   |               |               |
| <b>Total Millage</b>                              | <b>100.0%</b> | <b>545.84</b> |



**Requests for Information**

This financial report is designed to provide a general overview of Bamberg County'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 information should be addressed to County Administrator, Bamberg County Annex, 1234 North Street, Bamberg, South Carolina 29003.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

|  | Primary Government         |                             | Total               |
|--|----------------------------|-----------------------------|---------------------|
|  | Governmental<br>Activities | Business-type<br>Activities |                     |
| <b>ASSETS</b>  |                            |                             |                     |
| Current assets:                                      |                            |                             |                     |
| Cash and cash equivalents                            | \$ 707,350                 | \$ 704,903                  | \$ 1,412,253        |
| Restricted cash and cash equivalents                 | 5,655,081                  | -                           | 5,655,081           |
| Receivables  |                            |                             |                     |
| Property taxes                                       | 720,124                    | -                           | 720,124             |
| Other receivables                                    | 14,495                     | 184,062                     | 198,557             |
| Due from other governments                           | 1,527,300                  | 1,980                       | 1,529,280           |
| Due from Agency Funds                                | 5,482                      | -                           | 5,482               |
| Internal balances                                    | 751,830                    | (751,830)                   | -                   |
| Non-current assets:                                  |                            |                             |                     |
| Capital assets -                                     |                            |                             |                     |
| Non-depreciable - Note 7                             | 4,708,793                  | 36,000                      | 4,744,793           |
| Depreciable - net - Note 7                           | 7,329,390                  | 707,696                     | 8,037,086           |
| <b>TOTAL ASSETS</b>                                  | <b>21,419,845</b>          | <b>882,811</b>              | <b>22,302,656</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |                            |                             |                     |
| Deferred charges on bond refunding                   | 1,861,850                  | -                           | 1,861,850           |
| Related to pensions                                  | 599,504                    | 33,400                      | 632,904             |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>          | <b>2,461,354</b>           | <b>33,400</b>               | <b>2,494,754</b>    |
| <b>LIABILITIES</b>                                   |                            |                             |                     |
| Current liabilities:                                 |                            |                             |                     |
| Accounts payable                                     | 602,664                    | 99,402                      | 702,066             |
| Accrued expenses                                     | 96,611                     | 13,712                      | 110,323             |
| Accrued interest payable                             | 140,573                    | -                           | 140,573             |
| Due to other governments                             | 175,368                    | -                           | 175,368             |
| Due to Agency Funds                                  | 844                        | -                           | 844                 |
| Bond deposits and prepayments                        | 119,549                    | -                           | 119,549             |
| Unearned grant revenue                               | 2,860                      | 19,705                      | 22,565              |
| Current portion of accrued claims                    | 85,000                     | -                           | 85,000              |
| Current portion of accrued compensated absences      | 71,532                     | 5,018                       | 76,550              |
| Current portion of long-term liabilities             | 849,987                    | 89,024                      | 939,011             |
| Noncurrent liabilities:                              |                            |                             |                     |
| Accrued compensated absences, net of current portion | 135,189                    | 14,035                      | 149,224             |
| Long-term debt, net of current portion               | 13,085,625                 | 817,397                     | 13,903,022          |
| Net pension liability                                | 4,645,953                  | 258,842                     | 4,904,795           |
| Net OPEB obligation                                  | 52,703                     | 1,838                       | 54,541              |
| Accrued claims, net of current portion               | 55,000                     | -                           | 55,000              |
| <b>TOTAL LIABILITIES</b>                             | <b>20,119,458</b>          | <b>1,318,973</b>            | <b>21,438,431</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                            |                             |                     |
| Related to pensions                                  | 5,325                      | 297                         | 5,622               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>           | <b>5,325</b>               | <b>297</b>                  | <b>5,622</b>        |
| <b>NET POSITION</b>                                  |                            |                             |                     |
| Invested in capital assets, net of related debt      | 2,400,981                  | 252,013                     | 2,652,994           |
| Restricted   | 5,384,118                  | -                           | 5,384,118           |
| Unrestricted (deficit)                               | (4,028,683)                | (655,072)                   | (4,683,755)         |
| <b>TOTAL NET POSITION</b>                            | <b>\$ 3,756,416</b>        | <b>\$ (403,059)</b>         | <b>\$ 3,353,357</b> |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

| FUNCTIONS AND PROGRAMS  | PROGRAM REVENUES     |                      |                          | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION |                          |                          |
|---|----------------------|----------------------|--------------------------|---|--------------------------|--------------------------|
|   | EXPENSES             | OPERATING            |                          | GOVERNMENTAL ACTIVITIES                           | PRIMARY GOVERNMENT       |                          |
|   |                      | CHARGES FOR SERVICES | GRANTS AND CONTRIBUTIONS |   | GRANTS AND CONTRIBUTIONS | BUSINESS-TYPE ACTIVITIES |
| <b>GOVERNMENTAL ACTIVITIES</b>                                      |                      |                      |                          |   |                          |                          |
| General government  | \$ 2,723,173         | \$ 63,353            | \$ 149,838               | \$ -  | \$ (2,509,982)           | \$ (2,509,982)           |
| Judicial  | 699,758              | 253,084              | 64,129                   | -   | (382,545)                | (382,545)                |
| Public safety   | 2,555,876            | 133,827              | 220,806                  | -   | (2,201,243)              | (2,201,243)              |
| Public works  | 556,108              | 332,550              | -                        | 332,914   | 109,356                  | 109,356                  |
| Economic development  | 413,081              | -                    | -                        | 350,000   | (63,081)                 | (63,081)                 |
| Culture and recreation  | 175,012              | -                    | -                        | -   | (175,012)                | (175,012)                |
| Miscellaneous   | 165,718              | -                    | -                        | -   | (165,718)                | (165,718)                |
| Health and welfare  | 932,343              | -                    | 39,526                   | -   | (892,817)                | (892,817)                |
| Interest  | 1,315,980            | -                    | -                        | -   | (1,315,980)              | (1,315,980)              |
| <b>TOTAL GOVERNMENTAL ACTIVITIES</b>                                | <b>9,537,049</b>     | <b>782,814</b>       | <b>474,299</b>           | <b>682,914</b>                                    | <b>(7,597,022)</b>       | <b>(7,597,022)</b>       |
| <b>BUSINESS-TYPE ACTIVITY</b>                                       |                      |                      |                          |   |                          |                          |
| Landfill and solid waste  | 1,003,473            | 994,161              | 32,063                   | -   | -                        | 22,751                   |
| <b>TOTAL BUSINESS-TYPE ACTIVITY</b>                                 | <b>1,003,473</b>     | <b>994,161</b>       | <b>32,063</b>            | <b>-</b>  | <b>-</b>                 | <b>22,751</b>            |
| <b>TOTAL PRIMARY GOVERNMENT</b>                                     | <b>\$ 10,540,522</b> | <b>\$ 1,776,975</b>  | <b>\$ 506,362</b>        | <b>\$ 682,914</b>                                 | <b>(7,597,022)</b>       | <b>(7,574,271)</b>       |
| <b>GENERAL REVENUES:</b>  |                      |                      |                          |   |                          |                          |
| Property taxes  |                      |                      |                          |   | 6,284,994                | 6,284,994                |
| Sales tax   |                      |                      |                          |   | 805,598                  | 805,598                  |
| State shared revenues   |                      |                      |                          |   | 592,775                  | 592,775                  |
| Interest earnings   |                      |                      |                          |   | 4,354                    | 4,354                    |
| Miscellaneous   |                      |                      |                          |   | 96,747                   | 96,747                   |
| Gain on disposal of assets  |                      |                      |                          |   | 86,112                   | 113,070                  |
| <b>CAPITAL CONTRIBUTIONS</b>  |                      |                      |                          |   | 53,000                   | 53,000                   |
| <b>TRANSFERS</b>  |                      |                      |                          |   | 26,750                   | -                        |
| <b>TOTAL GENERAL REVENUES, CAPITAL CONTRIBUTIONS, AND TRANSFERS</b> |                      |                      |                          |   | <b>7,950,350</b>         | <b>7,950,358</b>         |
| <b>CHANGE IN NET POSITION</b>                                       |                      |                      |                          |   | 353,308                  | 376,267                  |
| <b>NET POSITION, JULY 1, 2015</b>                                   |                      |                      |                          |   | 3,403,108                | 2,977,090                |
| <b>NET POSITION, JUNE 30, 2016</b>                                  |                      |                      |                          |   | <b>\$ 3,756,416</b>      | <b>\$ 3,353,357</b>      |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

|   | <u>GENERAL<br/>FUND</u> | <u>CAPITAL<br/>PROJECTS<br/>SALES TAX FUND</u> | <u>OTHER<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|---|-------------------------|--|---|---|
| <b>ASSETS</b>   |                         |  |   |   |
| Cash and cash equivalents:  |                         |  |   |   |
| Unrestricted  | \$ 707,350              | \$ -   | \$ -                                    | \$ 707,350                              |
| Restricted  | 1,408,699               | 3,117,108                                      | 1,129,274                               | 5,655,081                               |
| Receivables   |                         |  |   |   |
| Property taxes  | 615,440                 | -  | 104,684                                 | 720,124                                 |
| Other receivables   | 14,495                  | -  | -                                       | 14,495                                  |
| Due from other governments  | 609,508                 | 616,610  | 301,182                                 | 1,527,300                               |
| Due from other funds  | 1,188,276               | 23,186   | 76,412                                  | 1,287,874                               |
| Due from Agency Funds   | 5,482                   | -  | -                                       | 5,482                                   |
| <b>TOTAL ASSETS</b>   | <u>\$ 4,549,250</u>     | <u>\$ 3,756,904</u>                            | <u>\$ 1,611,552</u>                     | <u>\$ 9,917,706</u>                     |
| <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>           |                         |  |   |   |
| <b>LIABILITIES</b>  |                         |  |   |   |
| Accounts payable  | \$ 207,166              | \$ 213,607                                     | \$ 181,891                              | \$ 602,664                              |
| Accrued expenses  | 79,657                  | -  | 16,954                                  | 96,611                                  |
| Bond deposits and prepayments                                     | 119,549                 | -  | -                                       | 119,549                                 |
| Due to other governments  | 175,368                 | -  | -                                       | 175,368                                 |
| Due to other funds  | 48,500                  | 29,244   | 458,300                                 | 536,044                                 |
| Due to Agency Funds   | 844                     | -  | -                                       | 844                                     |
| Unearned revenue - grants   | -                       | -  | 2,860                                   | 2,860                                   |
| Accrued claims  | 140,000                 | -  | -                                       | 140,000                                 |
| <b>Total Liabilities</b>  | <u>771,084</u>          | <u>242,851</u>                                 | <u>660,005</u>                          | <u>1,673,940</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                              |                         |  |   |   |
| Unavailable Revenue   |                         |  |   |   |
| Property Taxes  | 570,002                 | -  | 94,208                                  | 664,210                                 |
| <b>Total Deferred Inflows of Resources</b>                        | <u>570,002</u>          | <u>-</u>                                       | <u>94,208</u>                           | <u>664,210</u>                          |
| <b>FUND BALANCES</b>  |                         |  |   |   |
| Restricted  | 805,499                 | 3,514,053                                      | 996,896                                 | 5,316,448                               |
| Assigned  | 397,915                 | -  | 67,670                                  | 465,585                                 |
| Unassigned (deficit)  | 2,004,750               | -  | (207,227)                               | 1,797,523                               |
| <b>Total Fund Balances</b>  | <u>3,208,164</u>        | <u>3,514,053</u>                               | <u>857,339</u>                          | <u>7,579,556</u>                        |
| <b>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS, AND FUND BALANCES</b> | <u>\$ 4,549,250</u>     | <u>\$ 3,756,904</u>                            | <u>\$ 1,611,552</u>                     | <u>\$ 9,917,706</u>                     |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

|  |                     |                            |
|--|---------------------|----------------------------|
| Total fund balance - total governmental funds  |                     | \$ 7,579,556               |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |                     |                            |
| Some receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and deferred outflows in the funds.  |                     |                            |
| Delinquent taxes receivable  |                     | 664,210                    |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.  |                     |                            |
|  |                     | 12,038,183                 |
| Long-term liabilities, related deferred charges on bond refunding, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:                         |                     |                            |
| Deferred charges on bond refunding   | \$ 1,861,850        |                            |
| Interest payable   | (140,573)           |                            |
| Accrued compensated absences   | (206,721)           |                            |
| Due within a year  | (849,987)           |                            |
| Due in more than one year  | <u>(13,085,625)</u> | (12,421,056)               |
| Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits.   |                     |                            |
|  |                     | (52,703)                   |
| Pension liability, net of related deferred inflows and outflows, represents the proportionate share of the future unfunded costs associated with the County's participation in the South Carolina Retirement System. |                     |                            |
|  |                     | <u>(4,051,774)</u>         |
| Total net position - total governmental activities   |                     | <u><u>\$ 3,756,416</u></u> |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | GENERAL<br>FUND     | CAPITAL<br>PROJECTS<br>SALES TAX FUND | OTHER<br>GOVERNMENTAL<br>FUNDS | TOTAL<br>GOVERNMENTAL<br>FUNDS |
|---|---------------------|---------------------------------------|--------------------------------|--------------------------------|
| <b>REVENUE</b>  |                     |                                       |                                |                                |
| Property taxes  | \$ 4,805,926        | \$ 722,016                            | \$ 758,388                     | \$ 6,286,330                   |
| Sales tax   | -                   | 706,661                               | -                              | 706,661                        |
| Intergovernmental revenue                                   | 1,297,141           | -                                     | 551,784                        | 1,848,925                      |
| Licenses and permits  | 49,153              | -                                     | -                              | 49,153                         |
| Charges for services  | 64,390              | -                                     | 412,175                        | 476,565                        |
| Fines, fees and forfeitures                                 | 257,096             | -                                     | -                              | 257,096                        |
| Investment income   | 2,342               | 1,167                                 | 845                            | 4,354                          |
| Other   | 86,718              | -                                     | -                              | 86,718                         |
| <b>TOTAL REVENUES</b>                                       | <b>6,562,766</b>    | <b>1,429,844</b>                      | <b>1,723,192</b>               | <b>9,715,802</b>               |
| <b>EXPENDITURES</b>   |                     |                                       |                                |                                |
| Current   |                     |                                       |                                |                                |
| General government  | 2,609,433           | -                                     | 1,876                          | 2,611,309                      |
| Judicial  | 679,051             | -                                     | -                              | 679,051                        |
| Public safety   | 1,929,480           | -                                     | 411,235                        | 2,340,715                      |
| Public works  | -                   | -                                     | 746,357                        | 746,357                        |
| Economic development  | 412,500             | -                                     | -                              | 412,500                        |
| Culture and recreation                                      | 151,218             | -                                     | -                              | 151,218                        |
| Miscellaneous   | 165,718             | -                                     | -                              | 165,718                        |
| Health and welfare  | 564,629             | -                                     | 333,984                        | 898,613                        |
| Capital outlay  | -                   | 2,749,696                             | 1,140,385                      | 3,890,081                      |
| Debt service:   |                     |                                       |                                |                                |
| Principal   | -                   | 10,166,850                            | 203,230                        | 10,370,080                     |
| Interest and fiscal charges                                 | -                   | 1,300,950                             | 74,272                         | 1,375,222                      |
| <b>TOTAL EXPENDITURES</b>                                   | <b>6,512,029</b>    | <b>14,217,496</b>                     | <b>2,911,339</b>               | <b>23,640,864</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b> | <b>50,737</b>       | <b>(12,787,652)</b>                   | <b>(1,188,147)</b>             | <b>(13,925,062)</b>            |
| <b>OTHER FINANCING SOURCES (USES):</b>                      |                     |                                       |                                |                                |
| Proceeds from sale of assets                                | -                   | -                                     | 110,076                        | 110,076                        |
| Proceeds from issuance of debt                              | -                   | 265,000                               | 712,798                        | 977,798                        |
| Proceeds from issuance of refunding bonds                   | -                   | 10,795,000                            | -                              | 10,795,000                     |
| Premium on refunding bonds                                  | -                   | 266,533                               | -                              | 266,533                        |
| Discount on refunding bonds                                 | -                   | (37,702)                              | -                              | (37,702)                       |
| Insurance recoveries  | 10,029              | -                                     | -                              | 10,029                         |
| Transfers in (out)  | (91,166)            | -                                     | 117,916                        | 26,750                         |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>             | <b>(81,137)</b>     | <b>11,288,831</b>                     | <b>940,790</b>                 | <b>12,148,484</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>                          | <b>(30,400)</b>     | <b>(1,498,821)</b>                    | <b>(247,357)</b>               | <b>(1,776,578)</b>             |
| <b>FUND BALANCE, JULY 1, 2015</b>                           | <b>3,238,564</b>    | <b>5,012,874</b>                      | <b>1,104,696</b>               | <b>9,356,134</b>               |
| <b>FUND BALANCE, JUNE 30, 2016</b>                          | <b>\$ 3,208,164</b> | <b>\$ 3,514,053</b>                   | <b>\$ 857,339</b>              | <b>\$ 7,579,556</b>            |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Net changes in fund balances - total governmental funds \$ (1,776,578)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures.

However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.

|                                 |                  |           |
|---------------------------------|------------------|-----------|
| Expenditures for capital assets | \$ 4,156,013     |           |
| Contribution of capital assets  | 53,000           |           |
| Less, current year depreciation | <u>(405,118)</u> | 3,803,895 |

Gains or losses on the disposal of capital assets are not presented in this financial statement because they do not provide or use current financial resources but they are presented in the statement of activities.

|                        |               |          |
|------------------------|---------------|----------|
| Proceeds from disposal | (110,076)     |          |
| Gain on disposal       | <u>86,112</u> | (23,964) |

The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

|   |                  |             |
|---|------------------|-------------|
| Debt proceeds                               | (11,772,798)     |             |
| Capital lease obligation principal payments | 169,319          |             |
| Note payable principal payments             | 3,032            |             |
| Bond principal payment                      | 8,430,222        |             |
| Deferred charges on bond refunding          | 1,861,850        |             |
| Bond premium/discount                       | <u>(228,831)</u> | (1,537,206) |

Some expenses reported in the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

|   |                  |           |
|---|------------------|-----------|
| Change in accrued interest on debt                                | 59,243           |           |
| Change in compensated absences                                    | (14,237)         |           |
| Change in OPEB liability  | (7,210)          |           |
| Change in Pension liability and related deferred inflows/outflows | <u>(149,299)</u> | (111,503) |

Some receivables will not be collected for several months after the County's fiscal year-end; they are not considered "available" revenues in the governmental funds. Change in -

|                |  |                |
|----------------|--|----------------|
| Property taxes |  | <u>(1,336)</u> |
|----------------|--|----------------|

|   |  |                   |
|---|--|-------------------|
| Change in net position of governmental activities |  | <u>\$ 353,308</u> |
|---|--|-------------------|

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <u>Budgeted Amounts</u> |                     |                     | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|---------------------|---------------------|---|
|  | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>       |   |
| <b>REVENUES</b>  |                         |                     |                     |   |
| Property taxes   | \$ 4,847,002            | \$ 4,847,002        | \$ 4,805,926        | \$ (41,076)   |
| Intergovernmental revenue                                    | 820,188                 | 820,188             | 1,297,141           | 476,953   |
| Licenses and permits   | 47,200                  | 47,200              | 49,153              | 1,953   |
| Charges for services   | 64,000                  | 64,000              | 64,390              | 390   |
| Fines, fees and forfeitures                                  | 340,000                 | 340,000             | 257,096             | (82,904)  |
| Investment income  | 2,500                   | 2,500               | 2,342               | (158)   |
| Other  | 56,000                  | 56,000              | 86,718              | 30,718  |
| Total revenues   | <u>6,176,890</u>        | <u>6,176,890</u>    | <u>6,562,766</u>    | <u>385,876</u>  |
| <b>EXPENDITURES</b>  |                         |                     |                     |   |
| Current:   |                         |                     |                     |   |
| General government   | 2,732,521               | 2,732,521           | 2,609,433           | 123,088   |
| Judicial   | 698,847                 | 698,847             | 679,051             | 19,796  |
| Public safety  | 2,140,508               | 2,140,508           | 1,929,480           | 211,028   |
| Economic development   | 50,000                  | 50,000              | 412,500             | (362,500)   |
| Culture and recreation                                       | 150,800                 | 150,800             | 151,218             | (418)   |
| Miscellaneous  | 172,108                 | 172,108             | 165,718             | 6,390   |
| Health and welfare   | 475,000                 | 475,000             | 564,629             | (89,629)  |
| Total expenditures   | <u>6,419,784</u>        | <u>6,419,784</u>    | <u>6,512,029</u>    | <u>(92,245)</u>   |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(242,894)</u>        | <u>(242,894)</u>    | <u>50,737</u>       | <u>293,631</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |                     |   |
| Proceeds from sale of capital assets                         | 25,000                  | 25,000              | -                   | (25,000)  |
| Insurance recoveries   | -                       | -                   | 10,029              | 10,029  |
| Transfers in(out)  | (12,510)                | (12,510)            | (91,166)            | (78,656)  |
| Total other financing sources (uses)                         | <u>12,490</u>           | <u>12,490</u>       | <u>(81,137)</u>     | <u>(93,627)</u>   |
| Net change in fund balance                                   | <u>\$ (230,404)</u>     | <u>\$ (230,404)</u> | <u>(30,400)</u>     | <u>\$ 200,004</u>   |
| Fund balances, beginning of year                             |                         |                     | <u>3,238,564</u>    |   |
| Fund balances, end of year                                   |                         |                     | <u>\$ 3,208,164</u> |   |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2016**

