

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1 – 4
Management's Discussion and Analysis (Unaudited)	5 – 19
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	20
Statement of Activities	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	23
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	26
Statement of Fiduciary Net Position	27
Notes to the Basic Financial Statements	28 – 51
Combining and Individual Fund Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	53

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

(continued)

	Page
Budgetary Comparison Schedules	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	54 – 55
Schedule of Expenditures, Compared to Budget – General Fund	56 – 63
Schedule of Revenues, Expenditures, and Changes in Fund Balance – E911 Special Revenue Fund	64
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Road Maintenance Special Revenue Fund	65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Fire Service Special Revenue Fund	66
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Capital Needs Equipment Replacement Capital Projects Fund	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Debt Service Fund	68
Fiduciary Funds	
Combining Schedule of Fiduciary Net Position	69 – 70
Combining Schedule of Changes in Assets and Liabilities	71 – 74

STATISTICAL SECTION

Schedule of Fines, Assessments and Surcharges	75
Computation of Legal Debt Margin	76
Schedule of Delinquent Taxes Receivable	77

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

(continued)

	Page
COMPLIANCE SECTION	
Federal Grants:	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78 – 79
Schedule of Findings and Responses	80 – 87
Summary Schedule of Prior Audit Findings	88 – 91

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of and for the year ended June 30, 2013, 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.

ORANGEBURG
1190 Boulevard Street
Orangeburg, SC 29115
(803) 536-1015
fax (803) 536-1020

BARNWELL
(803) 259-1163
fax (803) 259-5469

COLUMBIA
(803) 787-0003
fax (803) 787-2299

www.mcgregorcpa.com

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.

Basis for Qualified Opinion

Management has not included the financial data for the County's legally separate component unit, the Bamberg County Memorial Hospital (the "Hospital") in these financial statements. Additionally, the Hospital's financial statements have not been audited, and we were not engaged to audit the Hospital's financial statements as part of our audit of the County's basic financial statements. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this omission would affect the assets, liabilities, net position, revenues, and expenses of the County's government-wide financial statements is not readily determinable.

Management does not have a current listing of the County's capital asset records including depreciation schedules. Therefore, the capital asset and depreciation balances presented on these financials are stated at the June 30, 2011 balances. Additionally, the County has not recorded certain general capital and infrastructure assets in its financial statements and, accordingly, has not recorded related depreciation expense on those assets. Due to the lack of available records, the capital asset data could not be updated for 2012 or 2013 years' activity. Accounting principles generally accepted in the United States of America require that all capital assets be recorded and depreciated, which would increase assets, net position, and expenses of the County's Governmental Activities. The amount by which this omission would affect the assets, net position, and expenses of the County's government-wide financial statements is not readily determinable.

Management's records could not identify the funds held by the County from two Delinquent Tax sale bank accounts of \$221,654 as to whom the funds are due. The lack of records prohibited determining whether funds are due to bidders at the sale, held in trust until the property is redeemed or deeded, or due to the County. Accounting principles generally accepted in the United States of America require that all agency funds in the custody of the government be properly recorded as to whom they are held in trust and remitted timely as constraints are met. The amount of funds potentially due to individuals and the amount due to the General Fund of the County cannot be readily determinable. Therefore, the amount by which this omission would affect the assets, fund balance, and revenues of the County's general fund and proper reporting of liabilities in the agency funds is not readily determinable.

Management did not maintain proper custody of or reconcile the inmates' funds. Due to lack of controls over the funds, the actual amount that should be held in trust could not be determined. Accounting principles generally accepted in the United States of America require that all agency funds in the custody of the government be properly documented and recorded as to whom they are held in trust and remitted timely as constraints are met. The amount of funds potentially due to the individuals and due from a potential misappropriation cannot be readily determinable. Therefore, the amount by which this omission would affect the proper reporting of assets and liabilities in the agency funds is not readily determinable.

INDEPENDENT AUDITOR'S REPORT
(continued)

Qualified Opinion

In our opinion, except for the effects of the matters described in the "Basis for Qualified Opinion" paragraphs, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of June 30, 2013, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 19 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 the Bamberg County, South Carolina's basic financial statements. The combining and individual fund schedules, budget comparison schedules, fiduciary fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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 6, 2014, 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.