|   | <b>Enterprise Fund<br/>Landfill and<br/>Solid Waste</b> |
|---|---|
| <b>ASSETS</b>   |   |
| <b>Current Assets</b>                                       |   |
| Cash  | \$ 704,903  |
| Accounts receivable, net of allowance for doubtful accounts | 184,062   |
| Due from other funds  | 7,948   |
| Due from other governments                                  | 1,980   |
| Total Current Assets  | 898,893   |
| <b>Noncurrent Assets</b>                                    |   |
| Non-depreciable - Note 7                                    | 36,000  |
| Depreciable - net - Note 7                                  | 707,696   |
| Total Noncurrent Assets                                     | 743,696   |
| <b>TOTAL ASSETS</b>   | <b>1,642,589</b>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                       |   |
| Related to pensions   | 33,400  |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>                 | <b>33,400</b>   |
| <b>LIABILITIES</b>  |   |
| <b>Current Liabilities</b>                                  |   |
| Accounts payable  | 99,402  |
| Accrued expenses  | 13,712  |
| Due to other funds  | 759,778   |
| Unearned revenue  | 19,705  |
| Current portion of capital lease payable                    | 78,024  |
| Current portion of accrued compensated absences             | 5,018   |
| Current portion of landfill closure and postclosure costs   | 11,000  |
| Total Current Liabilities                                   | 986,639   |
| <b>Noncurrent Liabilities</b>                               |   |
| Capital lease payable, net of current portion               | 413,659   |
| Net pension liability                                       | 258,842   |
| Net OPEB obligation   | 1,838   |
| Accrued compensated absences, net of current portion        | 14,035  |
| Landfill closure/postclosure costs, net of current portion  | 403,738   |
| Total Noncurrent Liabilities                                | 1,092,112   |
| <b>TOTAL LIABILITIES</b>                                    | <b>2,078,751</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                        |   |
| Related to pensions   | 297   |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>                  | <b>297</b>  |
| <b>NET POSITION</b>   |   |
| Invested in capital assets, net of related debt             | 252,013   |
| Unrestricted  | (655,072)   |
| <b>TOTAL NET POSITION</b>                                   | <b>\$ (403,059)</b>                                     |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <b>Enterprise Fund<br/>Landfill and<br/>Solid Waste</b> |
|--|---|
| <b>Operating Revenues</b>                        |   |
| Landfill and solid waste fees                    | \$ 994,161  |
| Operating grants - landfill and solid waste      | 22,767  |
| Operating grants and revenues - litter control   | 9,296   |
| Total Operating Revenues                         | 1,026,224   |
| <b>Operating Expenses</b>                        |   |
| <b>Landfill and Solid Waste</b>                  |   |
| Salaries and benefits                            | 255,984   |
| Workers compensation insurance                   | 7,744   |
| Operations and supplies                          | 2,164   |
| Landfill   | 39,025  |
| Gas and fuel                                     | 1,214   |
| Chipping   | 28,500  |
| Solid waste contracts                            | 374,554   |
| LADS operation and contracts                     | 125,424   |
| Landfill engineer services                       | 26,764  |
| Depreciation expense                             | 33,739  |
| Landfill and Solid Waste                         | 895,112   |
| <b>Keep America Beautiful and Litter Control</b> |   |
| Salaries and benefits                            | 70,345  |
| Meals  | 502   |
| Training   | 1,386   |
| Travel   | 2,213   |
| Dues and publications                            | 413   |
| Grant expenses                                   | 9,296   |
| Operations and supplies                          | 7,637   |
| Gas and fuel                                     | 1,940   |
| Uniforms   | 1,347   |
| Radio communication and maintenance              | 1,085   |
| Professional services                            | 3,600   |
| Auto maintenance                                 | 787   |
| Telephone  | 455   |
| Keep America Beautiful and Litter Control        | 101,006   |
| Total Operating Expenses                         | 996,118   |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | <b>Enterprise Fund<br/>Landfill and<br/>Solid Waste</b> |
|--|---|
| <b>Operating Income (Loss)</b>           | 30,106  |
| <b>Non-Operating Revenues (Expenses)</b> |   |
| Gain on disposal of asset                | 26,958  |
| Interest expense                         | (7,355)   |
| Net Non-Operating Revenues (Expenses)    | 19,603  |
| <b>Net Income before Transfers</b>       | 49,709  |
| <b>Transfers in(out)</b>                 | (26,750)  |
| <b>Change in net position</b>            | 22,959  |
| <b>Net Position - Beginning of Year</b>  | (426,018)   |
| <b>Net Position - End of Year</b>        | \$ (403,059)  |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>Enterprise<br/>Fund -<br/>Landfill and<br/>Solid Waste</u> |
|---|---|
| <b>OPERATING ACTIVITIES</b>   |   |
| Receipts from customers   | \$ 949,625  |
| Payments to suppliers   | (563,179)   |
| Payments to employees   | (356,998)   |
| Receipts from operating grants and revenues   | 49,788  |
| Internal activity-payments to other funds   | <u>638,532</u>  |
| Net cash provided by (used for) operations  | <u>717,768</u>  |
| <b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>   |   |
| Acquisition and construction of capital assets  | (341,385)   |
| Proceeds from sale of capital assets  | 41,759  |
| Interest paid on debt   | (7,355)   |
| Principal payments on capital leases  | (30,139)  |
| Proceeds from capital lease   | <u>318,051</u>  |
| Net cash provided by (used for) capital and related financing activities                        | <u>(19,069)</u>   |
| Net increase (decrease) in cash and cash equivalents  | 698,699   |
| Cash and cash equivalents - beginning of year   | <u>6,204</u>  |
| Cash and cash equivalents - end of year   | <u><u>\$ 704,903</u></u>                                      |
| <b>Reconciliation of operating income (loss) to cash flows from operating activities:</b>       |   |
| Operating Income (loss)   | \$ 30,106   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations: |   |
| Depreciation and amortization   | 33,739  |
| Changes in certain assets and liabilities:  |   |
| (Increase) decrease in accounts receivable  | (46,516)  |
| Increase (decrease) in accounts payable   | 77,599  |
| Increase (decrease) in accrued expenses   | (9,337)   |
| Increase (decrease) in due to other funds   | 638,532   |
| Increase (decrease) in unearned revenue   | 19,705  |
| Increase (decrease) in landfill closure/postclosure costs                                       | (4,728)   |
| Increase (decrease) in accrued compensated absences   | 2,114   |
| Increase (decrease) in OPEB liability   | 251   |
| Increase (decrease) in net pension liability  | <u>(23,697)</u>   |
| Net cash provided by (used for) operations  | <u><u>\$ 717,768</u></u>                                      |

See accompanying notes to financial statements.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2016**

**ASSETS**

|  |                            |
|--|----------------------------|
| Cash and cash equivalents                | \$ 2,927,037               |
| Delinquent property taxes                | 1,524,630                  |
| Unknown funds (overage) deficit - Note 4 | 2,282                      |
| Due from General Fund                    | <u>844</u>                 |
| Total assets                             | <u><u>\$ 4,454,793</u></u> |

**LIABILITIES**

|                       |                            |
|-----------------------|----------------------------|
| Amounts due to others | \$ 4,449,311               |
| Due to General Fund   | <u>5,482</u>               |
| Total liabilities     | <u><u>\$ 4,454,793</u></u> |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Bamberg County, South Carolina (the County) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). The more significant of these accounting policies are discussed below.

**A. Financial Reporting Entity**

Bamberg County was founded in 1897, under the laws of the State of South Carolina for the incorporation of municipal governments and as amended by Act 283 of the 1975 Code (Home Rule County Act). The governing body of the County is the County Council (the "Council"), which makes policies for the administration of the County. The Council is comprised of seven members elected from single member districts for terms of four years. Annually the Council elects a chairman from among its members to conduct the public meetings of the Council. The County operates under the "Council Form of Government" and provides the following services as authorized by its charter: public welfare, general government, public safety (Sheriff and fire), and streets and maintenance.

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61, the basic financial statements of the County present the reporting entity that consists of the primary government and those organizations for which the primary government is financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion could cause the County's financial statements to be misleading or incomplete.

Financial accountability is defined as appointment of a voting majority of the separate organization's board and either a) the ability to impose will by the primary government, or b) the possibility that the separate organization will provide a financial benefit to or impose a financial burden on the primary government. "Blended" component units are separate entities that are, substantially, part of the primary government's operations and are combined with financial data of the primary government. "Discretely presented" component units, on the other hand, are reported in separate columns in the Government-wide financial statements to emphasize that they are legally separate from the operations of the primary government.

Certain other political subdivisions, including the various school boards, commissions, city governments and other entities, are excluded from the County's reporting entity because County Council does not exert significant influence or control over the usual operations of the separate entities and, accordingly, each entity has sufficient discretion in the management of its own affairs. However, the County Treasurer is responsible for collection of property taxes, intergovernmental and other revenues for the other political subdivisions, and the balances of this fiduciary responsibility have been included herein as Fiduciary (Agency) funds.

Additionally, Bamberg County Council appoints members to various "commissions" and "advisory boards" which are not legally independent from the County. The Bamberg County Library is part of a regional library system known as the Aiken, Bamberg, Barnwell and Edgefield Library System, a separate special-purpose district.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Blended Component Unit:** The Bamberg Facilities Corporation (the Corporation) was formed primarily to construct capital projects under the first penny sales tax referendum. The Corporation is governed by a board appointed by County Council. The Corporation financed its projects by issuing revenue bonds which are being retired exclusively by the County's rental payments for property owned by the Corporation. The County conveyed property consisting of the land and all buildings and improvements on the Bamberg County Courthouse property to the Corporation to hold as collateral for debt issues and will be "leased back" over a lease term ending September 1, 2042.

**Discretely Presented Component Unit:** In the prior years, using the aforementioned criteria, the County determined that the Bamberg County Memorial Hospital (the "Hospital") was a component unit of the County which required discrete presentation in these financial statements. The Hospital is closed and ceased operations and is currently in bankruptcy proceedings. A legal determination has noted the County is not a party to this bankruptcy filing. Therefore, the Hospital is no longer considered a component unit of the County. The land and building which housed the Hospital operations is owned by the County. This capital asset is not in use and is noted as idle property in the County's capital assets.

**B. Measurement Focus and Basis of Accounting**

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

*Government-wide Financial Statements*

Government-wide financial statements, consisting of a Statement of Net Position and a Statement of Activities, display information about the primary government except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements. 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 Net Position presents the financial condition of the Governmental Activities and Business-type Activities for the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function and are offset by program revenues to reflect "net (expenses) revenue" of the County's individual functions before applying "general" revenue.

Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirement of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues and all taxes are presented as general revenues of the County, with certain limited exceptions.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES** (continued)

*Fund Financial Statements*

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at a more detailed level. The focus of governmental funds financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column with “combining” schedules presented as supplemental information. The County reports the following major governmental funds: General Fund and Capital Projects Sales Tax Fund.

**Governmental Major Funds:**

**General Fund** – The General Fund is the general operating fund of the County. It is used to account for all financial resources, except those required to be accounted for in another fund.

**Capital Projects Sales Tax Fund** – The Capital Projects Sales Tax Fund is used to account for sales tax revenues that are restricted to improve, repair, and construct capital assets within the County.

**Other Non-major Governmental Funds**

**Special Revenue Funds** – Special Revenue Funds are established to account for the proceeds of specific revenue sources and certain special assessments that are restricted to expenditures for specified purposes by external resource providers, constitutionally, or through enabling legislation. The County accounts for “C” funds received from the State for road maintenance and improvements and various grants, E-911, Road Maintenance, and Fire Services in these funds. The County currently accounts for restricted funds of accommodations tax (A-tax), Title IV D (Child Support Enforcement), Victim Services, and certain property tax rollback accounts in the General Fund.

**Debt Service Fund** – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**Capital Projects Fund** – The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities and equipment. The Hospital Capital Project Fund was used in the past to account for all financial resources to be used for the construction and renovation of the County hospital. The fund has no current activity. The Capital Needs Equipment Replacement Fund accounts for all financial resources to be used for the capital acquisitions to serve the County’s operations and services it provides to citizens.

**Proprietary Fund Types**

**Enterprise Fund** – The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Council has established one enterprise fund for the landfill and solid waste operations funded through fees.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES** (continued)

**Fiduciary Fund Types**

**Agency Fund** – Agency Funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, in a trustee capacity or as agent.

The accounting and financial reporting treatment of the County's financial transactions is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurement made.

The Government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, in accordance with GASB Statement Number 34. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met. Additionally, the effect of interfund activity (i.e. advanced or short-term loans) has been eliminated from the Government-wide financial statements.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues susceptible to accrual (e.g. property taxes, franchise taxes, state shared and intergovernmental revenues) are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. "Measurable" means the amount of the transaction can be identified and "available" means collectible within the current period or soon enough thereafter (generally not to exceed 60 days) to be used to pay liabilities of the current period. Those revenues susceptible to accrual are property taxes, charges for services, and hospitality fees. Revenues from state and federal grants are recorded when expenditures are incurred. Entitlements and shared revenues are recognized at the time of receipt or earlier if the susceptible to accrual criteria is met. Interest revenue is considered available when earned. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include fees and fines, licenses and permits.

Governmental funds are used to account for general governmental activities focusing on the sources, uses, and balances of current financial resources. The difference between Governmental Fund assets and liabilities is reported as fund balance.

Because of their spending measurement focus, expenditure recognition for Governmental Fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current available financial resources, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets.

The proceeds of long term debt are recorded as an other financing source rather than a fund liability. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Fiduciary fund reporting focuses on net position and changes in net position. This fund accounts for assets held by the entity as an agent on behalf of others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The County's only fiduciary funds are Agency Funds.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES** (continued)

**C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity**

1. **Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, actuarial amounts for OPEB and net pension liability and expense, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.
2. **Cash and Cash Equivalents** – Cash includes operating accounts and savings or money market accounts with maturities of three months or less. These investments are presented at cost, which reasonably approximate fair value.
3. **Short-Term Interfund Receivables/Payables** – During the course of operations, numerous transactions result in loans and advances between individual funds. The lending fund reports amounts “due from other funds,” while the borrowing fund reports amounts “due to other funds.”
4. **Receivables and Allowance for Doubtful Accounts** – Receivable balances have been disaggregated by type and are presented separately in the financial statements. Other receivables in the proprietary fund include amounts due from landfill and solid waste fees and are stated net of an allowance for uncollectibles based on management’s judgment and historical collection ratios and trends.
5. **Restricted Assets** – Restricted accounts include money or other resources, the use of which is restricted by legal or contractual requirements.
6. **Prepaid Expenses** – Certain payments to vendors reflect costs applicable to future accounting periods and are recognized as prepaid items.
7. **Revenues Received in Advance/Unearned Revenue** – The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both government-wide and fund financial statements, unearned revenue consists of revenue received for which purpose restrictions have not yet been met.
8. **Deferred Outflows/Inflows of Resources** – In addition to assets, the Statement of Net Position and/or the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position and/or the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

The County reports the following items as deferred outflows:

Loss on Refunding: A loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and reported in the County's government-wide statement of net position.

Pension Items: There are four items that comprise the deferred outflows related to the County's pension:

- Experience losses, results from periodic studies by the actuary of the retirement plan, which adjusts the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.
- Differences between projected investment return on pension investments and actual return on those investments, is deferred and amortized against pension expense over a five year period, resulting in recognition as a deferred outflow of resources.
- Changes in the proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions. These changes are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability during the year ended June 30, 2017.
- Contributions made by the County to the pension plan before year end, but subsequent to the measurement date of the County's net pension liability. These are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability during the year ended June 30, 2017.

The County reports the following items as deferred inflows:

Unavailable Revenue: This item arises only under a modified accrual basis of accounting; accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, and these amounts are deferred and will be recognized as inflows of resources in the period in which the amounts become available.

Pension Items: Experience gains result from periodic studies by the actuary of the Retirement Plan, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining lives of the plan members.

**9. Capital Assets**

Capital assets include property, building, equipment, and infrastructure assets (e.g., roads, bridges, right-of-ways, storm water drainage systems, and similar items). Such items are required to be reported in the applicable Governmental or Business-type Activities column in the County's Government-wide financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

The County capitalizes assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life is not capitalized. Assets are recorded at historical cost or estimated historical cost of older capital assets for which detailed records of purchase prices were not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

All reported capital assets except land are depreciated. Depreciation is computed using the straight-line method over the following estimated useful lives:

| <u>Description</u>        | <u>Estimated Life</u> |
|---------------------------|-----------------------|
| Building and improvements | 15 – 50 years         |
| Machinery and equipment   | 5 – 15 years          |
| Vehicles                  | 5 – 15 years          |
| Infrastructure            | 30 years              |

**10. Long-term Obligations**

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Payments on existing debt are recorded as debt service expenditures in the period in which the payment is made.

**11. Pensions**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 entitled *Accounting and Financial Reporting for Pension Plans* in June 2012 and issued GASB Statement No. 71 (an amendment of GASB No. 68), entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date* in November, 2013. The disclosure requirements applicable to employers participating in the South Carolina Retirement System or the Police Officers Retirement System are prescribed in paragraphs 48 through 82 of GASB 68. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System and additions to/deductions from the South Carolina Retirement System's fiduciary net position have been determined on the same basis as they are reported by the South Carolina Retirement System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**12. Other Post Employment Benefits**

Governmental Accounting Standards Board's (GASB) Statement No. 45 addresses how local governments should account for and report other post-employment benefits (OPEB) offered to retirees such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

**13. Accrued Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The County accrues accumulated unpaid vacation leave when earned by the employee. The current portion is the amount estimated to be used in the following year. The non-current portion is the amount estimated to be used in subsequent fiscal years. Both the current and non-current estimated accrued compensated absences amounts for governmental funds are maintained separately and represent a reconciling item between the fund and government-wide presentations. Accrued sick leave is not payable upon termination. Therefore, no provision for accrued sick leave has been made in these financial statements.

**14. Fund Equity**

**Fund Balances**

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balance for governmental funds can consist of the following:

***Nonspendable Fund Balance*** – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, and long-term notes receivable.

***Restricted Fund Balance*** – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

***Committed Fund Balance*** – includes amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, the County Council of Bamberg County. Commitments may be changed or lifted only by the County taking the same formal action that imposed the constraint originally (for example: resolution and ordinance).

***Assigned*** – includes amounts that contain self-imposed constraints of the government to be used for a particular purpose such as a subsequent year projected budget deficit expected to be covered through fund balance reserves.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Unassigned* – includes amounts that are not constrained for any particular purpose. They appear only in the general fund or in another fund as negative fund balances.

**Net Position/Fund Equity**

Net position in government-wide financial statements is classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The County first utilizes restricted resources to finance qualifying activities. The government-wide statement of net position reports \$3,353,357 of which \$5,384,118 is restricted. Restricted resources are used first to fund appropriations.

**15. Property Taxes**

The County assesses and levies property taxes in accordance with applicable laws of the State of South Carolina. Real property and personal property of every description owned and used in the County, except that which is exempt from taxation under the Constitution and Laws of the State, is subject to taxation. An annual ordinance establishing the millage rate associated with the levy is adopted each year as a part of the budget adoption process.

Real property and all personal property other than vehicles are assessed for property tax purposes as of December 31 of each year. The basis for value of taxable property within the County is taken from the records of the County Assessor. Taxes are levied on July 1 with the passage of the fiscal year budget and millage ordinance, billed in October, and are due by January 15 in the year following their levy. A penalty of 3% is added to the tax bill on January 16; with an additional 7% added on February 2; and an additional 5% to the tax bill on March 17.

New vehicles property taxes are assessed and levied within 120 days of the registration date of the vehicles and payment is due upon receipt of the property tax notice. Other vehicle property taxes are assessed and levied in the month the vehicle is scheduled for license renewal with the South Carolina Department of Transportation and payment is due before the end of the month of the scheduled renewal.

Property taxes at the fund level are recorded as receivables and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue.

**16. Program and General Revenue**

The County charges public fees for building permits and inspections, and other assorted activities. These fees as well as fines for traffic violations and grant revenues are recorded as program revenue in the Statement of Activities. General Revenues reported by the County include property taxes, state-shared taxes and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees in lieu of business licenses).

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**17. Budgets and Budgetary Accounting**

The County follows the following procedures in establishing the budgetary data reflected in the financial statements:

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. Transfers in excess of \$5,000 are reported to County Council; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, some Special Revenue Funds (Special Revenue, E911, Road Maintenance, and Fire Service), and Debt Service Fund. The County also budgets the Landfill and Solid Waste Fund which is a Proprietary Fund.
6. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP) except when encumbrances are recorded. Since there were no encumbrances for the current or prior years, there is no difference in the budgetary and GAAP basis. Therefore, the budgetary comparisons presented for the General Fund in this report are on the GAAP basis.
7. Budgeted amounts are as originally adopted, or as amended by the County Council as close to June 30 as possible. Individual amendments were not material in relation to the original appropriations which were adopted.

**Budget to Actual Deficits**

For the year ended June 30, 2016, expenditures in the following general fund divisions exceeded appropriations:

|                        |            |
|------------------------|------------|
| General Fund:          |            |
| Economic development   | \$ 362,500 |
| Culture and recreation | 418        |
| Health and welfare     | 89,629     |

If budgeted expenditures exceeded estimated revenues, these deficits were funded (if necessary) by unreserved and applicable reserved fund balances, and additional unbudgeted revenue and transfers.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 2 – DEPOSITS AND INVESTMENTS**

As of June 30, 2016, the amount of the County's cash deposits was \$9,987,690 and the bank balance was \$10,680,776. To reconcile this information to the financial statements, we include the following:

|                           |                    |
|---------------------------|--------------------|
| Cash and cash equivalents | \$9,987,690        |
| Cash on hand              | 6,681              |
| Less: fiduciary cash      | <u>(2,927,037)</u> |
|                           | <u>\$7,067,334</u> |

These amounts are reported in the Statement of Net Position as follows:

|                            |                    |
|----------------------------|--------------------|
| Cash and cash equivalents: |                    |
| Unrestricted               | \$1,412,253        |
| Restricted                 | <u>5,655,081</u>   |
|                            | <u>\$7,067,334</u> |

**Primary Government and Agency Funds**

At June 30, 2016, the carrying amount of the County's deposits was \$7,067,334 for the primary government and \$2,927,037 for Agency Funds. The bank balances for these funds total \$10,680,776. Of the bank balance of \$10,680,776, \$1,242,524 is secured by FDIC insurance and \$9,438,252 is secured by collateral pledged in the County's name.

**Deposits**

Custodial credit risk for deposits is the risk, that in the event of a bank failure, the County's deposits may not be returned or that they will not be able to recover collateral securities in the possession of an outside party. Custodial credit risk for deposits is not formally addressed by a policy.

The cash on deposit under the direction of the County Treasurer and other County officials consists of funds held in checking and savings accounts, money markets and certificates of deposit. The County does not have a formal policy for deposits, but follows the State investment guidelines.

**NOTE 3 – RECEIVABLES**

Other receivables at June 30, 2016, are shown below less an estimated allowance for uncollectible accounts, as follows:

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |
|--|------------------------------------|-------------------------------------|
| Other receivables                          | \$ 14,495                          | \$ -                                |
| Landfill fees                              | -                                  | 71,505                              |
| Solid waste fees                           | -                                  | <u>140,697</u>                      |
| Total receivables                          | 14,495                             | 212,202                             |
| Less, allowance for uncollectible accounts |                                    |                                     |
| Solid waste fees                           | -                                  | <u>(28,140)</u>                     |
| Receivables, net                           | <u>\$ 14,495</u>                   | <u>\$ 184,062</u>                   |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 4 – UNIDENTIFIABLE FUNDS**

As of June 30, 2016, excess funds were on deposit in the checking accounts of several court-related funds and deficits occurred in three of these accounts. The net overages, totaling \$16,637, represent the amount of cash on deposit that exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.) The inmate trust escrow fund has an overage of \$1,923 noting funds on deposit in the bank account exceed identifiable liabilities. These funds are reflected in the financials as follows:

|  | <b>General<br/>Fund</b> | <b>Agency<br/>Fund</b> |
|--|-------------------------|------------------------|
| Included in bond deposits and prepayments: |                         |                        |
| Magistrate                                 | \$ 20,842               | \$ -                   |
| Clerk of Court                             | (24)                    | -                      |
| Sheriff (execution and fees)               | 24                      | -                      |
| Included in unknown funds (deficit)        |                         |                        |
| Clerk of Court                             | -                       | (4,205)                |
| Inmate Trust Escrow                        | -                       | 1,923                  |
|  | <u>\$ 20,842</u>        | <u>\$ (2,282)</u>      |

**NOTE 5 – DUE TO/FROM OTHER FUNDS – INTERNAL BALANCES**

The Governmental Funds short-term interfund receivables and payables at June 30, 2016, were as follows:

|  | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> |
|--|---------------------------------|------------------------------|
| Governmental Funds                       |                                 |                              |
| General Fund                             | \$1,193,758                     | \$ 49,344                    |
| Capital Projects Sales Tax Fund          | 23,186                          | 29,244                       |
| Other Governmental Funds:                |                                 |                              |
| Special Revenue Funds                    | -                               | 32,124                       |
| E-911 Fund                               | -                               | 206,834                      |
| Fire Service Fund                        | -                               | 16,206                       |
| Road Maintenance                         | 7,706                           | 169,920                      |
| Hospital Capital Projects Fund           | -                               | 25,268                       |
| Capital Needs Equipment Replacement Fund | 33,408                          | 7,948                        |
| Debt Service Fund                        | 35,298                          | -                            |
| Enterprise Funds                         | -                               | 751,830                      |
| Agency Funds                             | <u>844</u>                      | <u>5,482</u>                 |
| Total                                    | <u>\$1,294,200</u>              | <u>\$ 1,294,200</u>          |

The above balances resulted 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.



**BAMBERG COUNTY, SOUTH CAROLINA**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 6 – TRANSFERS TO/FROM OTHER FUNDS**

|  | <u>Transfers In</u> | <u>Transfers Out</u> |
|--|---------------------|----------------------|
| General Fund                             | \$ 60,579           | \$ 151,745           |
| Other Governmental Funds:                |                     |                      |
| Special Revenue Fund                     | -                   | 20,109               |
| E-911                                    | 57,740              | -                    |
| Road Maintenance Fund                    | 114,114             | -                    |
| Fire Service Fund                        | -                   | 579                  |
| Hospital Fund                            | 12,855              | -                    |
| Capital Needs Equipment Replacement Fund | 41,759              | 87,864               |
| Enterprise Fund                          | 15,009              | 41,759               |
|  | <u>\$ 302,056</u>   | <u>\$ 302,056</u>    |

Transfers between the funds were primarily to repay payments made by the general fund to support the operations of the other funds.

**NOTE 7 – CAPITAL ASSETS**

A summary of changes in capital assets for the governmental funds follows:

|   | <u>July 1, 2015</u> | <u>Balance</u>      | <u>Additions</u> | <u>Transfers/<br/>Adjustments</u> | <u>Deletions</u> | <u>June 30, 2016</u> |
|---|---------------------|---------------------|------------------|-----------------------------------|------------------|----------------------|
|   |                     |                     |                  |                                   |                  | <u>Balance</u>       |
| <b>Governmental Activities</b>              |                     |                     |                  |                                   |                  |                      |
| Capital assets, not being depreciated       |                     |                     |                  |                                   |                  |                      |
| Land  | \$ 789,282          | \$ 4,000            | \$ -             | \$ -                              | \$ -             | \$ 793,282           |
| Construction in progress                    | 941,420             | 2,974,091           | -                | -                                 | -                | 3,915,511            |
| Total capital assets, not being depreciated | <u>1,730,702</u>    | <u>2,978,091</u>    | <u>-</u>         | <u>-</u>                          | <u>-</u>         | <u>4,708,793</u>     |
| Capital assets, being depreciated           |                     |                     |                  |                                   |                  |                      |
| Building & improvements                     | 9,249,793           | 55,065              | -                | -                                 | -                | 9,304,858            |
| Vehicles                                    | 1,769,223           | 424,400             | -                | -                                 | -                | 2,193,623            |
| Machinery & equipment                       | 1,324,372           | 751,457             | -                | (337,052)                         | -                | 1,738,777            |
| Infrastructure                              | 2,958,952           | -                   | -                | -                                 | -                | 2,958,952            |
| Total capital assets, being depreciated     | <u>15,302,340</u>   | <u>1,230,922</u>    | <u>-</u>         | <u>(337,052)</u>                  | <u>-</u>         | <u>16,196,210</u>    |
| Less accumulated depreciation               |                     |                     |                  |                                   |                  |                      |
| Building & improvements                     | 4,154,885           | 169,208             | -                | -                                 | -                | 4,324,093            |
| Vehicles                                    | 1,081,196           | 137,207             | -                | -                                 | -                | 1,218,403            |
| Machinery & equipment                       | 871,061             | 88,658              | -                | (313,088)                         | -                | 646,631              |
| Infrastructure                              | 2,667,648           | 10,045              | -                | -                                 | -                | 2,677,693            |
| Total accumulated depreciation              | <u>8,774,790</u>    | <u>405,118</u>      | <u>-</u>         | <u>(313,088)</u>                  | <u>-</u>         | <u>8,866,820</u>     |
| Total capital assets being depreciated, net | <u>6,527,550</u>    | <u>825,804</u>      | <u>-</u>         | <u>(23,964)</u>                   | <u>-</u>         | <u>7,329,390</u>     |
| Governmental activities capital assets, net | <u>\$ 8,258,252</u> | <u>\$ 3,803,895</u> | <u>\$ -</u>      | <u>\$ (23,964)</u>                | <u>\$ -</u>      | <u>\$12,038,183</u>  |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 7 – CAPITAL ASSETS (continued)**

During the fiscal year, the County accepted a donation of property. This includes \$4,000 in land and \$49,000 in buildings included in the additions above. This was also recorded as a contribution of \$53,000 in the statement of activities for the governmental activities.

Depreciation expense was charged to functions/programs of the primary government as follows:

|  |                   |
|--|-------------------|
| <b>Governmental Activities:</b>                      |                   |
| General government                                   | \$ 68,800         |
| Judicial   | 1,350             |
| Public safety  | 168,614           |
| Public works   | 64,279            |
| Economic development                                 | 581               |
| Culture and recreation                               | 23,793            |
| Health and welfare                                   | <u>77,701</u>     |
| Total depreciation expense – governmental activities | <u>\$ 405,118</u> |

A summary of changes in capital assets for the proprietary fund type follows:

|  | <u>July 1, 2015</u><br><u>Balance</u> | <u>Additions</u>  | <u>Transfers/<br/>Adjustments</u> | <u>Deletions</u>   | <u>June 30, 2016</u><br><u>Balance</u> |
|--|---------------------------------------|-------------------|-----------------------------------|--------------------|--|
| <b>Business-type Activities</b>              |                                       |                   |                                   |                    |  |
| Capital assets, not being depreciated        |                                       |                   |                                   |                    |  |
| Land   | \$ 36,000                             | \$ -              | \$ -                              | \$ -               | \$ 36,000                              |
| Total capital assets, not being depreciated  | <u>36,000</u>                         | <u>-</u>          | <u>-</u>                          | <u>-</u>           | <u>36,000</u>                          |
| Capital assets, being depreciated            |                                       |                   |                                   |                    |  |
| Building & improvements                      | 225,338                               | 8,325             | -                                 | -                  | 233,663                                |
| Machinery & equipment                        | 405,086                               | 333,060           | -                                 | (55,278)           | 682,868                                |
| Total capital assets, being depreciated      | <u>630,424</u>                        | <u>341,385</u>    | <u>-</u>                          | <u>(55,278)</u>    | <u>916,531</u>                         |
| Less accumulated depreciation                |                                       |                   |                                   |                    |  |
| Building & improvements                      | 65,554                                | 7,110             | -                                 | -                  | 72,664                                 |
| Machinery & equipment                        | 150,019                               | 26,629            | -                                 | (40,477)           | 136,171                                |
| Total accumulated depreciation               | <u>215,573</u>                        | <u>33,739</u>     | <u>-</u>                          | <u>(40,477)</u>    | <u>208,835</u>                         |
| Total capital assets being depreciated, net  | <u>414,851</u>                        | <u>307,646</u>    | <u>-</u>                          | <u>(14,801)</u>    | <u>707,696</u>                         |
| Business-type activities capital assets, net | <u>\$ 450,851</u>                     | <u>\$ 307,646</u> | <u>\$ -</u>                       | <u>\$ (14,801)</u> | <u>\$ 743,696</u>                      |

Certain real property and vehicles owned by the County are not in use. The cost is included on the depreciation schedule since the property is still owned but no depreciation has been taken since the time the property was taken out of service. The land and building housing the former hospital is owned by the County, but the hospital is no longer in operation. The building is vacant. The net cost basis of the hospital idle property is \$14,250 (original cost of \$1,264,250 less accumulated depreciation of \$1,250,000). Eleven vehicles were taken out of service during the 2016 fiscal year and are slated to be sold at auction in the 2017 fiscal year. The net cost basis of the idle vehicles is zero (original cost of \$168,902 less accumulated depreciation of \$168,902).



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 8 – MASONITE LEASE**

During 2011 and 2012, the County acquired land and a building and made renovations to up fit the building for use by Masonite Corporation through \$1,500,000 of State Rural Infrastructure funds and \$50,000 of local funding. On October 28, 2011, the County leased this property to Masonite Corporation. The lease terms included \$100 advance rent being paid at commencement and \$100 due each October 28 of the lease term with a bargain purchase price of \$100. Since this lease, with the County as lessor, qualifies as a capitalized lease, the land and building with a total cost of \$1,550,000 are not included in the capital assets of the County. On June 2, 2016 the Corporation was determined by the South Carolina Coordinating Council for Economic Development to have met the job and investment requirements as a stipulation to receiving these funds which closed the grant period and commenced the maintenance period. The “maintenance period” runs for a period of four years (to June 2, 2020) at which time the Corporation will have 60 days to notify the County of their intent to exercise the bargain purchase.

**NOTE 9 – OPERATING LEASES**

The County entered into an operating lease for copier equipment for use at the County courthouse. The 60 month lease term began July 19, 2013 and ends July 19, 2018. Monthly lease payments are \$98.

The County entered into an operating lease for a telephone system for the E911 operations upgrade. The County prepaid one quarterly payment of \$15,839 in the fiscal year ended June 30, 2014 at the contract execution. The balance of the 60 month lease term is due in quarterly payments of \$15,839.

The County entered into an operating lease for copier equipment at the Detention Center. The 60-month lease term began May 24, 2016 and ends May 24, 2021. Monthly lease payments are \$115.

The future minimum rental payments are as follows:

|      |                   |
|------|-------------------|
| 2017 | \$ 65,913         |
| 2018 | 65,913            |
| 2019 | 64,835            |
| 2020 | 1,380             |
| 2021 | <u>1,265</u>      |
|      | <u>\$ 199,306</u> |

**NOTE 10 – CONSTRUCTION COMMITMENTS**

The County was committed under construction contracts at June 30, 2016 as follows:

|                          | <u>Contracted Price</u> | <u>Costs Incurred<br/>through<br/>June 30, 2016</u> | <u>Balance to<br/>Complete</u> |
|--------------------------|-------------------------|---|--------------------------------|
| Courthouse Renovations:  |                         |   |                                |
| Courthouse construction  | \$ 302,420              | \$ 283,420  | \$ 19,000                      |
| Paving and road projects | <u>659,345</u>          | <u>390,901</u>                                      | <u>268,444</u>                 |
|                          | <u>\$ 961,765</u>       | <u>\$ 674,321</u>                                   | <u>\$ 287,444</u>              |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT**

**Governmental Activities**

The following is a summary of the changes in long-term liability transactions of the governmental activities of Bamberg County for the fiscal year:

|   | <u>Balance</u><br><u>July 1, 2015</u> | <u>Additions</u>     | <u>Retirements</u>  | <u>Balance</u><br><u>June 30, 2016</u> | <u>Due</u><br><u>within</u><br><u>One Year</u> |
|---|---------------------------------------|----------------------|---------------------|--|--|
| General Obligation Bonds                              | \$ 1,483,288                          | \$ 265,000           | \$ 125,222          | \$ 1,623,066                           | \$ 155,985                                     |
| Revenue Bonds   | 8,305,000                             | 10,795,000           | 8,305,000           | 10,795,000                             | 405,000  |
| Notes Payable   | 9,096                                 | -                    | 3,032               | 6,064                                  | 3,032  |
| Capitalized Leases                                    | <u>739,172</u>                        | <u>712,798</u>       | <u>169,319</u>      | <u>1,282,651</u>                       | <u>264,601</u>                                 |
|   | 10,536,556                            | 11,772,798           | 8,602,573           | 13,706,781                             | 828,618  |
| Unamortized Premium<br>(Discount)for Bonds            | <u>-</u>                              | <u>228,831</u>       | <u>-</u>            | <u>228,831</u>                         | <u>21,369</u>                                  |
| Total Bonds, Notes Payable,<br>and Capitalized Leases | 10,536,556                            | 12,001,629           | 8,602,573           | 13,935,612                             | 849,987  |
| Accrued Compensated<br>Absences                       | <u>192,484</u>                        | <u>206,721</u>       | <u>192,484</u>      | <u>206,721</u>                         | <u>71,532</u>                                  |
|   | <u>\$ 10,729,040</u>                  | <u>\$ 12,208,350</u> | <u>\$ 8,795,057</u> | <u>\$ 14,142,333</u>                   | <u>\$ 921,519</u>                              |

**General Obligation Bonds:**

|  |             |
|--|-------------|
| Bamberg County General Obligation Bonds, \$1,500,000 Series 2008 (for hospital revitalization) due in annual installments of \$20,000 to \$145,000 through April 1, 2028, interest at 4%   | \$1,180,000 |
| Bamberg County General Obligation Bond, \$90,000 Taxable Series 2014A (for capital projects of the County) due in annual principal installments ranging from \$16,288 to \$19,798 through March 1, 2019, interest at 3.9% due semiannually   | 56,610      |
| Bamberg County General Obligation Bond, \$125,000 Taxable Series 2014B (for capital projects of the County) due in annual principal installments ranging from \$10,924 to \$30,432 through March 1, 2019, interest at 4.5% due semiannually  | 79,948      |
| Bamberg County General Obligation Bond, \$70,500 Taxable Series 2015A (for capital projects of the County) due in annual principal installments ranging from \$12,759 to \$15,508 through March 1, 2020, interest at 4.25% due semiannually  | 57,741      |
| Bamberg County General Obligation Bond, \$145,000 Taxable Series 2015B (for capital projects of the County) due in annual principal installments ranging from \$16,233 to \$34,226 through March 1, 2020, interest at 4.25% due semiannually | 128,767     |



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT** (continued)

|   |                    |
|---|--------------------|
| Bamberg County General Obligation Bond, \$120,000 Taxable Series 2016 (for capital projects of the County) due in annual principal installments ranging from \$21,552 to \$26,443 through March 1, 2021, interest at 2.85% due semiannually | <u>120,000</u>     |
|   | <u>\$1,623,066</u> |

The following schedule lists the principal and interest outstanding for general obligation bonds at June 30, 2016:

|             | <u>Annual<br/>Interest</u> | <u>Annual<br/>Principal</u> |
|-------------|----------------------------|-----------------------------|
| 2017        | \$ 66,629                  | \$ 155,985                  |
| 2018        | 60,208                     | 166,382                     |
| 2019        | 53,491                     | 169,345                     |
| 2020        | 46,360                     | 164,911                     |
| 2021        | 39,774                     | 121,443                     |
| 2022 – 2026 | 128,858                    | 585,000                     |
| 2027 – 2028 | <u>16,185</u>              | <u>260,000</u>              |
| Total       | <u>\$ 411,505</u>          | <u>\$1,623,066</u>          |

**Revenue Bonds:**

On November 17, 2015, the Bamberg Facilities Corporation issued \$6,280,000 Series 2015A (premium of \$266,533), and \$4,515,000 taxable Series 2015B (discount of \$37,702) installment purchase refunding revenue bonds with variable interest rates which range from 2 percent to 4 percent for series 2015A and 2 percent to 4.85 percent for taxable series 2015B. The net proceeds along with \$293,331 of remaining 2013A debt reserve monies were used to discharge the series 2013A installment purchase revenue bonds, pay costs associated with the issuance of Series 2015A and 2015B Bonds, and deposit \$600,000 into an account for the County's capital projects. The 2013A bonds held an interest rate of 8.875 percent.

The Bamberg Facilities Corporation, entered into this refunding to take advantage of lower interest rates, resulting in a reduction of total debt service payments of \$1,181,640 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$950,755. Bonds are due in combined annual installments beginning September 1, 2016 through September 1, 2032, ranging from \$405,000 to \$845,000. Interest payments are payable semi-annually on March 1 and September 1 beginning March 1, 2016 through March 1, 2032.

The reacquisition price exceeded the net carrying amount of the old debt by \$1,861,850; this amount is being amortized over the life of the new debt. Bond premium, discount, and deferred loss on refunding are amortized using the effective interest method over the life of the debt. The deferred loss on refunding at June 30, 2016 was \$1,861,850.

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT (continued)**

The following schedule provides a summary of the refunding transaction:

| <b>Sources and Uses of Funds</b>                           | <b>Current Refunding<br/>2013A Installment<br/>Purchase Revenue Bonds</b> |
|--|---|
| <b>Sources:</b>  |   |
| Par Amount of Bonds  | \$ 10,795,000   |
| Net Premium/Original Issue Discount                        | 228,831   |
| 2013A Debt Service Reserve Funds                           | <u>293,331</u>  |
| Total Sources  | <u>\$ 11,317,162</u>  |
| <b>Uses:</b>   |   |
| Refunding Escrow Deposits – Principle and accrued interest | \$ 8,246,669  |
| Cost of Issuance   | 590,161   |
| Additional funds deposited to County Debt Reserve Accounts | 18,482  |
| Call Premium on 2013A Debt                                 | 1,861,850   |
| County Projects Fund                                       | <u>600,000</u>  |
| Total Uses   | <u>\$ 11,317,162</u>  |

The following schedule lists the principal and interest outstanding for revenue bonds at June 30, 2016:

|             | <b>Annual<br/>Interest</b> | <b>Annual<br/>Principal</b> |
|-------------|----------------------------|-----------------------------|
| 2017        | \$ 362,996                 | \$ 405,000                  |
| 2018        | 353,746                    | 520,000                     |
| 2019        | 343,139                    | 530,000                     |
| 2020        | 331,528                    | 550,000                     |
| 2021        | 318,650                    | 555,000                     |
| 2022 – 2026 | 1,356,091                  | 3,005,000                   |
| 2027 – 2031 | 748,178                    | 3,575,000                   |
| 2032 – 2033 | <u>73,784</u>              | <u>1,655,000</u>            |
| Total       | <u>\$ 3,888,112</u>        | <u>\$ 10,795,000</u>        |

**Notes Payable:**

|   |                 |
|---|-----------------|
| Non-interest bearing \$16,300 note payable to finance E911 equipment dated October, 2013, initial payment of \$4,232 and four annual installments of \$3,032, | <u>\$ 6,064</u> |
|---|-----------------|



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT (continued)**

The following schedule lists the principal outstanding for the non-interest bearing note payable at June 30, 2016:

|      | <u>Principal</u> |
|------|------------------|
| 2017 | \$ 3,032         |
| 2018 | <u>3,032</u>     |
|      | <u>\$ 6,064</u>  |

**Capital Leases:**

The County has entered into lease agreements as lessee in order to finance acquisition of various equipment. The lease agreements include a bargain purchase option and qualify as capital leases for accounting purposes.