McGregor + Company LLP

Orangeburg, South Carolina
March 6, 2014

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

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, 2013. 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. The Bamberg County Hospital is a component unit of the County but is not included in the financial statements due to its financial statements not being available. Information included in this discussion and analysis focuses on the activities of the primary government.

Financial Highlights:

- Bamberg County's assets exceeded its liabilities at June 30, 2013 by \$9,596,854 (net position). Of this amount, \$1,066,879 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased \$310,966 over the previous year.
- At June 30, 2013, the County's governmental fund balance sheet reported a combined ending fund balance of \$7,485,288, an increase of \$7,009,358 from the previous fiscal year. Of this amount, \$1,007,859 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$6,989,474, an increase from last fiscal year of \$6,619,762. The unassigned fund balance is \$1,266,210.

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 provided as part of the new approach mandated by the Governmental Accounting Standards Board (GASB). 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.

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013

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). The County's governmental activities include general government, public safety, physical environment, economic environment, human services, and cultural/recreation.

The government-wide financial statements can be found on pages 20 and 21 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 two categories: governmental 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 7 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 which is considered to be a major fund. 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 governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with the budget.

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013

The basic governmental funds financial statements can be found on pages 22 through 26 of this report.

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 27 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 28 through 51 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the combining schedules referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund schedules can be found on pages 52 through 74 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 exceeded liabilities by \$9,596,854 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$310,966.

The largest portion of the County's net position (73%) 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 (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position of \$1,066,879.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Bamberg County's Net Position

	(Dollars in Thousands)	
	2013	2012
Current and other assets	\$ 9,429	\$ 3,418
Capital assets	<u>11,792</u>	<u>11,792</u>
Total assets	<u>21,221</u>	<u>15,210</u>
Long-term liabilities outstanding	10,300	2,092
Other liabilities	<u>1,324</u>	<u>3,832</u>
Total liabilities	<u>11,624</u>	<u>5,924</u>
Net Position		
Invested in capital assets, net of related debt	7,041	8,918
Restricted	1,489	1,026
Unrestricted	<u>1,118</u>	<u>(658)</u>
Total net position	<u>\$ 9,597</u>	<u>\$ 9,286</u>

The changes in net position displayed below shows the governmental activities during the fiscal year.

Bamberg County's Changes in Net Position

	(Dollars in Thousands)	
	2013	2012
Revenues		
Program revenues:		
Charges for services	\$ 1,087	\$ 1,138
Operating grants	503	407
Capital grants and contributions	762	1,447
General revenue:		
Taxes:		
Property taxes	4,958	4,924
Sales tax	81	82
State shared revenue	588	492
Gain on sale of assets	62	1
Interest earnings	22	27
Miscellaneous	<u>25</u>	<u>49</u>
Total revenues	<u>8,088</u>	<u>8,567</u>

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Bamberg County's Changes in Net Position

	(Dollars in Thousands)	
	2013	2012
Expenses:		
General government	3,564	5,021
Judicial	547	511
Public safety	1,926	1,951
Public works	1,074	1,121
Cultural and recreational	146	148
Health and welfare	23	715
Interest	<u>497</u>	<u>77</u>
 Total expenses	 <u>7,777</u>	 <u>9,544</u>
 Change in net position	 311	 (977)
 Net position, beginning of year	 <u>9,286</u>	 <u>10,263</u>
 Net position, end of year	 <u>\$ 9,597</u>	 <u>\$ 9,286</u>

Governmental Activities: Revenues for the County's governmental activities were \$8,087,752 for fiscal year 2013. Taxes constitute the largest source of County revenues, amounting to approximately \$5,038,698 for the fiscal year 2013. Real, personal property, and vehicle taxes of \$4,958,039 represent over 98% of total taxes and 61% of all revenue combined.

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.

As of June 30, 2013, Bamberg County governmental funds reported combined fund balances of \$7,485,288, an increase of \$7,009,358 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2013, total fund balance in the General Fund was \$6,989,474, of which \$1,266,210 was unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balances compared to total fund expenditures was 15%. The fund balance of the General Fund increased by \$6,619,762 during the current fiscal year, which is due to the \$8,440,000 proceeds from the issuance of a revenue bond.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$389,596 from the prior year.

General Fund Budgetary Highlights

Budget to actual statement is provided for the General Fund on page 26. The expenditures incurred during the year were \$2,182,284 over the budget amounts.

Capital asset and Debt Administration

Capital assets: Bamberg County's investment in capital assets for its governmental activities as of June 30, 2011 is stated below. Detailed records of capital asset balances at June 30, 2011 were not available in order to update for 2012 and 2013 years' activity.

**Bamberg County's Capital Assets (Net)
June 30, 2011**

	Governmental Activities
Land and land improvements	\$ 86
Construction in process	4,408
Buildings and improvements	7,797
Furniture, vehicles, and equipment	<u>3,806</u>
 Total capital assets	 16,097
 Accumulated depreciation	 <u>(4,305)</u>
 Total capital assets, net	 <u>\$ 11,792</u>

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

Long-term debt: At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,310,000, all of which is backed by the full faith and credit of the County. On June 28, 2013, the County, through the Bamberg Facilities Corporation, issued \$8,440,000 installment purchase revenue bonds to retire an outstanding bond anticipation note and provide funding for capital sales tax projects.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Bamberg County's Outstanding Debt

	Governmental Activities	
	2013	2012
General obligation bonds	\$ 1,310	\$ 1,350
Installment purchase revenue bonds	8,440	-
Tax Anticipation Notes	125	1,250
Capital lease obligations	197	274
	\$ 10,072	\$ 2,874

Additional information on Bamberg County's long-term debt can be found in Note 8 on pages 42 through 45 of this report.

Economic Factors and Next Year's Budgets and Rates

Bamberg County is located in the Southern Carolina region of South Carolina, close to the Ports of Charleston, SC, and Savannah, GA. The Southern Carolina region is comprised of Allendale, Bamberg, Barnwell, Colleton, Hampton, and Jasper counties. For its existing and prospective industries, Bamberg County provides a population of more than 158,183 within a 30-minute drive and a population of more than 403,411 within a 45-minute drive. Bamberg's workforce and business friendly climate are two of the many reasons internationally recognized companies like Goodrich, Tobul Accumulators, Phoenix Specialty, Advance Tabco, Rockland Industries and many others have chosen Bamberg County for their operations.

Despite being the home of several international companies, Bamberg suffered greatly during the recent recession. However, Bamberg County is beginning to see gradual improvements in its unemployment rates as evidenced by the unemployment trends below.

Year	Unemployment Rate		
	Bamberg County	South Carolina	United States
2009	15.9%	11.5%	9.3%
2010	15.7%	11.2%	9.6%
2011	15.8%	10.4%	8.9%
2012	15.4%	9.1%	8.1%

The recession and the slow recovery from same were taken into consideration when adopting the general fund budget for 2014. The County reduced expenditures in the areas of capital outlay, equipment maintenance, building maintenance, and operating expenses such as supplies. Personnel costs were relatively constant. The FY14 Budget represented the first step in setting up proper fund accounting and recording certain activities of the County in specific funds. Previously all operations of the County were budgeted in the General Fund. The FY14 Budget utilizes the General Fund, numerous Special Revenue Funds, one Enterprise Fund, several Debt Service Funds, and a Capital Projects Fund.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

In order to rectify prior year deficits and to provide proper operating capital for current operations, Bamberg increased the Fire Service tax levies over the previous year. In addition, the Capital Needs and Equipment Replacement levy was combined with the General Fund levy and a separate levy was created to fund the contractual services of the County Rescue Squads. Below is a summary of the tax levies supporting the FY14 Budget, as compared to FY13 levies.

Levy	FY13 Levy	FY14 Levy
County Operations	123.5	117.0
Capital Needs	12.0	n/a
EMS/Rescue	n/a	18.5
Fire Service	14.7	21.0
Fire Service –Prior Year Deficit	n/a	6.0
Subtotal Operating Levies	150.2	162.50
Bonded Indebtedness	4.0	6.5
Total Levy	154.2	169.0

The following data is taken from the Bamberg County Community Profile Report as prepared by the South Carolina Department of Employment & Workforce and reflects certain statistics concerning economic, demographic, industry, occupation and education. Although Bamberg County lags behind in many of these factors, it is a proud community and is home to many hard-working individuals and committed corporate entities.