The following is an analysis of equipment leased under capital leases as of June 30, 2016:

|                                   |                     |
|-----------------------------------|---------------------|
| Furniture, fixtures and equipment | \$ 2,326,399        |
| Less: accumulated depreciation    | <u>(387,179)</u>    |
| Carrying value                    | <u>\$ 1,939,220</u> |

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 were as follows:

|   |                     |
|---|---------------------|
| 2017                                    | \$ 303,324          |
| 2018                                    | 301,183             |
| 2019                                    | 253,595             |
| 2020                                    | 201,927             |
| 2021                                    | <u>338,088</u>      |
| Total minimum lease payments            | 1,398,117           |
| Less, amount representing interest      | <u>(115,466)</u>    |
| Present value of minimum lease payments | <u>\$ 1,282,651</u> |

Capital leases payable at June 30, 2016 are comprised of the following individual leases:

|   |           |
|---|-----------|
| Installment purchase contract (two fire pumper trucks), dated November 10, 2008, interest at 3.90% payable in annual installments of \$44,118, due on or before March 7, 2018     | \$ 83,330 |
| Installment purchase contract (E911 radio console), dated December 5, 2013, interest at 3.45% payable in annual installments of \$37,631, due on or before November 1, 2018       | 105,528   |
| Installment purchase contract (Sheriff's Office copier), dated September 6, 2013, interest at 3.83% payable in monthly installments of \$166.15, due on or before October 6, 2018 | 4,444     |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 11 – LONG-TERM DEBT (continued)**

|   |                     |
|---|---------------------|
| Installment purchase contract (radio communication equipment), dated September 1, 2014, interest at 5.641%, payable in annual installments of \$11,085.23, due on or before September 1, 2018   | 29,829              |
| Installment purchase contract (13 vehicles for departments including Sheriff, Detention Center, and general County use), dated May 8, 2015, interest at 2.48%, payable in annual principal payments of \$85,140.40, with semi-annual interest payments due each October 1 and April 1, due on or before April 1, 2020 | 340,562             |
| Installment purchase contract (E911 copier), dated April 29, 2015, interest at 7.617%, payable in monthly installments of \$152.00, due on or before May 1, 2020  | 6,160               |
| Installment purchase contracts (five pieces of heavy equipment), dated April 29, 2016, interest on each contract at 2.95%; each payable in annual installments totaling \$112,968; final payment due on or before April 29, 2021.   | <u>712,798</u>      |
| Total   | <u>\$ 1,282,651</u> |

All general obligation bonds serviced by the County’s General Fund are collateralized by the full faith, credit, and taxing power of the County. The County and Bamberg Facilities Corporation (a blended component unit) have issued revenue bonds to fund the construction of various infrastructure and large-scale building and improvement projects.

Additions to the County’s governmental activities long-term debt during the fiscal year 2016 were as follows:

- On August 13, 2015, the County issued \$145,000 general obligation bond, taxable series 2015B to provide funding for capital projects of the County.
- On November 17, 2015, the County through its blended component unit the Bamberg Facilities Corporation issued two installment purchase refunding revenue bonds - \$6,280,000 series 2015A and \$4,515,000 taxable series 2015B. Proceeds from these bonds were used to refund the outstanding installment purchase revenue bond taxable series 2013A.
- On February 2, 2016, the County issued \$120,000 general obligation bond, taxable series 2016 to provide funding for capital projects of the County.
- On April 29, 2016, the County executed five installment purchase contracts for a total of \$712,798 for heavy equipment.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT (continued)**

**Business-type Activities**

Long-term liability transactions of the business-type activities of Bamberg County were as follows:

|                               | <u>Balance</u><br><u>July 1, 2015</u> | <u>Additions</u>  | <u>Retirements</u> | <u>Balance</u><br><u>June 30, 2016</u> | <u>Due</u><br><u>within</u><br><u>One Year</u> |
|-------------------------------|---------------------------------------|-------------------|--------------------|--|--|
| Accrued Compensated Absences  | \$ 30,651                             | \$ 19,053         | \$ 30,651          | \$ 19,053                              | \$ 5,018                                       |
| Closure and Post-closure Cost | 419,466                               | 6,272             | 11,000             | 414,738                                | 11,000   |
| Capital leases                | <u>203,770</u>                        | <u>318,051</u>    | <u>30,138</u>      | <u>491,683</u>                         | <u>78,024</u>                                  |
|                               | <u>\$ 653,887</u>                     | <u>\$ 343,376</u> | <u>\$ 71,789</u>   | <u>\$ 925,474</u>                      | <u>\$ 94,042</u>                               |

**Capital Lease:**

The County has entered into lease agreements as lessee in order to finance acquisition of equipment and an office building. The lease agreements include a bargain purchase option and qualify as capital leases for accounting purposes.

The following is an analysis of equipment leased under capital leases as of June 30, 2016:

|                                   |                   |
|-----------------------------------|-------------------|
| Furniture, fixtures and equipment | \$ 550,047        |
| Less: accumulated depreciation    | <u>(17,678)</u>   |
| Carrying value                    | <u>\$ 532,369</u> |

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 were as follows:

|   |                   |
|---|-------------------|
| 2017                                    | \$ 93,807         |
| 2018                                    | 91,895            |
| 2019                                    | 91,895            |
| 2020                                    | 120,795           |
| 2021                                    | <u>141,796</u>    |
| Total minimum lease payments            | 540,188           |
| Less, amount representing interest      | <u>(48,505)</u>   |
| Present value of minimum lease payments | <u>\$ 491,683</u> |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 11 – LONG-TERM DEBT (continued)**

Capital lease payables at June 30, 2016 are comprised of the following individual leases:

|  |                          |
|--|--------------------------|
| Installment purchase contract (excavator), dated August 6, 2014, interest at 3.2% payable in annual monthly installments of \$2,583.76, due on or before August 14, 2019             | \$ 149,979               |
| Installment purchase contract (modular office building), dated September 9, 2014, interest at 8.647% payable in monthly installments of \$697.83, due on or before October 14, 2019  | 23,652                   |
| Installment purchase contract (heavy equipment), dated April 29, 2016, interest at 2.95%; payable in annual installments of \$52,516; final payment due on or before April 29, 2021. | <u>318,052</u>           |
| <b>Total</b>   | <b><u>\$ 491,683</u></b> |

Additions to the County's business-type activities long-term debt during the fiscal year 2016 were as follows:

- On April 29, 2016, the County executed a \$318,051 installment purchase contract for heavy equipment.

**NOTE 12 – FUND BALANCE REPORTING AND NET POSITION**

Net position of the Government-wide financial statements represents the difference between assets and liabilities. Reported amounts for invested in capital assets and restricted net position were as follows:

|  | <b><u>Governmental<br/>Activities</u></b> | <b><u>Business-type<br/>Activities</u></b> |
|--|---|--|
| <b>Invested in Capital Assets, Net of Related Debt</b>       |   |  |
| Net capital assets   | \$12,038,183                              | \$ 743,696                                 |
| Less, general obligation bonds, TAN's and revenue bonds      | (11,466,897)                              | -  |
| Less, installment purchase contracts and notes payable       | (1,288,715)                               | (491,683)                                  |
| Unspent bond funds   | <u>3,118,410</u>                          | <u>-</u>                                   |
| <b>Total invested in capital assets, net of related debt</b> | <b><u>\$ 2,400,981</u></b>                | <b><u>\$ 252,013</u></b>                   |
| <b>Restricted</b>  |   |  |
| Debt service   | \$ 92,023                                 |  |
| Capital Projects Sales Tax Fund                              | 3,514,053                                 |  |
| Capital projects Capital Needs Equipment Replacement Fund    | 533,315                                   |  |
| E-911 services   | 265,526                                   |  |
| Fire services  | 173,702                                   |  |
| Tourism and community development                            | 108,026                                   |  |
| Property tax rollback program                                | 637,977                                   |  |
| Child support enforcement                                    | <u>59,496</u>                             |  |
| <b>Total restricted net position</b>                         | <b><u>\$ 5,384,118</u></b>                |  |



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 12 – FUND BALANCE REPORTING AND NET POSITION (continued)**

The County has classified their fund balances with the following hierarchy: Nonspendable, Restricted, Assigned and Unassigned according to GASB Statement 54.

The County's fund balances as of June 30, 2016 were classified as follows:

| Description                              | <u>General<br/>Fund</u> | <u>Capital<br/>Projects<br/>Sales Tax<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|--|---|---|
| <b>Restricted:</b>                       |                         |  |   |   |
| Capital Projects Sales Tax Fund          | \$ -                    | \$ 3,514,053                                       | \$ -                                    | \$ 3,514,053                            |
| Capital Needs Equipment Replacement Fund | -                       | -  | 533,315                                 | 533,315                                 |
| Debt Service                             | -                       | -  | 92,023                                  | 92,023                                  |
| E-911 Funds                              | -                       | -  | 202,466                                 | 202,466                                 |
| Fire Services                            | -                       | -  | 169,092                                 | 169,092                                 |
| Tourism and Community Development        | 108,026                 | -  | -                                       | 108,026                                 |
| Property Tax Rollbacks                   | 637,977                 | -  | -                                       | 637,977                                 |
| Child Support Funds                      | 59,496                  | -  | -                                       | 59,496                                  |
| <b>Assigned:</b>                         |                         |  |   |   |
| 2016-2017 fiscal year stabilization      | 397,915                 | -  | 67,670                                  | 465,585                                 |
| <b>Unassigned</b>                        | <u>2,004,750</u>        | <u>-</u>   | <u>(207,227)</u>                        | <u>1,797,523</u>                        |
| <b>Total Fund Balances</b>               | <u>\$ 3,208,164</u>     | <u>\$ 3,514,053</u>                                | <u>\$ 857,339</u>                       | <u>\$ 7,579,556</u>                     |

The Road Maintenance Special Revenue Fund had a deficit fund balance at June 30, 2016 of \$181,959. The Hospital Capital Projects Fund had a deficit fund balance at June 30, 2016 of \$25,268. Both funds are nonmajor funds of the County.

**NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION**

State and federal laws and regulations require the County to place a final cover on its landfill site when they stop accepting waste, and to perform certain maintenance and monitoring functions for 30 years after closure. While Bamberg County's original landfill was closed and capped in 1994, the County's vertical expansion allowed the stacking of municipal waste above the ground in trenches until September 1998, at which time the County began using a regional landfill.

GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, applies to all governmental solid waste landfills with the basic objective to recognize all landfill costs by the time a landfill is closed. The costs to be identified for closure and postclosure care include (1) capital assets, (2) final cover and (3) monitoring and maintenance activities.

Because the original landfill is closed, 100% of the liability for the above costs has been recognized as a long-term liability. The estimated liability for postclosure care costs is \$11,000 annually, or approximately \$88,000 as of June 30, 2016, for the remaining monitoring period of 8 years.

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION (continued)**

The County also operated a Construction Demolition and Land Clearing Debris (C & D) landfill which was converted and expanded to a Class II Landfill. This site is estimated to remain open for approximately 58 more years based on the County’s engineering firm’s assessment. The Class II landfill was 13.5 acres with an original capacity of 41,000 tons and the conversion and expansion resulted in an approximate capacity of 225,000 tons. At June 30, 2016, the estimated required annual 20 years of post-closure monitoring cost is \$9,497 as adjusted for inflation.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The County estimates the total costs for closure and post closure monitoring for the Class II landfill to be \$416,893. At June 30, 2016, the costs to be recognized as a liability based on engineering estimates of filled capacity of the Class II landfill is \$326,738.

Estimated total closure and post-closure care costs as of June 30, 2016, for the County’s landfill follows:

|                               | <u>Closed<br/>Landfill</u> | <u>C &amp; D<br/>Class II<br/>Landfill</u> | <u>Total</u>      |
|-------------------------------|----------------------------|--|-------------------|
| Balance, June 30, 2015        | \$ 99,000                  | \$ 320,466                                 | \$ 419,466        |
| Recognized current year costs | <u>(11,000)</u>            | <u>6,272</u>                               | <u>(4,728)</u>    |
| Balance, June 30, 2016        | <u>\$ 88,000</u>           | <u>\$ 326,738</u>                          | <u>\$ 414,738</u> |

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2016. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Bamberg County has not accumulated or segregated funds to meet this additional liability.

**NOTE 14 – RETIREMENT PLAN**

*Description of the Entity*

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publically available through the Retirement Benefits’ link on PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is con-



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 14 – RETIREMENT PLAN (continued)**

sidered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

*Plan Descriptions*

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, 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 South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, 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.

PORS

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

*Benefits*

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



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 14 – RETIREMENT PLAN (continued)**

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 creditable service equals 90 years. Both Class Two and Class 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 27 years of service regardless of age. Both Class Two and Class 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. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee or 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.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 –RETIREMENT PLAN (continued)**

Required **employee** contribution rates for fiscal year 2015-2016 are as follows:

|                      |                                |
|----------------------|--------------------------------|
| SCRS                 |                                |
| Employee Class Two   | 8.16% of earnable compensation |
| Employee Class Three | 8.16% of earnable compensation |
| PORS                 |                                |
| Employee Class Two   | 8.74% of earnable compensation |
| Employee Class Three | 8.74% of earnable compensation |

Required **employer** contribution rates for fiscal year 2015-2016 are as follows:

|                                   |                                 |
|-----------------------------------|---------------------------------|
| SCRS                              |                                 |
| Employee Class Two                | 10.91% of earnable compensation |
| Employer Class Three              | 10.91% of earnable compensation |
| Employer Incidental Death Benefit | 0.15% of earnable compensation  |
| PORS                              |                                 |
| Employee Class Two                | 13.34% of earnable compensation |
| Employer Class Three              | 13.34% of earnable compensation |
| Employer Incidental Death Benefit | 0.20% of earnable compensation  |
| Employer Accidental Death Program | 0.20% of earnable compensation  |

The County's contributions to the SCRS and PORS for the last three fiscal years were as follows:

|                                   | <u>2016</u>              | <u>2015</u>              | <u>2014</u>              |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| SCRS                              |                          |                          |                          |
| Employee Contributions            | \$ 127,958               | \$ 125,048               | \$ 103,415               |
| Employer Contributions            | 170,883                  | 168,032                  | 144,092                  |
| Employer Group Life Contributions | <u>2,354</u>             | <u>2,345</u>             | <u>2,068</u>             |
| <b>Total</b>                      | <b><u>\$ 301,195</u></b> | <b><u>\$ 295,425</u></b> | <b><u>\$ 249,575</u></b> |
| PORS                              |                          |                          |                          |
| Employee Contributions            | \$ 92,122                | \$ 85,160                | \$ 76,364                |
| Employer Contributions            | 140,607                  | 131,740                  | 121,169                  |
| Employer Group Life Contributions | <u>4,216</u>             | <u>4,050</u>             | <u>3,896</u>             |
| <b>Total</b>                      | <b><u>\$ 236,945</u></b> | <b><u>\$ 220,950</u></b> | <b><u>\$ 201,429</u></b> |

The governmental unit contributed 100% of the required contributions for the current year and each of the two preceding years.

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 – RETIREMENT PLAN (continued)**

***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. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in 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 most recent actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of June 30, 2015. The net pension liability of each defined benefit pension plan was therefore determined by PEBA's consulting actuary, Gabriel, Roeder, Smith and Company (GRS), based on the July 1, 2014 actuarial valuations, using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by GRS.

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

|                               | <u>SCRS</u>           | <u>PORS</u>           |
|-------------------------------|-----------------------|-----------------------|
| <b>Actuarial Cost Method</b>  | Entry Age             | Entry Age             |
| <b>Actuarial Assumptions:</b> |                       |                       |
| Investment Rate of Return     | 7.50%                 | 7.50%                 |
| Projected Salary Increases    | 3.5% - 12.5%          | 4.0% - 10.0%          |
| Includes Inflation at         | 2.75%                 | 2.75%                 |
| Benefits Adjustments          | Lesser of 1% or \$500 | Lesser of 1% or \$500 |

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2014 valuation for SCRS and PORS are as follows:

| <u>Former Job Class</u>   | <u>Males</u>  | <u>Females</u>   |
|---|---|--|
| 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, Firefighters, and members of the South Carolina National Guard | RP-2000 Males (with Blue Collar adjustment) multiplied by 115%  | RP-2000 Females (with Blue Collar adjustment) multiplied by 115% |



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 – RETIREMENT PLAN (continued)**

***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. As of June 30, 2015, NPL amounts for SCRS and PORS are presented below (amounts expressed in thousands).

| <u>System</u> | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Employers' Net Pension Liability(Asset)</u> | <u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u> |
|---------------|--------------------------------|------------------------------------|--|---|
| 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.

***Discount Rate***

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

***Long-term Expected Rate of Return***

The long-term expected rate of return on pension plan investments for actuarial purposes is 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 rates of return represent assumptions developed using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic 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 weighting the expected future real rates of return by the target allocation percentages and then adding the actuarial expected inflation which is summarized in the table below. For actuarial pur-

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 – RETIREMENT PLAN (continued)**

poses, the 7.50 percent assumed annual investment rate of return 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.

| <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>                       | <b>5.0%</b>                    |  |   |
| Cash                                    | 2.0%                           | 1.90%  | 0.04%   |
| Short Duration                          | 3.0%                           | 2.00%  | 0.06%   |
| <b>Domestic Fixed Income</b>            | <b>13.0%</b>                   |  |   |
| Core Fixed Income                       | 7.0%                           | 2.70%  | 0.19%   |
| Mixed Credit                            | 6.0%                           | 3.80%  | 0.23%   |
| <b>Global Fixed Income</b>              | <b>9.0%</b>                    |  |   |
| Global Fixed Income                     | 3.0%                           | 2.80%  | 0.08%   |
| Emerging Markets Debt                   | 6.0%                           | 5.10%  | 0.31%   |
| <b>Global Public Equity</b>             | <b>31.0%</b>                   | 7.10%  | 2.20%   |
| <b>Global Tactical Asset Allocation</b> | <b>10.0%</b>                   | 4.90%  | 0.49%   |
| <b>Alternatives</b>                     | <b>32.0%</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%   |
| <b>Total Expected Real Return</b>       | <b>100.0%</b>                  |  | 6.00%   |
| Inflation for Actuarial Purposes        |                                |  | 2.75%   |
| <b>Total Expected Nominal Return</b>    |                                |  | <b>8.75%</b>  |

***Sensitivity Analysis***

The following table presents the collective net pension liability of the participating employer calculated using the discount rate of 7.50 percent, as well as what the employer's 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**

| <u>System</u> | <u>1.00% Decrease<br/>(6.50%)</u> | <u>Current<br/>Discount Rate<br/>(7.50%)</u> | <u>1.00% Increase<br/>(8.50%)</u> |
|---------------|-----------------------------------|--|-----------------------------------|
| <b>SCRS</b>   | \$3,963,331                       | \$3,143,718                                  | \$2,456,779                       |
| <b>PORS</b>   | \$2,398,938                       | \$1,761,077                                  | \$1,190,780                       |



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 – RETIREMENT PLAN (continued)**

*Payables to the Pension Plan*

As of June 30, 2016, the County had \$41,734 in payables outstanding to the pension plans for its legally required contributions.

*Pension Liabilities*

At June 30, 2016, the County reported a liability of \$3,143,718 for its proportionate share of the net pension liability for the SCRS and a liability of \$1,761,077 for its proportionate share of the net pension liability for the PORS. The net pension liability of each defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2014, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2016, the County's proportions were .016576 percent and .080800 percent for SCRS and PORS, respectively.

For the year ended June 30, 2016, the County recognized pension expense of \$443,662, including \$241,647 for SCRS and \$202,015 for PORS.

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--|---|--|
| <b><u>SCRS</u></b>   |   |  |
| Differences between Expected and Actual Experience   | \$ 55,853                                 | \$ 5,622                                 |
| Net Difference between Projected and Actual<br>Investment Earnings   | 21,043                                    | -  |
| Deferred Amounts from Changes in Proportionate Share<br>and Differences between Employer Contributions and<br>Proportionate Share of Total Plan Employer Contributions | 144,027                                   | -  |
| Direct Contributions Subsequent to the Measurement Date  | <u>173,237</u>                            | <u>-</u>                                 |
| Total  | <u>\$ 394,160</u>                         | <u>\$ 5,622</u>                          |
| <b><u>PORS</u></b>   |   |  |
| Differences between Expected and Actual Experience   | \$ 34,905                                 | \$ -                                     |
| Net Difference between Projected and Actual<br>Investment Earnings   | 19,270                                    | -  |
| Deferred Amounts from Changes in Proportionate Share<br>and Differences between Employer Contributions and<br>Proportionate Share of Total Plan Employer Contributions | 39,746                                    | -  |
| Direct Contributions Subsequent to the Measurement Date  | <u>144,823</u>                            | <u>-</u>                                 |
| Total  | <u>\$ 238,744</u>                         | <u>\$ -</u>                              |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 14 – RETIREMENT PLAN (continued)**

The amounts of \$173,237 for SCRS and \$144,823 for PORS reported as deferred outflows of resources related to pensions resulting from County 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 June 30, 2015. Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2015 was 4.164 years for SCRS and 4.796 years for PORS which is the basis for amortizing all deferred amounts except for difference between projected and actual investment earning which are amortized over five years.

| <u>Measurement Period Ending<br/>June 30,</u>              | <u>Difference Between</u>                 |                  |   |                  |
|--|---|------------------|---|------------------|
|  | <u>Expected and Actual<br/>Experience</u> |                  | <u>Projected and Actual<br/>Investment Earnings</u> |                  |
|  | <u>SCRS</u>                               | <u>PORS</u>      | <u>SCRS</u>   | <u>PORS</u>      |
| 2016   | \$ 46,652                                 | \$ 15,565        | \$ 4,209  | \$ 3,854         |
| 2017   | 46,652                                    | 15,565           | 4,209   | 3,854            |
| 2018   | 46,652                                    | 15,565           | 4,209   | 3,854            |
| 2019   | 46,652                                    | 15,565           | 4,208   | 3,854            |
| 2020   | <u>7,650</u>                              | <u>12,391</u>    | <u>4,208</u>  | <u>3,854</u>     |
| Net Balance of Deferred<br>Outflows/(Inflows) of Resources | <u>\$194,258</u>                          | <u>\$ 74,651</u> | <u>\$ 21,043</u>                                    | <u>\$ 19,270</u> |

***Additional Financial and Actuarial Information***

Information contained in these Notes to the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer (Schedules) was extracted from the audited financial statements of the South Carolina Retirement Systems for the fiscal year ended June 30, 2015. Additional financial information supporting the preparation of the Schedules (including the unqualified audit opinion on the financial statements and required supplementary information) is located in the Comprehensive Annual Financial Report (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 – POST EMPLOYMENT BENEFITS**

**Background**

Beginning in fiscal year ended June 30, 2015, Bamberg County implemented Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis but GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – POST EMPLOYMENT BENEFITS (continued)**

during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to account accurately for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

**Plan Description**

Other post employment benefits provided by the County include a retiree health insurance premium contribution plan that covers retirees.

The County provides continued post-retirement health coverage for full-time employees who meet eligibility requirements upon retirement. The County pays a percentage of the premium for one former employee based on a retirement agreement. The County will pay none of the other current or future retiree's premiums.

**Eligibility** – Employees must retire under the State of South Carolina Retirement System which includes the Police Officers Retirement System and the last five years of employment must have been served consecutively in a full-time permanent position with an employer that participates in the state insurance program.

**Other Plan Provisions**

- Employees who retire through the SCRS or PORS disability retirement provisions are eligible to maintain their health care coverage by paying 100% of their premiums.
- Spouse and dependent coverage is available at the retiree's expense. Surviving spouses and dependents of deceased retired members may continue retiree coverage at their own expense.