Bamberg County, SC Population by Age

Age Range	Bamberg County	South Carolina	United States
0-4	951	299,328	20,170,377
5-9	1,184	292,378	20,207,046
10-14	777	297,045	20,631,572
15-19	1,449	327,882	22,083,463
20-24	1,340	327,799	21,463,191
25-29	916	302,121	20,940,180
30-34	599	283,397	19,728,641
35-39	821	297,283	20,367,911
40-44	828	311,606	21,315,317
45-49	1,306	329,132	22,654,947
50-54	1,127	322,250	21,924,721
55-59	1,228	298,425	19,215,139
60-64	970	270,722	16,292,447
65-69	909	206,047	11,984,083
70-74	572	151,529	9,168,648
75-79	253	112,287	7,365,437
80-84	347	79,905	5,753,990
85 and older	484	66,728	5,336,662

Source: U.S. Census Bureau, American Community Survey

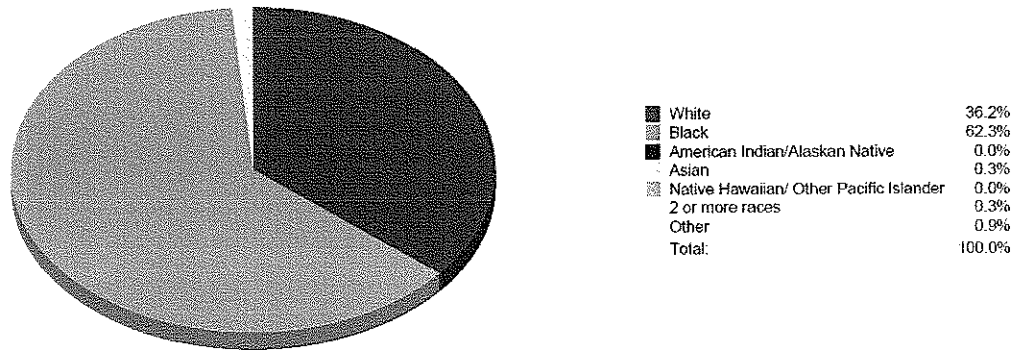
**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Bamberg County, SC Population by Race

Population by Race

Race	Bamberg County	%	South Carolina	%	United States	%
White	5,807	36.2%	3,075,318	67.2%	227,167,013	74.1%
Black	10,012	62.3%	1,281,627	28.0%	38,395,857	12.5%
American Indian/Alaskan Native	0	0.0%	14,939	0.3%	2,502,653	0.8%
Asian	46	0.3%	56,575	1.2%	14,497,185	4.7%
Native Hawaiian/ Other Pacific Islander	0	0.0%	1,920	0.0%	500,592	0.2%
2 or more races	51	0.3%	72,080	1.6%	7,816,654	2.5%
Other	145	0.9%	73,405	1.6%	15,723,818	5.1%