**Funding Policy**

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay as you go basis.

**Annual OPEB Cost and Net OPEB Obligation**

The annual cost of other post employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of accrual 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 County's annual OPEB cost for the fiscal year ended June 30, 2016 is as follows:

|  |                  |
|--|------------------|
| Annual required contribution               | \$ 11,547        |
| Interest on net OPEB obligation            | 2,119            |
| Adjustment to annual required contribution | <u>(1,963)</u>   |
| Annual OPEB cost (expense) end of year     | 11,703           |
| Net estimated employer contributions       | <u>(4,242)</u>   |
| Increase (decrease) in net OPEB obligation | 7,461            |
| Net OPEB obligation, beginning of year     | <u>47,080</u>    |
| Net OPEB obligation, end of year           | <u>\$ 54,541</u> |

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 15 – POST EMPLOYMENT BENEFITS (continued)**

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016 and the preceding two fiscal years were as follows:

| Fiscal Year<br>Ended | Annual<br>OPEB Cost | Employer<br>Amount<br>Contributed | Percentage<br>Contributed | Net OPEB<br>Obligation |
|----------------------|---------------------|-----------------------------------|---------------------------|------------------------|
| June 30, 2014        | \$ 10,984           | \$ 2,757                          | 25.1%                     | \$ 38,582              |
| June 30, 2015        | \$ 11,338           | \$ 2,840                          | 25.0%                     | \$ 47,080              |
| June 30, 2016        | \$ 11,703           | \$ 4,242                          | 36.2%                     | \$ 54,541              |

**Funded Status**

The funded status of the County's retiree health care plan, under GASB Statement No. 45 as of June 30, 2014 is as follows:

| Actuarial<br>Valuation<br>Date as of | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability (AAL)<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Annual<br>Covered<br>Payroll<br>(d) | Ratio of UAAL<br>to Annual<br>Covered Payroll<br>(b-a)/d |
|--------------------------------------|--|--|---------------------------------|--------------------------|-------------------------------------|--|
| 6/30/2014                            | \$ -                                   | \$ 104,376                                     | \$ 104,376                      | 0.0%                     | \$2,352,895                         | 4.44%  |

Under the reporting parameters, the County's retiree health care plan is 0.0% funded with the actuarial accrued liability exceeding the actuarial assets by \$104,376 at June 30, 2014. As of the most recent valuation, the ratio of the unfunded actuarial accrued liability to annual covered payroll is 4.44%.

**Actuarial Methods and Assumptions**

The Individual Entry Age Normal Cost Method is used to calculate the GASB ARC for the County's retiree health care plan. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial cost method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the County and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the County's employees to that point. Actuarial calculations reflect a short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

*Actuarial Methods and Assumptions*

|                           |   |
|---------------------------|---|
| Inflation Rate            | 3.00 % per annum  |
| Investment rate of return | 4.50% per annum, net of expenses  |
| Actuarial cost of method  | Individual Entry Age Normal Cost Method                                     |
| Amortization method       | Level as a percentage of employee payroll                                   |
| Amortization Period       | 30-year open amortization   |
| Payroll Growth            | 3.00% per annum   |
| Medical and Drug Trend    | Initial rate of 6.00%, declining to an ultimate rate of 4.50% after 9 years |



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 15 – POST EMPLOYMENT BENEFITS (continued)**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the County's retiree health care plan are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 16 – RISK MANAGEMENT**

The County is exposed to various risks of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage for worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The County also pays insurance premiums to certain other commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy in accordance with insurance policy and benefit program limits.

Several state funds accumulate assets and the State itself assumes substantially all risks for the following:

- 1) Claims of covered public employees for health and dental insurance benefits (SC Budget & Control Board) and
- 2) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System).

The County assumes the risk for unemployment compensation benefits by paying directly to the Employment Security Commission actual claims filed against the County.

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All other coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums which are remitted to commercial carriers.

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the South Carolina Insurance Reserve Fund. Through the Fund, the County maintains property insurance at replacement value and contents coverage at actual value. The County also maintains tort coverage at a rate of \$600,000 per occurrence.

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the unrestricted current funds. These expenditures do not include estimated claim losses and estimable premium adjustments.

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2016, because the requirements of GASB Statement No. 10, which states that a liability for supplemental assessments must be reported if information prior to issuance of the financial statements indicates that it is probable that an asset has been impaired or a liability has been incurred on or before June 30, 2016, and that the amount of the premiums is reasonably estimable, have not been satisfied.

**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**NOTE 16 – RISK MANAGEMENT (continued)**

In management’s opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

**NOTE 17 – CONTINGENCIES**

**Accrued Claims**

Bamberg County was the defendant in an ongoing lawsuit regarding contracts the County signed for services to be rendered in prior years to the Bamberg County Hospital. In February, 2015, a settlement was reached whereby the County agreed to pay \$200,000 over six fiscal years. The balance at June 30, 2016 of \$140,000 is payable under this agreement as follows:

| <b>For Year Ended<br/><u>June 30,</u></b> | <b><u>Amount</u></b> |
|---|----------------------|
| 2017                                      | \$ 85,000            |
| 2018                                      | -                    |
| 2019                                      | 30,000               |
| 2020                                      | <u>25,000</u>        |
|   | <u>\$ 140,000</u>    |

**Pending Legal Cases**

The County currently has a pending legal case which involves a lawsuit filed against the County which is too early in the discovery phase to predict an outcome.

**Federal and State Assisted Programs**

In the normal course of operations, the County receives grant funds from various federal and state agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds.

Such audits could result in the refund of grant monies to the grantor agencies. South Carolina Emergency Management Division has determined the County was overpaid \$89,629 for the prior year’s FEMA project related to winter storm assistance. This amount to be repaid is included in due to other governments.

**NOTE 18 – MULTI-COUNTY AGREEMENTS**

**Solid Waste Disposal**

The County is a member of the Three Rivers Solid Waste Authority (the Authority), a public body and body corporate agency of the State of South Carolina. Pursuant to the Agreement between the County and the Authority, the County is obligated to pay its annual fee and member fee each year for the remainder of a 30 year term expiring in the year 2027. In addition to its annual obligation, the County has agreed to pay its share of closure and postclosure costs assessed. The County has also committed to proportionally fund the operations of the Authority in the event another member defaults on its obligations.



**BAMBERG COUNTY, SOUTH CAROLINA  
NOTES TO THE BASIC FINANCIAL STATEMENTS**

**NOTE 19 – SALES TAX FUND PROJECTS**

On November 6, 2012, the Bamberg County voters passed a referendum to impose a one percent sales tax for not more than eight years to raise the revenues to be applied directly to pay the costs of or to pay the debt service on bonds issued to defray the cost of certain capital projects listed below. The following table reflects the costs incurred from inception for each project.

|   | <u>Project<br/>Authorization</u> | <u>Prior<br/>Years</u> | <u>Current<br/>Year</u> | <u>Total<br/>to Date</u> |
|---|----------------------------------|------------------------|-------------------------|--------------------------|
| <b>General Government</b>   |                                  |                        |                         |                          |
| Bamberg County Courthouse renovation<br>and expansion                 | \$ 3,541,423                     | \$ 910,702             | \$ 2,622,257            | \$ 3,532,959             |
| <b>Culture and Recreation</b>   |                                  |                        |                         |                          |
| Olar: Park shed   | 6,200                            | 6,000                  | -                       | 6,000                    |
| Olar: Community building renovations                                  | 37,000                           | -                      | 19,980                  | 19,980                   |
| City of Bamberg: Civic Center renovations                             | 589,000                          | 502,181                | 86,819                  | 589,000                  |
| Denmark: Dane Theatre renovations                                     | 60,000                           | 60,000                 | -                       | 60,000                   |
| Ehrhardt: Downtown beautification<br>and former town hall restoration | 60,000                           | -                      | 17,300                  | 17,300                   |
| Govan: Park shed and park<br>improvements                             | 15,000                           | -                      | -                       | -                        |
| Bamberg EDC: Veterans memorial<br>construction                        | 82,500                           | -                      | -                       | -                        |
|   | <u>849,700</u>                   | <u>568,181</u>         | <u>124,099</u>          | <u>692,280</u>           |
| <b>Health and Welfare</b>   |                                  |                        |                         |                          |
| Olar/Govan: Regional water system<br>back-up pump and chlorination    | 14,604                           | 10,115                 | 3,340                   | 13,455                   |
| <b>Total</b>  | <u>\$ 4,405,727</u>              | <u>\$ 1,488,998</u>    | <u>\$ 2,749,696</u>     | <u>\$ 4,238,694</u>      |

**NOTE 20 – SUBSEQUENT EVENTS**

The County has issued the following debt subsequent to June 30, 2016 fiscal year end:

On December 28, 2016, the County issued \$176,000 General Obligation Bond taxable series 2016B with the proceeds used for the debt service payments due for capital sales tax project related outstanding debt.

The County is seeking two separate USDA Rural Development Community Facilities direct loans not to exceed \$63,000 and \$62,900 respectively, and two separate USDA Community Facilities grants not to exceed \$50,000 and \$49,900 respectively, for a total project cost, of both loans and grants of \$226,000. The County will contribute \$200 to the project initially. The scope of this project includes the purchase of 3 new police cars to be utilized by the Sheriff's Department in Zone 4 and 3 new police cars to be utilized by the Sheriff's Department in Zone 3 of Bamberg County. The loan will be repayable over a period of time not to exceed 7 years from the date of the loan closing. The first annual payment will be due the following year. The interest rate is anticipated to be 2.375%. The loan requires the establishment of both a reserve account and a construction account. Each year the County will set aside one-tenth of one yearly payment until one average loan installment is reached. The loan is anticipated to close in the spring of 2017.

**REQUIRED SUPPLEMENTARY INFORMATION**



**BAMBERG COUNTY, SOUTH CAROLINA**  
**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN**  
**FOR THE YEAR ENDED JUNE 30, 2016**

| Actuarial Valuation Date  | (1)                       | (2)                               | (3)                         | (4)                  | (5)                    | (6)   |
|---------------------------|---------------------------|-----------------------------------|-----------------------------|----------------------|------------------------|---|
| Actuarial Value of Assets | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded AAL (UAAL) (2)-(1) | Funded Ratio (1)/(2) | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll ((2)-(1))/(5) |
| Bamberg County 6/30/2014  | \$ -                      | \$ 104,376                        | \$ 104,376                  | 0.00%                | \$ 2,352,895           | 4.44%   |

The County implemented GASB 45 in Fiscal Year 2015; therefore, six years of data are not available, but will be accumulated over time. The valuation has been calculated using the Individual Entry Age Normal Cost Method, discount rates of 4.5%, and the initial unfunded actuarial liability is amortized over 30 years based on a level percent of payroll method. It should be noted that an actuarial cost method determines a contribution or expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees.

BAMBERG COUNTY, SOUTH CAROLINA  
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (SRS AND PORS)  
 LAST 10 FISCAL YEARS\*  
 (Dollar amounts in thousands)

|   | SOUTH CAROLINA RETIREMENT SYSTEM (SCRS) |           |      |      |      |      |      |      |      |      |
|---|---|-----------|------|------|------|------|------|------|------|------|
|   | 2016                                    | 2015      | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| County's proportion of the net pension liability (asset)  | 0.016576%                               | 0.015533% | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's proportionate share of the net pension liability (asset)   | \$ 3,144                                | \$ 2,674  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's covered-employee payroll   | 1,563                                   | 1,379     | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 201.15%                                 | 193.91%   | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Plan fiduciary net position as a percentage of the total pension liability  | 57.0%                                   | 59.9%     | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |

|   | POLICE OFFICERS RETIREMENT SYSTEM (PORS) |           |      |      |      |      |      |      |      |      |
|---|--|-----------|------|------|------|------|------|------|------|------|
|   | 2016                                     | 2015      | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
| County's proportion of the net pension liability (asset)  | 0.080800%                                | 0.078380% | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's proportionate share of the net pension liability (asset)   | \$ 1,761                                 | \$ 1,501  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's covered-employee payroll   | 1,013                                    | 974       | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 173.84%                                  | 154.11%   | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Plan fiduciary net position as a percentage of the total pension liability  | 64.60%                                   | 67.50%    | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |

NA\* - Not Available

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

2016 Source: Audit report on the schedules of employer allocations, schedules of pension amounts per employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2015.



BAMBERG COUNTY, SOUTH CAROLINA  
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COUNTY CONTRIBUTIONS (SRS AND PORS)  
 LAST 10 FISCAL YEARS\*  
 (Dollar amounts in thousands)

|  | 2016     | 2015     | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------|----------|------|------|------|------|------|------|------|------|
| SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)                              |          |          |      |      |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 170   | \$ 146   | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contributions in relation to the contractually required contribution | (170)    | (146)    | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contribution deficiency (excess)                                     | \$ -     | \$ -     | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| County's covered-employee payroll                                    | \$ 1,563 | \$ 1,379 | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contributions as a percentage of covered-employee payroll            | 10.88%   | 10.59%   | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |

|  | 2016     | 2015   | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 |
|--|----------|--------|------|------|------|------|------|------|------|------|
| POLICE OFFICERS RETIREMENT SYSTEM (PORS)                             |          |        |      |      |      |      |      |      |      |      |
| Contractually required contribution                                  | \$ 136   | \$ 125 | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contributions in relation to the contractually required contribution | (136)    | (125)  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contribution deficiency (excess)                                     | \$ -     | \$ -   | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| County's covered-employee payroll                                    | \$ 1,013 | \$ 974 | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |
| Contributions as a percentage of covered-employee payroll            | 13.43%   | 12.83% | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  | NA*  |

NA\* - Not Available

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

Source: County's quarterly retirement contribution reports.

**COMBINING AND INDIVIDUAL  
FUND SCHEDULES**



BAMBERG COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016

|   | Special Revenue Funds |                   |                       |                   | Capital Project Funds |                            |                   |                     | Total |
|---|-----------------------|-------------------|-----------------------|-------------------|-----------------------|----------------------------|-------------------|---------------------|-------|
|   | Special Revenue Fund  | E-911 Fund        | Road Maintenance Fund | Fire Service Fund | Hospital Fund         | Equipment Replacement Fund | Debt Service Fund |                     |       |
| <b>ASSETS</b>   |                       |                   |                       |                   |                       |                            |                   |                     |       |
| Cash and cash equivalents                                     | \$ -                  | \$ 384,885        | \$ -                  | \$ 184,103        | \$ -                  | \$ 506,169                 | \$ 54,117         | \$ 1,129,274        |       |
| Due from other governments                                    | 206,008               | 95,174            | -                     | -                 | -                     | -                          | -                 | 301,182             |       |
| Due from other funds  | -                     | -                 | 7,706                 | -                 | -                     | 33,408                     | 35,298            | 76,412              |       |
| Delinquent taxes receivable                                   | -                     | -                 | -                     | 47,026            | -                     | 29,856                     | 27,802            | 104,684             |       |
| <b>TOTAL ASSETS</b>   | <b>\$ 206,008</b>     | <b>\$ 480,059</b> | <b>\$ 7,706</b>       | <b>\$ 231,129</b> | <b>\$ -</b>           | <b>\$ 569,433</b>          | <b>\$ 117,217</b> | <b>\$ 1,611,552</b> |       |
| <b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>       |                       |                   |                       |                   |                       |                            |                   |                     |       |
| <b>LIABILITIES</b>  |                       |                   |                       |                   |                       |                            |                   |                     |       |
| Accounts payable  | \$ 171,024            | \$ 2,950          | \$ 7,876              | \$ 41             | \$ -                  | \$ -                       | \$ -              | \$ 181,891          |       |
| Accrued expenses  | -                     | 4,749             | 11,869                | 336               | -                     | -                          | -                 | 16,954              |       |
| Due to other funds  | 32,124                | 206,834           | 169,920               | 16,206            | 25,268                | 7,948                      | -                 | 458,300             |       |
| Unearned revenue - grants                                     | 2,860                 | -                 | -                     | -                 | -                     | -                          | -                 | 2,860               |       |
| <b>Total Liabilities</b>                                      | <b>206,008</b>        | <b>214,533</b>    | <b>189,665</b>        | <b>16,583</b>     | <b>25,268</b>         | <b>7,948</b>               | <b>-</b>          | <b>660,005</b>      |       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                          |                       |                   |                       |                   |                       |                            |                   |                     |       |
| Unavailable revenue - property taxes                          | -                     | -                 | -                     | 40,844            | -                     | 28,170                     | 25,194            | 94,208              |       |
| <b>Total Deferred Inflows of Resources</b>                    | <b>-</b>              | <b>-</b>          | <b>-</b>              | <b>40,844</b>     | <b>-</b>              | <b>28,170</b>              | <b>25,194</b>     | <b>94,208</b>       |       |
| <b>FUND BALANCES</b>  |                       |                   |                       |                   |                       |                            |                   |                     |       |
| Restricted  | -                     | 202,466           | -                     | 169,092           | -                     | 533,315                    | 92,023            | 996,896             |       |
| Assigned  | -                     | 63,060            | -                     | 4,610             | -                     | -                          | -                 | 67,670              |       |
| Unassigned  | -                     | -                 | (181,959)             | -                 | (25,268)              | -                          | -                 | (207,227)           |       |
| <b>Total Fund Balances</b>                                    | <b>-</b>              | <b>265,526</b>    | <b>(181,959)</b>      | <b>173,702</b>    | <b>(25,268)</b>       | <b>533,315</b>             | <b>92,023</b>     | <b>857,339</b>      |       |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b> | <b>\$ 206,008</b>     | <b>\$ 480,059</b> | <b>\$ 7,706</b>       | <b>\$ 231,129</b> | <b>\$ -</b>           | <b>\$ 569,433</b>          | <b>\$ 117,217</b> | <b>\$ 1,611,552</b> |       |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|  | Special Revenue Funds |                |                       |                   | Capital Project Funds |                            |                   |          | Total            |
|--|-----------------------|----------------|-----------------------|-------------------|-----------------------|----------------------------|-------------------|----------|------------------|
|  | Special Revenue Fund  | E-911 Fund     | Road Maintenance Fund | Fire Service Fund | Hospital Fund         | Equipment Replacement Fund | Debt Service Fund |          |                  |
| <b>Revenue</b>                                   |                       |                |                       |                   |                       |                            |                   |          |                  |
| Property taxes                                   | \$ -                  | \$ -           | \$ -                  | \$ 395,216        | \$ -                  | \$ 155,676                 | \$ 207,496        | \$ -     | \$ 758,388       |
| Charges for services                             | -                     | 79,625         | 332,550               | -                 | -                     | -                          | -                 | -        | 412,175          |
| Intergovernmental - State                        | 334,790               | 121,107        | -                     | -                 | -                     | -                          | -                 | -        | 455,897          |
| Intergovernmental - Federal                      | 95,887                | -              | -                     | -                 | -                     | -                          | -                 | -        | 95,887           |
| Interest income                                  | -                     | 354            | -                     | 77                | -                     | 380                        | 34                | -        | 845              |
| <b>Total revenue</b>                             | <u>430,677</u>        | <u>201,086</u> | <u>332,550</u>        | <u>395,293</u>    | <u>-</u>              | <u>156,056</u>             | <u>207,530</u>    | <u>-</u> | <u>1,723,192</u> |
| <b>Expenditures</b>                              |                       |                |                       |                   |                       |                            |                   |          |                  |
| Current:   |                       |                |                       |                   |                       |                            |                   |          |                  |
| General government                               | 1,876                 | -              | -                     | -                 | -                     | -                          | -                 | -        | 1,876            |
| Public safety                                    | 75,778                | 335,457        | -                     | -                 | -                     | -                          | -                 | -        | 411,235          |
| Public works                                     | 332,914               | -              | 413,443               | -                 | -                     | -                          | -                 | -        | 746,357          |
| Health and welfare                               | -                     | -              | -                     | 333,984           | -                     | -                          | -                 | -        | 333,984          |
| Capital Outlay                                   | -                     | -              | -                     | -                 | -                     | 1,140,385                  | -                 | -        | 1,140,385        |
| Debt service:                                    |                       |                |                       |                   |                       |                            |                   |          |                  |
| Principal  | -                     | -              | -                     | -                 | -                     | 78,007                     | 125,223           | -        | 203,230          |
| Interest   | -                     | -              | -                     | -                 | -                     | 8,833                      | 65,439            | -        | 74,272           |
| <b>Total expenditures</b>                        | <u>410,568</u>        | <u>335,457</u> | <u>413,443</u>        | <u>333,984</u>    | <u>-</u>              | <u>1,227,225</u>           | <u>190,662</u>    | <u>-</u> | <u>2,911,339</u> |
| Excess (deficiency) of revenue over expenditures | 20,109                | (134,371)      | (80,893)              | 61,309            | -                     | (1,071,169)                | 16,868            | -        | (1,188,147)      |
| <b>Other Financing Sources (Uses)</b>            |                       |                |                       |                   |                       |                            |                   |          |                  |
| Proceeds from sale of assets                     | -                     | -              | -                     | -                 | -                     | 110,076                    | -                 | -        | 110,076          |
| Proceeds from issuance of debt                   | -                     | -              | -                     | -                 | -                     | 712,798                    | -                 | -        | 712,798          |
| Transfer in (out)                                | (20,109)              | 57,740         | 114,114               | (579)             | 12,855                | (46,105)                   | -                 | -        | 117,916          |
| <b>Total other financing sources (uses)</b>      | <u>(20,109)</u>       | <u>57,740</u>  | <u>114,114</u>        | <u>(579)</u>      | <u>12,855</u>         | <u>776,769</u>             | <u>-</u>          | <u>-</u> | <u>940,790</u>   |
| Net change in fund balance                       | -                     | (76,631)       | 33,221                | 60,730            | 12,855                | (294,400)                  | 16,868            | -        | (247,357)        |
| <b>Fund balance, beginning of year</b>           | -                     | 342,157        | (215,180)             | 112,972           | (38,123)              | 827,715                    | 75,155            | -        | 1,104,696        |
| <b>Fund balance, end of year</b>                 | \$ -                  | \$ 265,526     | \$ (181,959)          | \$ 173,702        | \$ (25,268)           | \$ 533,315                 | \$ 92,023         | \$ -     | \$ 857,339       |