Source: U.S. Census Bureau, American Community Survey



Population by Gender

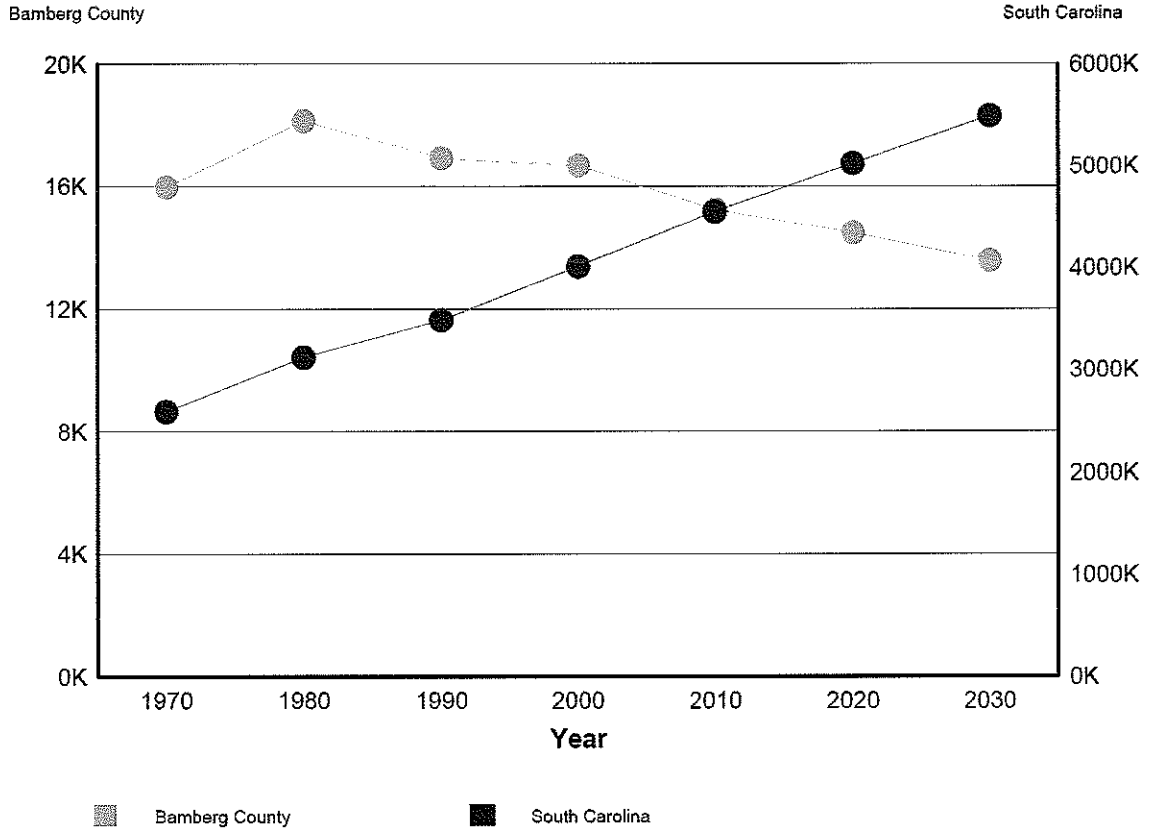
Gender	Bamberg County	South Carolina	United States
Male	7,568	2,227,017	150,740,216
Female	8,493	2,348,847	155,863,556

Source: U.S. Census Bureau, American Community Survey

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Population Change

Historical and Projected



Year	Bamberg County	South Carolina
1970	15,950	2,590,713
1980	18,118	3,121,820
1990	16,902	3,486,310
2000	16,658	4,012,012
2010	15,230	4,549,150
2020	14,470	5,020,400
2030	13,560	5,488,460

Source: U.S. Census Bureau

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Employers by Size of Establishment

Employees	Bamberg County	South Carolina
0 to 4	158	66,889
5 to 9	67	19,881
10 to 19	23	13,351
20 to 49	28	10,117
50 to 99	11	3,973
100 to 249	9	2,504
250 to 499	0	767
500 to 999	0	346
1000 +	0	277

Source: S.C. Department of Employment & Workforce - 2013 Q2
- Indicates that the requested data is suppressed

Employment by Size of Establishment

Employees	Bamberg County	South Carolina
0 to 4	285	105,630
5 to 9	460	131,741
10 to 19	291	181,001
20 to 49	819	310,957
50 to 99	818	274,590
100 to 249	1,248	377,826
250 to 499	0	262,914
500 to 999	0	237,653
1000 +	0	681,805

Source: S.C. Department of Employment & Workforce - 2013 Q2
- Indicates that the requested data is suppressed

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Bamberg County, SC 20 Largest Employers – Listed Alphabetically