**BAMBERG COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>Budgeted Amounts</u> |                  |                  | Variance with                              |
|---|-------------------------|------------------|------------------|--|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    | Final Budget<br>Favorable<br>(Unfavorable) |
| <b>REVENUES</b>                             |                         |                  |                  |  |
| <b>Local Sources</b>                        |                         |                  |                  |  |
| <b>Taxes</b>                                |                         |                  |                  |  |
| Real estate taxes                           | \$ 3,099,354            | \$ 3,099,354     | \$ 3,294,184     | \$ 194,830                                 |
| Local option sales tax credit               | 220,000                 | 220,000          | 206,436          | (13,564)                                   |
| Vehicle taxes                               | 583,531                 | 583,531          | 456,859          | (126,672)                                  |
| Vehicle decal income                        | 9,500                   | 9,500            | 9,117            | (383)                                      |
| Delinquent taxes                            | 325,000                 | 325,000          | 269,082          | (55,918)                                   |
| Delinquent tax execution cost reimbursement | 92,500                  | 92,500           | 99,037           | 6,537                                      |
| Payment in lieu of taxes                    | 30,000                  | 30,000           | 24,811           | (5,189)                                    |
| Treasurer's cost to cities                  | 41,642                  | 41,642           | 29,193           | (12,449)                                   |
| State motor carrier                         | 56,000                  | 56,000           | 53,640           | (2,360)                                    |
| Manufacturer reimbursement                  | 23,000                  | 23,000           | 33,673           | 10,673                                     |
| Merchant's inventory tax                    | 26,475                  | 26,475           | 26,475           | -  |
| Homestead exemption reimbursement           | 340,000                 | 340,000          | 303,419          | (36,581)                                   |
| Total taxes                                 | <u>4,847,002</u>        | <u>4,847,002</u> | <u>4,805,926</u> | <u>(41,076)</u>                            |
| <b>Intergovernmental</b>                    |                         |                  |                  |  |
| <b>State</b>                                |                         |                  |                  |  |
| Accommodations tax                          | 89,100                  | 89,100           | 98,937           | 9,837                                      |
| State aid and allocations                   | 604,010                 | 604,010          | 592,775          | (11,235)                                   |
| Salary supplements                          | 6,300                   | 6,300            | 6,300            | -  |
| Vital records fees                          | 600                     | 600              | -                | (600)                                      |
| State Election Board stipened reimbursement | 10,500                  | 10,500           | 10,500           | -  |
| Reimbursement for primary election costs    | 50,500                  | 50,500           | 14,368           | (36,132)                                   |
| Veterans affairs                            | -                       | -                | 4,556            | 4,556                                      |
| Rural infrastructure grant                  | -                       | -                | 350,000          | 350,000                                    |
| Reimburse dispatcher training               | 4,900                   | 4,900            | -                | (4,900)                                    |
| Grant - radio upgrade                       | 27,290                  | 27,290           | -                | (27,290)                                   |
| <b>Federal</b>                              |                         |                  |                  |  |
| FEMA grant                                  | -                       | -                | 114,114          | 114,114                                    |
| DSS filing fees                             | -                       | -                | 9,300            | 9,300                                      |
| DSS - Clerk of Court                        | -                       | -                | 14,425           | 14,425                                     |
| DSS - Sheriff                               | 6,000                   | 6,000            | 3,812            | (2,188)                                    |
| DSS - IV-D Incentives                       | -                       | -                | 40,404           | 40,404                                     |
| DSS - Rent/Utilities reimbursement          | 20,988                  | 20,988           | 37,650           | 16,662                                     |
| Total intergovernmental                     | <u>820,188</u>          | <u>820,188</u>   | <u>1,297,141</u> | <u>476,953</u>                             |
| <b>Licenses and permits</b>                 |                         |                  |                  |  |
| Moving and other permits                    | 1,500                   | 1,500            | 1,950            | 450  |
| Franchise fees                              | 3,700                   | 3,700            | 3,571            | (129)                                      |
| Building permits                            | 42,000                  | 42,000           | 43,632           | 1,632                                      |
| Total licenses and permits                  | <u>47,200</u>           | <u>47,200</u>    | <u>49,153</u>    | <u>1,953</u>                               |
| <b>Charges for services</b>                 |                         |                  |                  |  |
| Probate fees                                | 22,000                  | 22,000           | 19,694           | (2,306)                                    |
| Municipal inmate housing                    | 42,000                  | 42,000           | 30,496           | (11,504)                                   |
| Tower rent                                  | -                       | -                | 14,200           | 14,200                                     |
| Total charges for services                  | <u>64,000</u>           | <u>64,000</u>    | <u>64,390</u>    | <u>390</u>                                 |

BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| <b>Fines and forfeitures</b>   |                     |                     |                     |   |
| Clerk of court fines and fees  | 180,000             | 180,000             | 102,993             | (77,007)  |
| Magistrate fines and fees  | 135,000             | 135,000             | 130,397             | (4,603)   |
| Sex offender registration fees   | -                   | -                   | 1,768               | 1,768   |
| Victim's Advocate funds  | 23,000              | 23,000              | 19,392              | (3,608)   |
| Service fees   | 2,000               | 2,000               | 2,546               | 546   |
| Total fines and forfeitures  | <u>340,000</u>      | <u>340,000</u>      | <u>257,096</u>      | <u>(82,904)</u>   |
| <b>Investment income</b>   | <u>2,500</u>        | <u>2,500</u>        | <u>2,342</u>        | <u>(158)</u>  |
| <b>Miscellaneous</b>   |                     |                     |                     |   |
| Miscellaneous revenue  | 2,000               | 2,000               | 4,069               | 2,069   |
| Forfeited Land Commission sales & interest   | 10,000              | 10,000              | 54,293              | 44,293  |
| GIS mapping  | -                   | -                   | 4,398               | 4,398   |
| Reimbursement From Mun. Judge  | 37,000              | 37,000              | 16,762              | (20,238)  |
| Detention Center phone   | 7,000               | 7,000               | 4,832               | (2,168)   |
| Detention Center concessions commissions   | -                   | -                   | 2,364               | 2,364   |
| Total miscellaneous  | <u>56,000</u>       | <u>56,000</u>       | <u>86,718</u>       | <u>30,718</u>   |
| <b>TOTAL REVENUES</b>  | <u>6,176,890</u>    | <u>6,176,890</u>    | <u>6,562,766</u>    | <u>385,876</u>  |
| <b>EXPENDITURES</b>  |                     |                     |                     |   |
| Current:   |                     |                     |                     |   |
| General government   | 2,732,521           | 2,732,521           | 2,609,433           | 123,088   |
| Judicial   | 698,847             | 698,847             | 679,051             | 19,796  |
| Public safety  | 2,140,508           | 2,140,508           | 1,929,480           | 211,028   |
| Economic development   | 50,000              | 50,000              | 412,500             | (362,500)   |
| Culture and recreation   | 150,800             | 150,800             | 151,218             | (418)   |
| Miscellaneous  | 172,108             | 172,108             | 165,718             | 6,390   |
| Health and welfare   | 475,000             | 475,000             | 564,629             | (89,629)  |
| <b>TOTAL EXPENDITURES</b>  | <u>6,419,784</u>    | <u>6,419,784</u>    | <u>6,512,029</u>    | <u>(92,245)</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>                                   | <u>(242,894)</u>    | <u>(242,894)</u>    | <u>50,737</u>       | <u>293,631</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                     |                     |                     |   |
| Proceeds from sale of assets   | 25,000              | 25,000              | -                   | (25,000)  |
| Insurance recoveries   | -                   | -                   | 10,029              | 10,029  |
| Transfers in(out)  | (12,510)            | (12,510)            | (91,166)            | (78,656)  |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>  | <u>12,490</u>       | <u>12,490</u>       | <u>(81,137)</u>     | <u>(93,627)</u>   |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b> | <u>\$ (230,404)</u> | <u>\$ (230,404)</u> | <u>(30,400)</u>     | <u>\$ 200,004</u>   |
| <b>Fund Balance at Beginning of Year</b>   |                     |                     | <u>3,238,564</u>    |   |
| <b>Fund Balance at End of Year</b>   |                     |                     | <u>\$ 3,208,164</u> |   |



**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|                             | Budgeted       |                | Actual         | Variance                   |
|-----------------------------|----------------|----------------|----------------|----------------------------|
|                             | Original       | Final          |                | Favorable<br>(Unfavorable) |
| <b>GENERAL GOVERNMENT</b>   |                |                |                |                            |
| <b>Administration:</b>      |                |                |                |                            |
| Salaries                    | \$ 36,087      | \$ 36,087      | \$ 37,800      | \$ (1,713)                 |
| State retirement            | 3,991          | 3,991          | 3,871          | 120                        |
| FICA and Medicare           | 2,761          | 2,761          | 2,486          | 275                        |
| Health insurance            | 5,853          | 5,853          | 4,872          | 981                        |
| Unemployment comp insurance | 169            | 169            | 229            | (60)                       |
| Workers comp insurance      | 815            | 815            | 811            | 4                          |
| Training                    | 2,000          | 976            | 976            | -                          |
| Supplies                    | 2,500          | 3,524          | 3,738          | (214)                      |
| Capital Improvement         | 500            | 500            | 474            | 26                         |
| Administrator operations    | 3,000          | 4,000          | 3,683          | 317                        |
| Personnel operations        | 1,000          | 700            | 630            | 70                         |
| Gas and fuel                | 900            | 200            | 173            | 27                         |
| Administrator contract      | 108,150        | 108,150        | 108,056        | 94                         |
|                             | <u>167,726</u> | <u>167,726</u> | <u>167,799</u> | <u>(73)</u>                |
| <b>County Auditor:</b>      |                |                |                |                            |
| Salaries                    | 65,561         | 65,561         | 61,252         | 4,309                      |
| State retirement            | 7,251          | 7,251          | 6,361          | 890                        |
| FICA and Medicare           | 5,015          | 5,015          | 3,764          | 1,251                      |
| Health insurance            | 18,788         | 18,788         | 15,639         | 3,149                      |
| Unemployment comp insurance | 508            | 508            | 388            | 120                        |
| Workers comp insurance      | 1,187          | 1,187          | 1,177          | 10                         |
| Meals                       | 100            | 100            | -              | 100                        |
| Training                    | 400            | 400            | 165            | 235                        |
| Travel                      | 450            | 450            | 99             | 351                        |
| Photocopy maintenance       | 744            | 744            | 306            | 438                        |
| Lodging                     | 1,000          | 1,000          | 520            | 480                        |
| Registration                | 840            | 840            | 305            | 535                        |
| Dues and Publications       | 400            | 400            | 334            | 66                         |
| Supplies                    | 2,000          | 2,000          | 1,635          | 365                        |
|                             | <u>104,244</u> | <u>104,244</u> | <u>91,945</u>  | <u>12,299</u>              |
| <b>County Treasurer:</b>    |                |                |                |                            |
| Salaries                    | 82,131         | 82,131         | 82,780         | (649)                      |
| State retirement            | 9,084          | 9,084          | 8,648          | 436                        |
| FICA and Medicare           | 6,283          | 6,283          | 5,259          | 1,024                      |
| Health insurance            | 29,436         | 29,436         | 24,502         | 4,934                      |
| Unemployment comp insurance | 508            | 508            | 501            | 7                          |
| Workers comp insurance      | 1,854          | 1,854          | 1,868          | (14)                       |
| Meals                       | 175            | 365            | 362            | 3                          |
| Travel                      | 1,000          | 760            | 480            | 280                        |
| Photocopy maintenance       | 510            | 560            | 551            | 9                          |
| Lodging                     | 1,250          | 1,250          | 1,142          | 108                        |
| Registration                | 1,000          | 1,000          | 625            | 375                        |
| Dues and publications       | 150            | 150            | 149            | 1                          |
| Supplies                    | 2,200          | 2,200          | 1,233          | 967                        |
|                             | <u>135,581</u> | <u>135,581</u> | <u>128,100</u> | <u>7,481</u>               |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|  | Budgeted       |                | Actual         | Variance                   |
|--|----------------|----------------|----------------|----------------------------|
|  | Original       | Final          |                | Favorable<br>(Unfavorable) |
| <b>County Tax Assessor/GIS/Risk Manager:</b> |                |                |                |                            |
| Salaries                                     | 129,803        | 129,803        | 133,175        | (3,372)                    |
| State retirement                             | 14,356         | 14,356         | 13,921         | 435                        |
| FICA and Medicare                            | 9,930          | 9,930          | 8,815          | 1,115                      |
| Health insurance                             | 26,116         | 26,116         | 21,738         | 4,378                      |
| Unemployment comp insurance                  | 678            | 678            | 810            | (132)                      |
| Workers comp insurance                       | 2,930          | 2,930          | 2,908          | 22                         |
| Meals  | 200            | 41             | 41             | -                          |
| Training                                     | 1,655          | 1,495          | 1,495          | -                          |
| Travel                                       | 1,200          | 1,200          | 1,081          | 119                        |
| Photocopy maintenance                        | 550            | 550            | 529            | 21                         |
| Lodging                                      | 1,050          | 528            | 528            | -                          |
| Registration                                 | 300            | 300            | 225            | 75                         |
| Dues and publications                        | 975            | 975            | 926            | 49                         |
| Supplies                                     | 4,000          | 7,224          | 7,174          | 50                         |
| Service contracts                            | 10,530         | 8,950          | 8,950          | -                          |
| Auto Maintenance                             | 1,000          | 197            | 197            | -                          |
| Contract appraisers                          | 40,000         | 40,000         | 33,220         | 6,780                      |
| Aerial Photography Flight                    | 22,000         | 22,000         | 23,100         | (1,100)                    |
| Equipment maintenance                        | 2,500          | -              | -              | -                          |
| Postage                                      | -              | 2,500          | -              | 2,500                      |
|  | <u>269,773</u> | <u>269,773</u> | <u>258,833</u> | <u>10,940</u>              |
| <b>Building/Zoning/Code Enforcement:.</b>    |                |                |                |                            |
| Salaries                                     | 44,923         | 44,923         | 46,060         | (1,137)                    |
| State retirement                             | 4,968          | 4,968          | 4,819          | 149                        |
| FICA and Medicare                            | 3,437          | 3,437          | 3,068          | 369                        |
| Health insurance                             | 5,853          | 5,853          | 4,872          | 981                        |
| Unemployment comp insurance                  | 169            | 169            | 263            | (94)                       |
| Workers comp insurance                       | 1,014          | 1,014          | 1,006          | 8                          |
| Meals  | 300            | 300            | -              | 300                        |
| Training                                     | 1,000          | 1,000          | -              | 1,000                      |
| Travel                                       | 800            | 1,082          | 1,081          | 1                          |
| Lodging                                      | 300            | 18             | -              | 18                         |
| Registration                                 | 200            | 200            | -              | 200                        |
| Dues and publications                        | 1,000          | 500            | -              | 500                        |
| Supplies                                     | 1,000          | 1,000          | 548            | 452                        |
| Capital Improvements                         | 1,000          | -              | -              | -                          |
| Gas and fuel                                 | 1,500          | 3,000          | 2,588          | 412                        |
| Auto maintenance                             | 1,000          | 1,000          | 780            | 220                        |
| Software maintenance                         | 2,900          | 2,900          | 2,894          | 6                          |
| Telephone                                    | 720            | 720            | -              | 720                        |
|  | <u>72,084</u>  | <u>72,084</u>  | <u>67,979</u>  | <u>4,105</u>               |
| <b>Mosquito Control</b>                      | <u>6,300</u>   | <u>6,300</u>   | <u>4,363</u>   | <u>1,937</u>               |



**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|   | Budgeted |         | Actual  | Variance                   |
|---|----------|---------|---------|----------------------------|
|   | Original | Final   |         | Favorable<br>(Unfavorable) |
| <b>Voter Registration:</b>                      |          |         |         |                            |
| Salaries  | 37,904   | 37,904  | 38,882  | (978)                      |
| State retirement                                | 4,192    | 4,192   | 4,066   | 126                        |
| FICA and Medicare                               | 2,900    | 2,900   | 2,563   | 337                        |
| Health insurance                                | 5,853    | 5,853   | 4,872   | 981                        |
| Unemployment comp insurance                     | 169      | 169     | 226     | (57)                       |
| Workers comp insurance                          | 856      | 856     | 849     | 7                          |
| Training  | 500      | 500     | 100     | 400                        |
| Travel  | 1,000    | 1,000   | 917     | 83                         |
| Operations                                      | 2,000    | 2,000   | 24      | 1,976                      |
| Supplies  | 4,500    | 4,500   | 2,856   | 1,644                      |
| Capital improvements                            | 1,500    | 1,500   | -       | 1,500                      |
| Board travel                                    | 9,500    | 9,500   | 4,809   | 4,691                      |
| Election commission                             | 10,500   | 10,500  | 7,875   | 2,625                      |
| Voting machine maintenance                      | 11,120   | 11,120  | -       | 11,120                     |
| Equipment maintenance                           | 5,000    | 5,000   | 3,498   | 1,502                      |
| Poll worker stipend                             | 4,500    | 4,500   | 3,300   | 1,200                      |
| Reimbursed Election Expenses                    | 50,500   | 50,500  | 27,229  | 23,271                     |
|   | 152,494  | 152,494 | 102,066 | 50,428                     |
| <b>Delinquent Tax Collector:</b>                |          |         |         |                            |
| Salaries  | 56,975   | 56,975  | 58,386  | (1,411)                    |
| State retirement                                | 6,301    | 6,301   | 6,111   | 190                        |
| FICA and Medicare                               | 4,359    | 4,359   | 3,667   | 692                        |
| Health insurance                                | 21,492   | 21,492  | 17,889  | 3,603                      |
| Unemployment comp insurance                     | 339      | 339     | 359     | (20)                       |
| Workers comp insurance                          | 1,286    | 1,286   | 1,276   | 10                         |
| Meals   | 50       | 50      | -       | 50                         |
| Travel  | 500      | 500     | -       | 500                        |
| Lodging   | 800      | 800     | 507     | 293                        |
| Operations                                      | 660      | 660     | 673     | (13)                       |
| Registration Fee                                | 340      | 340     | 135     | 205                        |
| Dues & Publications                             | 50       | 50      | -       | 50                         |
| Supplies  | 1,500    | 1,500   | 1,672   | (172)                      |
| Service Contracts-Title Search for Del Tax Sale | 33,005   | 33,005  | 31,325  | 1,680                      |
| Service Contracts-Del Tax Prop Posting          | 7,395    | 7,395   | 7,395   | -                          |
|   | 135,052  | 135,052 | 129,395 | 5,657                      |
| <b>Central Services &amp; Utilities:</b>        |          |         |         |                            |
| Development and IT                              | 21,000   | 21,000  | 17,293  | 3,707                      |
| Miscellaneous                                   | -        | -       | 6,836   | (6,836)                    |
| Telephone                                       | 127,000  | 127,000 | 145,571 | (18,571)                   |
| Electricity                                     | 170,000  | 170,000 | 161,331 | 8,669                      |
| Postage   | 25,000   | 25,000  | 25,067  | (67)                       |
| Photocopy Lease/Maintenance                     | 5,800    | 5,800   | 6,524   | (724)                      |
| Bonding   | 4,500    | 4,500   | 4,762   | (262)                      |
| Computer - taxes                                | 122,400  | 122,400 | 142,622 | (20,222)                   |
| Computer - payroll                              | 6,500    | 3,100   | 1,620   | 1,480                      |
| Computer - Family Court                         | 6,100    | 6,100   | -       | 6,100                      |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|  | Budgeted       |                | Actual         | Variance                   |
|--|----------------|----------------|----------------|----------------------------|
|  | Original       | Final          |                | Favorable<br>(Unfavorable) |
| <b>Central Services &amp; Utilities: (continued)</b> |                |                |                |                            |
| Copy machine   | 10,000         | 10,800         | 12,528         | (1,728)                    |
| Insurance  | 86,500         | 101,500        | 102,288        | (788)                      |
| Meeting Exp  | 14,000         | 16,600         | 20,413         | (3,813)                    |
| Risk Management                                      | 1,000          | 1,000          | 988            | 12                         |
|  | <u>599,800</u> | <u>614,800</u> | <u>647,843</u> | <u>(33,043)</u>            |
| <b>Contingency &amp; Grant Matches:</b>              |                |                |                |                            |
| Monument Expenditures                                | 5,000          | 5,000          | -              | 5,000                      |
| Grant Matches  | 20,000         | 5,000          | -              | 5,000                      |
|  | <u>25,000</u>  | <u>10,000</u>  | <u>-</u>       | <u>10,000</u>              |
| <b>Unallocated Benefits:</b>                         |                |                |                |                            |
| Retiree Health Insurance                             | 4,005          | 4,005          | 4,481          | (476)                      |
| <b>Finance:</b>                                      |                |                |                |                            |
| Salaries   | 167,788        | 167,788        | 136,152        | 31,636                     |
| State retirement                                     | 18,557         | 18,557         | 14,243         | 4,314                      |
| FICA and Medicare                                    | 12,836         | 12,836         | 9,096          | 3,740                      |
| Health insurance                                     | 27,345         | 27,345         | 22,761         | 4,584                      |
| Unemployment comp insurance                          | 508            | 508            | 372            | 136                        |
| Workers comp insurance                               | 3,788          | 3,788          | 3,871          | (83)                       |
| Meals  | 300            | 300            | 290            | 10                         |
| Training   | 500            | 500            | 386            | 114                        |
| Travel   | 250            | 250            | 195            | 55                         |
| Lodging  | 1,500          | 1,500          | 734            | 766                        |
| Registration Fee                                     | 1,500          | 1,500          | 1,397          | 103                        |
| Dues & Publications                                  | 1,000          | 1,000          | 1,145          | (145)                      |
| Supplies   | 2,700          | 3,100          | 4,287          | (1,187)                    |
| Gas and fuel   | 250            | 250            | 345            | (95)                       |
| Supplies   | 1,000          | 600            | 555            | 45                         |
| Audits   | 53,500         | 53,500         | 62,585         | (9,085)                    |
| Management Consulting                                | 65,500         | 65,500         | 115,910        | (50,410)                   |
|  | <u>358,822</u> | <u>358,822</u> | <u>374,324</u> | <u>(15,502)</u>            |
| <b>Buildings and Grounds:</b>                        |                |                |                |                            |
| Salaries   | 37,224         | 37,224         | 38,312         | (1,088)                    |
| State Retirement                                     | 4,117          | 4,117          | 3,996          | 121                        |
| FICA & Medicare                                      | 2,848          | 2,848          | 2,342          | 506                        |
| Health Insurance                                     | 11,706         | 11,706         | 9,677          | 2,029                      |
| Unemployment Comp Insurance                          | 339            | 339            | 237            | 102                        |
| Workers Comp Insurance                               | 840            | 840            | 834            | 6                          |
| Uniforms   | 2,400          | 2,400          | 292            | 2,108                      |
| Maintenance Contracts - Eqpt                         | 1,000          | 1,000          | 1,124          | (124)                      |
| Building Grounds & Supplies                          | 38,450         | 38,450         | 64,571         | (26,121)                   |
| Maintenance - County Buildings                       | 60,000         | 60,000         | 101,592        | (41,592)                   |
| Capital lease Pmt - Principle                        | 8,901          | 8,901          | 8,901          | -                          |
| Capital lease Pmt - Interest                         | 2,185          | 2,185          | 2,255          | (70)                       |
| Custodial Contract                                   | 2,500          | 2,500          | -              | 2,500                      |
|  | <u>172,510</u> | <u>172,510</u> | <u>234,133</u> | <u>(61,623)</u>            |
| <b>County Attorney:</b>                              |                |                |                |                            |
| Salaries   | 41,200         | 41,200         | 42,151         | (951)                      |
| State Retirement                                     | 4,557          | 4,557          | 4,419          | 138                        |