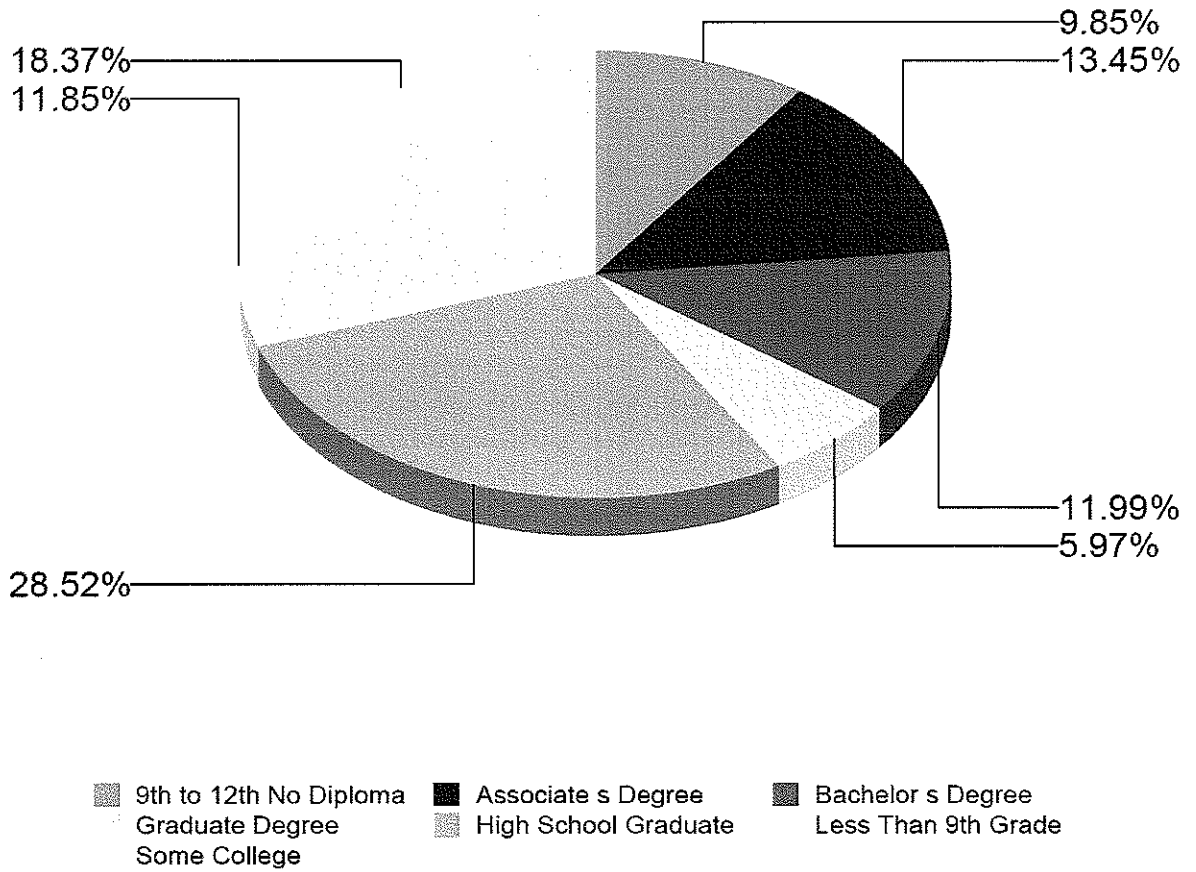
Bamberg County
Bamberg County Disabilities & Special Needs
Bamberg County School District 2
Bamberg County School District 1
Boddie Noell Enterprises Inc
Brabham Oil Company Inc
Delavan Spray LLC
Denmark Technical College
Edisto Electric Cooperative Inc
Masonite Corporation
Phillip Sandifer & Sons Farms LLC
Randstad US LP
Rockland Industries Inc
S C Department of Transportation
Specialty Washer Co of SC
Swanson South Inc
The Enterprise Bank
Tobul Accumulator Inc
Uni Health Post Acute Care
Vorhees College