**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|                                       | Budgeted         |                  | Actual           | Variance                   |
|---------------------------------------|------------------|------------------|------------------|----------------------------|
|                                       | Original         | Final            |                  | Favorable<br>(Unfavorable) |
| <b>County Attorney: (continued)</b>   |                  |                  |                  |                            |
| FICA & Medicare                       | 3,152            | 3,152            | 2,865            | 287                        |
| Health Insurance                      | 9,609            | 9,609            | 8,065            | 1,544                      |
| Unemployment Comp                     | 169              | 169              | 155              | 14                         |
| Workers Comp                          | 930              | 930              | 923              | 7                          |
| Legal Settlement                      | 60,000           | 60,000           | -                | 60,000                     |
| Legal Service Fee                     | 75,000           | 75,000           | 51,987           | 23,013                     |
|                                       | <u>194,617</u>   | <u>194,617</u>   | <u>110,565</u>   | <u>84,052</u>              |
| <b>County Council:</b>                |                  |                  |                  |                            |
| Salaries                              | 94,307           | 85,947           | 86,540           | (593)                      |
| State Retirement                      | 10,430           | 9,506            | 4,714            | 4,792                      |
| FICA & Medicare                       | 7,214            | 6,575            | 5,035            | 1,540                      |
| Health Insurance                      | 46,080           | 40,227           | 33,483           | 6,744                      |
| Unemployment Comp                     | 884              | 783              | 642              | 141                        |
| Workers Comp                          | 2,129            | 2,129            | 2,113            | 16                         |
| Council Operations                    | 1,000            | 1,503            | 1,503            | -                          |
| Clerk to Council Operation            | 1,500            | 1,500            | 1,608            | (108)                      |
| Service Contracts                     | 8,500            | 8,500            | 334              | 8,166                      |
| Advertising & Legal                   | 6,000            | 5,497            | 4,907            | 590                        |
| Council Special Projects - District 1 | 4,238            | 22,615           | 11,577           | 11,038                     |
| District 1                            | 2,500            | -                | 219              | (219)                      |
| District 2                            | 2,500            | 2,500            | 2,316            | 184                        |
| District 3                            | 2,500            | 2,500            | 2,133            | 367                        |
| District 4                            | 2,500            | 2,500            | 2,239            | 261                        |
| District 5                            | 2,500            | 2,500            | 2,358            | 142                        |
| District 6                            | 2,500            | 2,500            | 1,795            | 705                        |
| District 7                            | 2,500            | 2,500            | 2,500            | -                          |
|                                       | <u>199,782</u>   | <u>199,782</u>   | <u>166,016</u>   | <u>33,766</u>              |
| <b>Veterans Affairs</b>               |                  |                  |                  |                            |
| Salaries                              | 22,289           | 22,289           | 22,856           | (567)                      |
| State Retirement                      | 2,465            | 2,465            | 2,391            | 74                         |
| FICA & Medicare                       | 1,705            | 1,705            | 1,550            | 155                        |
| Unemployment Comp Insurance           | 169              | 169              | 158              | 11                         |
| Workers Comp Insurance                | 503              | 503              | 499              | 4                          |
| Photocopy Maintenance                 | 2,000            | 2,000            | 453              | 1,547                      |
| Supplies                              | 750              | 750              | 280              | 470                        |
|                                       | <u>29,881</u>    | <u>29,881</u>    | <u>28,187</u>    | <u>1,694</u>               |
| <b>Information Technology</b>         |                  |                  |                  |                            |
| Supplies                              | 1,200            | 1,200            | 446              | 754                        |
| Capital Improv.                       | 24,350           | 24,350           | 19,017           | 5,333                      |
| Software Exp.                         | 7,800            | 7,800            | 7,721            | 79                         |
| Equipt. Maintenance                   | 5,000            | 5,000            | 2,632            | 2,368                      |
| IT Consulting Services                | 66,500           | 66,500           | 63,588           | 2,912                      |
|                                       | <u>104,850</u>   | <u>104,850</u>   | <u>93,404</u>    | <u>11,446</u>              |
| <b>Total General Government</b>       | <u>2,732,521</u> | <u>2,732,521</u> | <u>2,609,433</u> | <u>123,088</u>             |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|                                | Budgeted |         | Actual  | Variance                   |
|--------------------------------|----------|---------|---------|----------------------------|
|                                | Original | Final   |         | Favorable<br>(Unfavorable) |
| <b>JUDICIAL</b>                |          |         |         |                            |
| <b>Clerk of Court:</b>         |          |         |         |                            |
| Salaries                       | 135,477  | 135,477 | 134,688 | 789                        |
| State retirement               | 14,984   | 14,984  | 14,312  | 672                        |
| FICA and Medicare              | 10,364   | 10,364  | 9,010   | 1,354                      |
| Health insurance               | 31,970   | 31,970  | 26,611  | 5,359                      |
| Unemployment comp insurance    | 847      | 847     | 880     | (33)                       |
| Workers comp insurance         | 3,058    | 3,058   | 3,035   | 23                         |
| Operations                     | 1,000    | 1,000   | 2,825   | (1,825)                    |
| Supplies                       | 6,500    | 6,500   | 5,911   | 589                        |
| Court expenses                 | 18,000   | 18,000  | 11,382  | 6,618                      |
| Service Contract - Index       | 20,000   | 20,000  | 16,848  | 3,152                      |
| IV-D expenditures              | -        | -       | 5,451   | (5,451)                    |
| Case Management System Expense | 18,000   | 18,000  | 18,000  | -                          |
| Equipment Maintenance          | 400      | 400     | -       | 400                        |
|                                | 260,600  | 260,600 | 248,953 | 11,647                     |
| <b>Probate Judge:</b>          |          |         |         |                            |
| Salaries                       | 68,251   | 68,251  | 71,682  | (3,431)                    |
| State retirement               | 8,882    | 8,882   | 8,794   | 88                         |
| FICA and Medicare              | 5,221    | 5,221   | 4,593   | 628                        |
| Health insurance               | 18,788   | 18,788  | 15,638  | 3,150                      |
| Unemployment comp insurance    | 339      | 339     | 391     | (52)                       |
| Workers comp insurance         | 1,541    | 1,541   | 1,610   | (69)                       |
| Meals                          | 400      | 400     | 71      | 329                        |
| Travel                         | 450      | 450     | 431     | 19                         |
| Lodging                        | 1,080    | 1,080   | 796     | 284                        |
| Dues & Publications            | 650      | 650     | 455     | 195                        |
| Registration                   | 700      | 700     | 595     | 105                        |
| Supplies                       | 3,500    | 3,500   | 1,669   | 1,831                      |
| Capital Improvements           | 500      | 500     | -       | 500                        |
| Advertising & Legal Notices    | 2,000    | 1,939   | 83      | 1,856                      |
| Maintenance Contract - Cms     | 2,400    | 2,400   | 2,400   | -                          |
| Court Expenses                 | 1,360    | 1,360   | -       | 1,360                      |
| Postage                        | 140      | 140     | 450     | (310)                      |
| Photocopy Lease                | 1,400    | 1,461   | 1,672   | (211)                      |
|                                | 117,602  | 117,602 | 111,330 | 6,272                      |
| <b>Magistrate:</b>             |          |         |         |                            |
| Salaries                       | 128,428  | 128,428 | 138,670 | (10,242)                   |
| State retirement               | 15,929   | 15,929  | 13,756  | 2,173                      |
| FICA and Medicare              | 9,825    | 9,825   | 9,356   | 469                        |
| Health insurance               | 17,560   | 17,560  | 14,616  | 2,944                      |
| Unemployment comp insurance    | 678      | 678     | 845     | (167)                      |
| Workers comp insurance         | 2,899    | 2,899   | 2,877   | 22                         |
| Training                       | 1,500    | 1,500   | 198     | 1,302                      |
| Lodging                        | 1,600    | 1,600   | 1,128   | 472                        |
| Operations                     | 2,000    | 2,000   | 1,005   | 995                        |
| Registration                   | 600      | 600     | 795     | (195)                      |
| Supplies                       | 2,000    | 2,000   | 502     | 1,498                      |
| Case management system         | 18,000   | 18,000  | 18,000  | -                          |



**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|                                      | Budgeted  |           | Actual  | Variance                   |
|--------------------------------------|-----------|-----------|---------|----------------------------|
|                                      | Original  | Final     |         | Favorable<br>(Unfavorable) |
| <b>Magistrate: (continued)</b>       |           |           |         |                            |
| Capital improvements                 | 2,000     | 2,000     | 1,042   | 958                        |
| Court expense                        | 2,500     | 2,500     | 852     | 1,648                      |
|                                      | 205,519   | 205,519   | 203,642 | 1,877                      |
| <b>Contract Agencies - Judicial:</b> |           |           |         |                            |
| Public Defender                      | 32,500    | 32,500    | 32,500  | -                          |
| Solicitor                            | 81,726    | 81,726    | 81,726  | -                          |
| Court Library                        | 900       | 900       | 900     | -                          |
|                                      | 115,126   | 115,126   | 115,126 | -                          |
| <b>Total Judicial</b>                | 698,847   | 698,847   | 679,051 | 19,796                     |
| <b>PUBLIC SAFETY</b>                 |           |           |         |                            |
| <b>County Sheriff:</b>               |           |           |         |                            |
| Salaries                             | 516,708   | 516,708   | 524,919 | (8,211)                    |
| Overtime                             | 36,000    | 39,500    | 41,325  | (1,825)                    |
| State retirement                     | 75,942    | 75,942    | 75,706  | 236                        |
| FICA and Medicare                    | 42,282    | 42,282    | 39,289  | 2,993                      |
| Health insurance                     | 112,110   | 112,110   | 93,316  | 18,794                     |
| Unemployment comp insurance          | 2,710     | 2,710     | (96)    | 2,806                      |
| Workers comp insurance               | 11,666    | 11,666    | 12,203  | (537)                      |
| Training                             | 5,000     | 5,000     | 1,695   | 3,305                      |
| Operations                           | 6,000     | 6,000     | 4,990   | 1,010                      |
| Supplies                             | 6,000     | 6,000     | 6,451   | (451)                      |
| Capital improvements                 | 32,490    | 32,490    | -       | 32,490                     |
| Investigations                       | 6,500     | 4,500     | 1,602   | 2,898                      |
| Victim's services                    | 32,000    | 32,000    | 24,700  | 7,300                      |
| Gasoline                             | 65,000    | 65,000    | 33,963  | 31,037                     |
| Auto maintenance                     | 20,000    | 16,500    | 11,208  | 5,292                      |
| Uniforms                             | 10,000    | 10,000    | 4,030   | 5,970                      |
| Radio maintenance                    | 5,000     | 7,000     | 5,813   | 1,187                      |
| Radio Communications                 | 10,200    | 10,200    | 1,583   | 8,617                      |
| Software                             | 4,800     | 4,800     | 4,800   | -                          |
| Maintenance Contracts - Eqpt         | 7,500     | 7,500     | 7,263   | 237                        |
| Photocopy Lease                      | 3,000     | 3,000     | 2,982   | 18                         |
|                                      | 1,010,908 | 1,010,908 | 897,742 | 113,166                    |
| <b>Detention Center:</b>             |           |           |         |                            |
| Salaries                             | 348,883   | 348,883   | 364,364 | (15,481)                   |
| Overtime                             | 35,000    | 35,000    | 22,132  | 12,868                     |
| State retirement                     | 52,745    | 52,745    | 47,493  | 5,252                      |
| FICA and Medicare                    | 29,367    | 29,367    | 25,711  | 3,656                      |
| Health insurance                     | 93,273    | 93,273    | 77,637  | 15,636                     |
| Unemployment comp insurance          | 2,498     | 2,498     | 2,540   | (42)                       |
| Workers comp insurance               | 7,876     | 7,876     | 7,763   | 113                        |
| Training                             | 2,000     | 2,000     | 1,338   | 662                        |
| Travel                               | 2,500     | 2,075     | 218     | 1,857                      |
| Operations                           | 5,000     | 5,000     | 4,544   | 456                        |
| Supplies                             | 2,500     | 2,500     | 1,185   | 1,315                      |
| Capital improvements                 | 3,000     | 3,000     | 5,092   | (2,092)                    |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|                                      | Budgeted         |                  | Actual           | Variance                   |
|--------------------------------------|------------------|------------------|------------------|----------------------------|
|                                      | Original         | Final            |                  | Favorable<br>(Unfavorable) |
| <b>Detention Center: (continued)</b> |                  |                  |                  |                            |
| Gas and fuel                         | 5,000            | 2,200            | 1,354            | 846                        |
| Auto maintenance                     | 3,000            | 2,500            | 1,241            | 1,259                      |
| Uniforms                             | 5,000            | 5,000            | 3,667            | 1,333                      |
| Software expense                     | 3,200            | 3,200            | 2,150            | 1,050                      |
| Department of Youth Services         | 1,000            | 1,925            | 1,425            | 500                        |
| Inmate meals                         | 83,000           | 78,000           | 63,945           | 14,055                     |
| County physician                     | 4,500            | 4,500            | 3,693            | 807                        |
| Jail Service Contract                | 10,000           | 15,000           | 12,244           | 2,756                      |
| Janitorial Supplies                  | 3,500            | 3,500            | 627              | 2,873                      |
| Jail Supplies                        | 5,000            | 7,800            | 9,136            | (1,336)                    |
| Maint - County Buildings             | 3,000            | 3,000            | 2,163            | 837                        |
| Inmate medical and drugs             | 15,000           | 15,000           | 12,642           | 2,358                      |
|                                      | <u>725,842</u>   | <u>725,842</u>   | <u>674,304</u>   | <u>51,538</u>              |
| <b>County Coroner:</b>               |                  |                  |                  |                            |
| Salaries                             | 15,934           | 15,934           | 17,713           | (1,779)                    |
| State retirement                     | 1,762            | 1,762            | 1,852            | (90)                       |
| FICA and Medicare                    | 1,219            | 1,219            | 768              | 451                        |
| Health insurance                     | 5,853            | 5,853            | 4,872            | 981                        |
| Unemployment comp insurance          | 169              | 169              | 126              | 43                         |
| Workers comp insurance               | 361              | 361              | 357              | 4                          |
| Operations                           | 1,000            | 1,000            | -                | 1,000                      |
| Supplies                             | 12,000           | 12,000           | 14,185           | (2,185)                    |
| Gas and fuel                         | 400              | 400              | 194              | 206                        |
| Equipment maintenance                | 1,000            | 1,000            | -                | 1,000                      |
|                                      | <u>39,698</u>    | <u>39,698</u>    | <u>40,067</u>    | <u>(369)</u>               |
| <b>Dispatching:</b>                  |                  |                  |                  |                            |
| Salaries                             | 230,782          | 230,782          | 209,237          | 21,545                     |
| Overtime                             | 20,520           | 20,520           | 16,680           | 3,840                      |
| State retirement                     | 24,916           | 24,916           | 23,756           | 1,160                      |
| FICA and Medicare                    | 17,234           | 17,234           | 15,026           | 2,208                      |
| Health insurance                     | 46,325           | 46,325           | 38,559           | 7,766                      |
| Unemployment comp insurance          | 1,525            | 1,525            | 1,517            | 8                          |
| Workers comp insurance               | 4,758            | 4,758            | 4,703            | 55                         |
| Training                             | 7,000            | 7,000            | 3,334            | 3,666                      |
| Operations                           | 4,000            | 4,000            | 1,545            | 2,455                      |
| Supplies                             | 2,000            | 2,000            | 710              | 1,290                      |
| Uniforms                             | 2,000            | 2,000            | 380              | 1,620                      |
| Equipment maintenance                | 3,000            | 3,000            | 1,920            | 1,080                      |
|                                      | <u>364,060</u>   | <u>364,060</u>   | <u>317,367</u>   | <u>46,693</u>              |
| <b>Total Public Safety</b>           | <u>2,140,508</u> | <u>2,140,508</u> | <u>1,929,480</u> | <u>211,028</u>             |
| <b>ECONOMIC DEVELOPMENT</b>          |                  |                  |                  |                            |
| South Carolina Alliance              | 50,000           | 50,000           | 62,500           | (12,500)                   |
| State RIF grant expenditures         | -                | -                | 350,000          | (350,000)                  |
| <b>Total Economic Development</b>    | <u>50,000</u>    | <u>50,000</u>    | <u>412,500</u>   | <u>(362,500)</u>           |



**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
FOR THE YEAR ENDED JUNE 30, 2016**

|   | Budgeted            |                     | Actual              | Variance                   |
|---|---------------------|---------------------|---------------------|----------------------------|
|   | Original            | Final               |                     | Favorable<br>(Unfavorable) |
| <b>CULTURE AND RECREATION</b>                   |                     |                     |                     |                            |
| Local Recreation & Tourism                      | 14,000              | 14,000              | 14,418              | (418)                      |
| ABBE Regional Library                           | 136,800             | 136,800             | 136,800             | -                          |
| <b>Total Culture and Recreation</b>             | <b>150,800</b>      | <b>150,800</b>      | <b>151,218</b>      | <b>(418)</b>               |
| <b>MISCELLANEOUS</b>                            |                     |                     |                     |                            |
| Lower Savannah Council of Governments           | 11,991              | 11,991              | 11,991              | -                          |
| SC Association of Counties                      | 6,700               | 6,700               | 6,697               | 3                          |
| National Association of Counties                | 450                 | 450                 | 450                 | -                          |
| Willow Swamp Contract                           | 2,120               | 2,120               | -                   | 2,120                      |
| Soil & Water Conservation District              | 6,000               | 6,000               | 6,000               | -                          |
| Mary Ann Morris Animal Society                  | 24,000              | 24,000              | 24,000              | -                          |
| Medically Indigent Assistance Fund              | 28,947              | 28,947              | 28,947              | -                          |
| Health Department                               | 6,000               | 6,000               | 1,014               | 4,986                      |
| Chamber of Commerce                             | 800                 | 800                 | 800                 | -                          |
| Tri-County Comm. Alcohol & Drug Abuse           | 1,800               | 1,800               | 1,800               | -                          |
| Western Carolina Higher Ed Commission           | 1,800               | 1,800               | 1,800               | -                          |
| OCAB-Community Action                           | 1,800               | 1,800               | 1,800               | -                          |
| Denmark Technical College                       | 1,800               | 1,800               | 1,800               | -                          |
| Bamberg Co. Disabilities & Special Needs        | 1,800               | 1,800               | 1,800               | -                          |
| CASA  | 800                 | 800                 | 800                 | -                          |
| Clemson Extension                               | 1,100               | 1,100               | 1,100               | -                          |
| Bamberg Co. Council on Aging                    | 64,000              | 64,000              | 64,000              | -                          |
| Bamberg Co. DSS - Emergency Relief              | 6,400               | 6,400               | 7,919               | (1,519)                    |
| Heritage Corridor                               | 800                 | 800                 | -                   | 800                        |
| Cheese & Cracker Box                            | 1,800               | 1,800               | 1,800               | -                          |
| Little Swamp Community Center                   | 1,200               | 1,200               | 1,200               | -                          |
| <b>Total Miscellaneous</b>                      | <b>172,108</b>      | <b>172,108</b>      | <b>165,718</b>      | <b>6,390</b>               |
| <b>HEALTH AND WELFARE</b>                       |                     |                     |                     |                            |
| EMS/Rescue                                      | 475,000             | 475,000             | 475,000             | -                          |
| Winter storm cleanup - FEMA grant reimbursement | -                   | -                   | 89,629              | (89,629)                   |
| <b>Total Health and Welfare</b>                 | <b>475,000</b>      | <b>475,000</b>      | <b>564,629</b>      | <b>(89,629)</b>            |
| <b>TOTAL EXPENDITURES</b>                       | <b>\$ 6,419,784</b> | <b>\$ 6,419,784</b> | <b>\$ 6,512,029</b> | <b>\$ (92,245)</b>         |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2016**

|                           | School              | School              | Town of     | Town of     | Town of     | Town of     | Town of          | Clerk of          | Delinquent      | Inmate              | Total |
|---------------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|------------------|-------------------|-----------------|---------------------|-------|
|                           | District 1          | District 2          | Bamberg     | Denmark     | Ehrhardt    | Olar        | Court            | Tax Sale          | Trust           | Escrow              |       |
| <b>ASSETS</b>             |                     |                     |             |             |             |             |                  |                   |                 |                     |       |
| Cash                      | \$ 1,493,373        | \$ 1,186,716        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 91,846        | \$ 150,956        | \$ 4,146        | \$ 2,927,037        |       |
| Delinquent property taxes | 979,608             | 545,022             | -           | -           | -           | -           | -                | -                 | -               | 1,524,630           |       |
| Unknown funds             | -                   | -                   | -           | -           | -           | -           | -                | -                 | -               | -                   |       |
| (overage) deficit         | -                   | -                   | -           | -           | -           | -           | 4,205            | -                 | (1,923)         | 2,282               |       |
| Due from General Fund     | 114                 | 64                  | -           | -           | -           | -           | -                | -                 | 666             | 844                 |       |
| <b>TOTAL ASSETS</b>       | <b>\$ 2,473,095</b> | <b>\$ 1,731,802</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 96,051</b> | <b>\$ 150,956</b> | <b>\$ 2,889</b> | <b>\$ 4,454,793</b> |       |
| <b>LIABILITIES</b>        |                     |                     |             |             |             |             |                  |                   |                 |                     |       |
| Due to Trust Fund holders | \$ 2,473,095        | \$ 1,731,802        | \$ -        | \$ -        | \$ -        | \$ -        | \$ 90,823        | \$ 150,702        | \$ 2,889        | \$ 4,449,311        |       |
| Due to General Fund       | -                   | -                   | -           | -           | -           | -           | 5,228            | 254               | -               | 5,482               |       |
| <b>TOTAL LIABILITIES</b>  | <b>\$ 2,473,095</b> | <b>\$ 1,731,802</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 96,051</b> | <b>\$ 150,956</b> | <b>\$ 2,889</b> | <b>\$ 4,454,793</b> |       |



**BAMBERG COUNTY, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|                                 | <u>Balance<br/>June 30,<br/>2015</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>June 30,<br/>2016</u> |
|---------------------------------|--------------------------------------|---------------------|---------------------|--------------------------------------|
| <b>School District Number 1</b> |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Cash and cash equivalents       | \$ 969,532                           | \$ 6,560,633        | \$ 6,036,792        | \$ 1,493,373                         |
| Due from General Fund           | 114                                  | -                   | -                   | 114                                  |
| Delinquent taxes receivable     | 931,537                              | 48,071              | -                   | 979,608                              |
| <b>Total Assets</b>             | <u>\$ 1,901,183</u>                  | <u>\$ 6,608,704</u> | <u>\$ 6,036,792</u> | <u>\$ 2,473,095</u>                  |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ 1,901,183                         | \$ 6,608,704        | \$ 6,036,792        | \$ 2,473,095                         |
| <b>Total Liabilities</b>        | <u>\$ 1,901,183</u>                  | <u>\$ 6,608,704</u> | <u>\$ 6,036,792</u> | <u>\$ 2,473,095</u>                  |
| <b>School District Number 2</b> |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Cash and cash equivalents       | \$ 515,693                           | \$ 4,868,239        | \$ 4,197,216        | \$ 1,186,716                         |
| Due from General Fund           | 64                                   | -                   | -                   | 64                                   |
| Delinquent taxes receivable     | 526,133                              | 18,889              | -                   | 545,022                              |
| <b>Total Assets</b>             | <u>\$ 1,041,890</u>                  | <u>\$ 4,887,128</u> | <u>\$ 4,197,216</u> | <u>\$ 1,731,802</u>                  |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ 1,041,890                         | \$ 4,887,128        | \$ 4,197,216        | \$ 1,731,802                         |
| <b>Total Liabilities</b>        | <u>\$ 1,041,890</u>                  | <u>\$ 4,887,128</u> | <u>\$ 4,197,216</u> | <u>\$ 1,731,802</u>                  |
| <b>Town of Bamberg</b>          |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Due from General Fund           | \$ -                                 | \$ 527,053          | \$ 527,053          | \$ -                                 |
| <b>Total Assets</b>             | <u>\$ -</u>                          | <u>\$ 527,053</u>   | <u>\$ 527,053</u>   | <u>\$ -</u>                          |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ -                                 | \$ 527,053          | \$ 527,053          | \$ -                                 |
| <b>Total Liabilities</b>        | <u>\$ -</u>                          | <u>\$ 527,053</u>   | <u>\$ 527,053</u>   | <u>\$ -</u>                          |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|                         | <u>Balance<br/>June 30,<br/>2015</u> | <u>Additions</u>  | <u>Deductions</u> | <u>Balance<br/>June 30,<br/>2016</u> |
|-------------------------|--------------------------------------|-------------------|-------------------|--------------------------------------|
| <b>Town of Denmark</b>  |                                      |                   |                   |                                      |
| Assets:                 |                                      |                   |                   |                                      |
| Due from General Fund   | \$ -                                 | \$ 241,208        | \$ 241,208        | \$ -                                 |
| Total Assets            | <u>\$ -</u>                          | <u>\$ 241,208</u> | <u>\$ 241,208</u> | <u>\$ -</u>                          |
| Liabilities:            |                                      |                   |                   |                                      |
| Funds held for others   | \$ -                                 | \$ 241,208        | \$ 241,208        | \$ -                                 |
| Total Liabilities       | <u>\$ -</u>                          | <u>\$ 241,208</u> | <u>\$ 241,208</u> | <u>\$ -</u>                          |
| <b>Town of Ehrhardt</b> |                                      |                   |                   |                                      |
| Assets:                 |                                      |                   |                   |                                      |
| Due from General Fund   | \$ -                                 | \$ 45,467         | \$ 45,467         | \$ -                                 |
| Total Assets            | <u>\$ -</u>                          | <u>\$ 45,467</u>  | <u>\$ 45,467</u>  | <u>\$ -</u>                          |
| Liabilities:            |                                      |                   |                   |                                      |
| Funds held for others   | \$ -                                 | \$ 45,467         | \$ 45,467         | \$ -                                 |
| Total Liabilities       | <u>\$ -</u>                          | <u>\$ 45,467</u>  | <u>\$ 45,467</u>  | <u>\$ -</u>                          |
| <b>Town of Olar</b>     |                                      |                   |                   |                                      |
| Assets:                 |                                      |                   |                   |                                      |
| Due from General Fund   | \$ -                                 | \$ 24,176         | \$ 24,176         | \$ -                                 |
| Total Assets            | <u>\$ -</u>                          | <u>\$ 24,176</u>  | <u>\$ 24,176</u>  | <u>\$ -</u>                          |
| Liabilities:            |                                      |                   |                   |                                      |
| Funds held for others   | \$ -                                 | \$ 24,176         | \$ 24,176         | \$ -                                 |
| Total Liabilities       | <u>\$ -</u>                          | <u>\$ 24,176</u>  | <u>\$ 24,176</u>  | <u>\$ -</u>                          |



**BAMBERG COUNTY, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|                                 | <u>Balance<br/>June 30,<br/>2015</u> | <u>Additions</u>    | <u>Deductions</u>   | <u>Balance<br/>June 30,<br/>2016</u> |
|---------------------------------|--------------------------------------|---------------------|---------------------|--------------------------------------|
| <b>Clerk of Court</b>           |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Cash and cash equivalents       | \$ 116,485                           | \$ 1,568,413        | \$ 1,593,052        | \$ 91,846                            |
| Unknown funds deficit           | 2,416                                | 1,789               | -                   | 4,205                                |
| <b>Total Assets</b>             | <u>\$ 118,901</u>                    | <u>\$ 1,570,202</u> | <u>\$ 1,593,052</u> | <u>\$ 96,051</u>                     |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ 112,614                           | \$ 1,501,711        | \$ 1,523,502        | \$ 90,823                            |
| Due to General Fund             | 6,287                                | 67,333              | 68,392              | 5,228                                |
| <b>Total Liabilities</b>        | <u>\$ 118,901</u>                    | <u>\$ 1,569,044</u> | <u>\$ 1,591,894</u> | <u>\$ 96,051</u>                     |
| <b>Tax Sale Escrow</b>          |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Cash and cash equivalents       | \$ 324,925                           | \$ 424,300          | \$ 598,269          | \$ 150,956                           |
| <b>Total Assets</b>             | <u>\$ 324,925</u>                    | <u>\$ 424,300</u>   | <u>\$ 598,269</u>   | <u>\$ 150,956</u>                    |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ 246,073                           | \$ 424,031          | \$ 519,402          | \$ 150,702                           |
| Due to General Fund             | 78,852                               | 269                 | 78,867              | 254                                  |
| <b>Total Liabilities</b>        | <u>\$ 324,925</u>                    | <u>\$ 424,300</u>   | <u>\$ 598,269</u>   | <u>\$ 150,956</u>                    |
| <b>Inmate Trust Escrow</b>      |                                      |                     |                     |                                      |
| Assets:                         |                                      |                     |                     |                                      |
| Cash and cash equivalents       | \$ 3,632                             | \$ 26,577           | \$ 26,063           | \$ 4,146                             |
| Due from General Fund           | 664                                  | 4                   | 2                   | 666                                  |
| Unknown funds (overage) deficit | 333                                  | 174                 | 2,430               | (1,923)                              |
| <b>Total Assets</b>             | <u>\$ 4,629</u>                      | <u>\$ 26,755</u>    | <u>\$ 28,495</u>    | <u>\$ 2,889</u>                      |
| Liabilities:                    |                                      |                     |                     |                                      |
| Funds held for others           | \$ 4,629                             | \$ 26,755           | \$ 28,495           | \$ 2,889                             |
| <b>Total Liabilities</b>        | <u>\$ 4,629</u>                      | <u>\$ 26,755</u>    | <u>\$ 28,495</u>    | <u>\$ 2,889</u>                      |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**ALL AGENCY FUNDS**  
**COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

|                                 | <u>Balance<br/>June 30,<br/>2015</u> | <u>Additions</u>            | <u>Deductions</u>           | <u>Balance<br/>June 30,<br/>2016</u> |
|---------------------------------|--------------------------------------|-----------------------------|-----------------------------|--------------------------------------|
| <b>TOTALS - AGENCY FUNDS</b>    |                                      |                             |                             |                                      |
| Assets:                         |                                      |                             |                             |                                      |
| Cash and cash equivalents       | \$ 1,930,267                         | \$ 13,448,162               | \$ 12,451,392               | \$ 2,927,037                         |
| Due from General Fund           | 842                                  | 837,908                     | 837,906                     | 844                                  |
| Unknown funds (overage) deficit | 2,749                                | 1,963                       | 2,430                       | 2,282                                |
| Delinquent taxes receivable     | 1,457,670                            | 66,960                      | -                           | 1,524,630                            |
| <b>Total Assets</b>             | <u><u>\$ 3,391,528</u></u>           | <u><u>\$ 14,354,993</u></u> | <u><u>\$ 13,291,728</u></u> | <u><u>\$ 4,454,793</u></u>           |
| Liabilities:                    |                                      |                             |                             |                                      |
| Funds held for others           | \$ 3,306,389                         | \$ 14,286,233               | \$ 13,143,311               | \$ 4,449,311                         |
| Due to General Fund             | 85,139                               | 67,602                      | 147,259                     | 5,482                                |
| <b>Total Liabilities</b>        | <u><u>\$ 3,391,528</u></u>           | <u><u>\$ 14,353,835</u></u> | <u><u>\$ 13,290,570</u></u> | <u><u>\$ 4,454,793</u></u>           |



**SUPPLEMENTAL SECTION**

**BAMBERG COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2016**

|   | <u>CLERK OF<br/>COURT</u> | <u>MAGISTRATES</u> | <u>TOTAL</u>     |
|---|---------------------------|--------------------|------------------|
| <b>Court Fines</b>  |                           |                    |                  |
| Court fines   | \$ 41,997                 | \$ 110,095         | \$ 152,092       |
| Court fines retained by the County                                  | <u>(6,173)</u>            | <u>(109,635)</u>   | <u>(115,808)</u> |
| Court fines remitted to State Treasurer                             | <u>\$ 35,824</u>          | <u>\$ 460</u>      | <u>\$ 36,284</u> |
| <b>Court Assessments</b>  |                           |                    |                  |
| Court assessments collected   | \$ 2,995                  | \$ 102,486         | \$ 105,481       |
| Court assessments retained by the County                            | <u>(1,007)</u>            | <u>(10,748)</u>    | <u>(11,755)</u>  |
| Court assessments remitted to State Treasurer                       | <u>\$ 1,988</u>           | <u>\$ 91,738</u>   | <u>\$ 93,726</u> |
| <b>Court Surcharges</b>   |                           |                    |                  |
| Court surcharges collected  | \$ 5,909                  | \$ 74,417          | \$ 80,326        |
| Court surcharges retained by the County                             | <u>(3,459)</u>            | <u>(4,178)</u>     | <u>(7,637)</u>   |
| Court surcharges remitted to State Treasurer                        | <u>\$ 2,450</u>           | <u>\$ 70,239</u>   | <u>\$ 72,689</u> |
| <b>Surcharges and Assessment retained for<br/>Victims' Services</b> |                           |                    |                  |
| Court surcharges allocated to Victims' Services                     | \$ 3,459                  | \$ 4,178           | \$ 7,637         |
| Court assessments allocated to Victims' Services                    | <u>1,007</u>              | <u>10,748</u>      | <u>11,755</u>    |
| Funds available   | <u>\$ 4,466</u>           | <u>\$ 14,926</u>   | <u>\$ 19,392</u> |
| <b>Victims' Services</b>  |                           |                    |                  |
| Beginning Balance, July 1, 2015                                     |                           | \$ -               |                  |
| Funds available   |                           | 19,392             |                  |
| Expenditures for victims' services<br>Salaries and benefits         |                           | <u>(19,392)</u>    |                  |
| Ending Balance, June 30, 2016                                       |                           | <u>\$ -</u>        |                  |



**BAMBERG COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2016**

|   |                          |
|---|--------------------------|
| Real and Other Personal Property Assessed Value                         | \$ 25,709,180            |
| Vehicles Assessed Value   | <u>4,314,410</u>         |
| Total Taxable Assessed Value  | <u>30,023,590</u>        |
| Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value         | 2,401,887                |
| Amount of Debt Applicable to Debt Limit:<br>Total Bonded Debt - Note 11 | <u>1,623,066</u>         |
| <b>LEGAL DEBT MARGIN</b>  | <u><u>\$ 778,821</u></u> |

**BAMBERG COUNTY, SOUTH CAROLINA  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
JUNE 30, 2016**

| <b>Tax Year</b>                                   | <b>Delinquent<br/>Taxes</b> |
|---|-----------------------------|
| 2006  | \$ 81,809                   |
| 2007  | 132,137                     |
| 2008  | 105,875                     |
| 2009  | 109,079                     |
| 2010  | 77,616                      |
| 2011  | 168,841                     |
| 2012  | 191,076                     |
| 2013  | 200,276                     |
| 2014  | 351,929                     |
| 2015  | 826,116                     |
|   | 826,116                     |
| <b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2016</b> | <b>\$ 2,244,754</b>         |
|   | 2,244,754                   |
| <br>Delinquent taxes, June 30, 2015               | <br>\$ 2,157,687            |
| Add executions, March 15, 2016                    | 1,140,923                   |
| Supplementals                                     | 31,687                      |
| Less:   |                             |
| Collections                                       | 961,318                     |
| Errors  | 63,609                      |
| Nulla Bonaes                                      | 60,616                      |
|   | 60,616                      |
| <b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2016</b> | <b>\$ 2,244,754</b>         |
|   | 2,244,754                   |
| <br>Distribution                                  |                             |
| General Fund                                      | \$ 615,440                  |
| Fire Service Special Revenue Fund                 | 47,026                      |
| Capital Needs Capital Projects Fund               | 29,856                      |
| Debt Service                                      | 27,802                      |
| School Districts                                  | 1,524,630                   |
|   | 1,524,630                   |
| <b>TOTAL</b>                                      | <b>\$ 2,244,754</b>         |
|   | 2,244,754                   |

## COMPLIANCE SECTION



# McGregor & COMPANY<sup>LLP</sup>

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## 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 Members of County Council  
Bamberg County, 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 Bamberg County, South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Bamberg County, South Carolina's basic financial statements and have issued our report thereon dated March 31, 2017.

### Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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

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**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***  
(continued)

timely basis. We consider the deficiencies 2016-1, 2016-2 and 2016-3 described in the accompanying schedule of findings and responses to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses as 2016-4 to be a significant deficiency.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bamberg County, South Carolina'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*.

**Bamberg County, South Carolina's Response to Findings**

Bamberg County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Bamberg County, South Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Mc Gregor + Company LLP*

Orangeburg, South Carolina  
March 31, 2017



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

**Material Weaknesses**

**2016-1 Material Audit Adjustments**

**Condition:** The County's accounting and financial reporting process could not generate timely annual information in order for it to report the overall financial position and results of operations as of and for the year ended June 30, 2016. Material audit adjustments were necessary to balance the receivables/payables and transfers between funds, correct accounts payable to actual year-end balances, record current year receivables and reverse prior year receivables, record grant activity in proper funds, adjust for unspent grant revenues, record activity from the one County office not summarized and included in the general ledger, and record all elements of the refunding bond issued.

**Criteria:** The general ledger system should be all-inclusive of the County's activities to capture the necessary actual and budgeted financial information in a properly classified format to provide a basis for proper reporting and analysis

**Effect:** The overall effect of the deficiencies described above is the County's inability to gather, record, correct and summarize financial information necessary for managing the affairs of the County, measuring the effectiveness of the use of resources as prescribed by Council budget policy, and an increased risk of failure to meet externally imposed financial reporting deadlines.

**Recommendation:** We recommend implementing policies and procedures that improve the transfer/incorporation of the various departments' financial activities into the general ledger system to include the practice of monitoring the transactions to ensure the general ledger for each fund remains in balance and is properly recorded to include all payables and receivables.

**County response:** The County concurs with the auditor's recommendation that Bamberg County develop and recommend policies and procedures that improve the transfer/incorporation of the various departments' financial activities into the general ledger system as well as monitoring the transactions of each fund to ensure that each fund remains in balance and contains properly recorded payables and receivables. The County would like to state that significant efforts and improvements have been made over the past fiscal year to improve upon this area. Specifically, this was, to our knowledge, the first time the County was able to hand over a balanced general ledger to the auditor. In years past, the general ledgers of the various funds were not balanced and the auditor had to expend their efforts to first balance the funds before the funds could be audited. In addition, many year-end entries were made by the County in the funds.

The County takes this audit finding with great seriousness and has made improvements toward the recording, analyzing, and correcting of its financial statements. The County will continue to make this a priority over the next fiscal year. The fact is that Bamberg County, a very small county, has the same level of complexity in its accounting of that of a large county, and is trying to deal with these complexities with a scarcity of resources and a very small Finance staff.



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

**Material Weaknesses**

**2016-1 Material Audit Adjustments (continued)**

County concurs with this finding and wishes to express that significant improvements have been made over the course of the past couple years and will continue to be made to bring about permanent improvements to the County's general ledger so that material audit adjustments are reduced and eventually eliminated at year-end.

**2016-2 Preparation of Financial Statements**

**Condition:** The County should have internal controls over financial reporting in place that will provide reasonable assurance that the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). In order for these controls to be effective, County personnel need to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

**Criteria:** Preparation of financial statements would aid in detecting material misstatements.

**Effect:** Because the County does not exert its knowledge of generally accepted accounting principles, misstatements may not be known until the audit.

**Auditor's recommendation:** Appropriate County personnel should attend training courses that will enhance their ability to prepare the County's annual financial statements and footnote disclosures in accordance with GAAP.

**County response:** Bamberg County operates with a very small staff. The Finance Department has operated with one employee for many years that was responsible for payroll, accounts payable, and recording all general ledger transactions, including revenues and expenditures. The County recognized that resources needed to be allocated toward additional Finance staff, particularly staff that has the necessary knowledge, experience and training to prepare the County's financial statements. With this goal in mind, the County hired an additional Finance professional late in the fiscal 2014 year. Going forward, our goal is to begin to take more ownership in the preparation of the year-end financial statements and to be able to prepare the year-end statements so that the external auditors do not have to prepare the statements.

The County has made huge strides over the past two years and has struggled with multiple issues that required significant time and resources to resolve. As the County reduces the number of long-standing financial issues the staff will have more time to devote to the preparation of the financial statements.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**Findings – Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

**Material Weaknesses**

**2016-3 Capital Assets**

**Condition:** The County acquired \$4,209,013 in capital assets for governmental activities and \$341,385 in capital assets for business-type activities in the fiscal year ended June 30, 2016. Only \$3,690,268 of governmental activities capital assets and \$333,060 of business-type activities capital assets were recorded by the County leaving \$518,745 and \$8,325 of corrections to the governmental and business type capital assets, respectively, to be recorded.

**Criteria:** Controls over capital assets should be in place to ensure all capital assets owned by the County meeting the \$5,000 capitalization threshold are recorded in the capital asset system.

**Effect:** The capital assets of the County were understated.

**Auditor's recommendation:** General ledgers should be examined for possible capital asset additions to be included in the County's inventory listing.

**County response:** The County will ramp up its efforts to look for unrecorded assets on its general ledger. The County would like to state that significant improvements have been made in this area. Just two years ago the County did not even have a capital asset listing. Thus the County has gone from not having one, to having one and to recording additions and deletions each year. The County agrees that some items were not recorded but the majority of those centered on the construction of the new Annex building (\$133,276) and road improvements made during the year (\$332,914). Currently the County maintains its capital asset listing on an Excel spreadsheet. The County is now in the process of entering its capital assets into the fixed asset module of the general ledger system. This will allow the County to have better reporting and less manual calculations. Also, during the past few years the County has had unprecedented additions and deletions from its capital asset listings and County staff have worked diligently to maintain the listing and to keep it current. All said, the County understands more improvements are needed in this area and is committed to making those improvements.



**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2016**

**Significant Deficiency**

**2016-4 Delinquent Tax Sale Funds**

**Condition:** The County's Delinquent Tax Office holds delinquent tax sales to recoup the unpaid property taxes and costs for property meeting the delinquent tax status. These tax sale proceeds, less the property taxes and costs, are held on deposit until the property is redeemed or title transfers. The County did not maintain a listing of the funds held to reconcile to the actual funds held in the bank accounts.

**Criteria:** Controls over delinquent tax sale funds should be in place to ensure a listing of all funds held are known as to which sale parcel and all related activity to that parcel is included.

**Effect:** The funds held in the bank account are not reconciled to the actual tax sale transactions.

**Auditor's recommendation:** A listing by tax sale should be maintained and reconciled monthly to the bank statements to ensure all funds that should be held in the fiduciary capacity are properly on deposit.

**County response:** The County concurs with this finding and will immediately implement a monthly reconciliation process so that the funds held in the bank account are reconciled to actual tax sale transactions.