*Source: SC Department of Employment & Workforce 2013 Q2

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

Educational Attainment

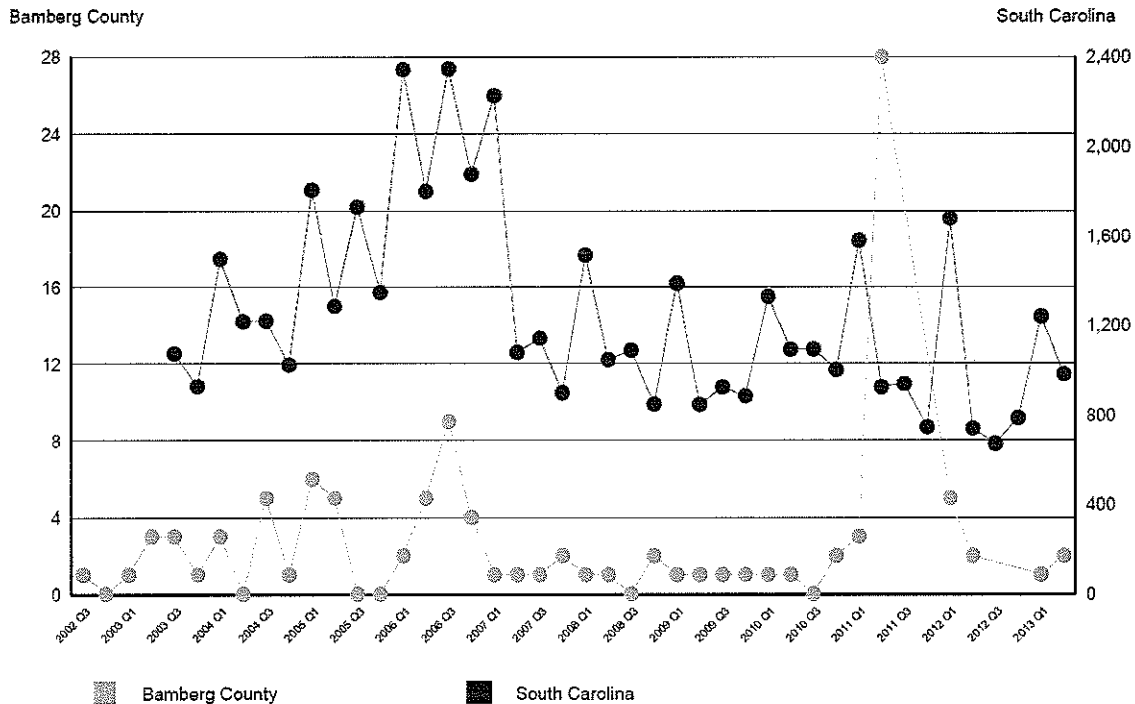
(Population 25 Years and Older)



Source: U.S. Census Bureau, American Community Survey - 2011 5-Year Estimates

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

New Startup Firms



Quarter	Bamberg County	South Carolina
2013 Q2	2	982
2013 Q1	1	1,240
2012 Q2	2	740
2012 Q1	5	1,680
2011 Q2	28	925
2011 Q1	3	1,580
2010 Q4	2	1,003
2010 Q3	0	1,095
2010 Q2	1	1,093
2010 Q1	1	1,330
2009 Q4	1	885
2009 Q3	1	925
2009 Q2	1	848
2009 Q1	1	1,389
2008 Q4	2	849
2008 Q3	0	1,089
2008 Q2	1	1,047
2008 Q1	1	1,515
2007 Q4	2	899
2007 Q3	1	1,143

*Note: A firm is included in the count when it does not have a UI Account Number in the previous quarter and has a Setup Date that falls in the quarter displayed.
Source: S.C. Department of Employment & Workforce*

As the U.S. economy continues to improve, Bamberg hopes to see recovery locally as well, but plans to continue to be frugal with the resources entrusted to it.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2013**

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 Courthouse, 2959 Main Highway, Bamberg, South Carolina 29003.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	DISCRETELY PRESENTED COMPONENT UNIT COUNTY HOSPITAL (SEE NOTE 1)
ASSETS		
Cash and cash equivalents	\$ 1,299,120	
Restricted cash and cash equivalents	6,853,155	
Receivables		
Property taxes	638,493	
Other receivables	88,753	
Due from other governments	544,881	
Due from Agency Funds	4,979	
Capital assets -		
Non-depreciable - Note 1	4,494,248	
Depreciable - net - Note 1	7,298,047	
	21,221,676	
TOTAL ASSETS		
LIABILITIES		
Accounts payable	605,715	
Accrued expenses	445,306	
Accrued interest payable	18,731	
Due to other governments	31,371	
Due to Agency Funds	100,499	
Bond deposits and prepayments	122,709	
Noncurrent liabilities:		
Due within one year	166,945	
Due in more than one year	10,133,546	
	11,624,822	
TOTAL LIABILITIES		
NET POSITION		
Invested in capital assets, net of related debt	7,041,727	
Restricted for:		
Debt service	50,846	
Capital projects	371,834	
Emergency services	324,954	
Fire services	6,531	
Tourism and community development	114,739	
Property tax rollback program	521,054	
Child support enforcement	98,290	
Unrestricted (deficit)	1,066,879	
	9,596,854	
TOTAL NET POSITION		
	\$ 9,596,854	

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTIONS AND PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
	EXPENSES	FEES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES				
General government	\$ 3,564,466	\$ 81,332	\$ 45,161	\$ (2,866,319)
Judicial	547,117	241,631	120,873	(184,613)
Public safety	1,916,661	119,825	285,939	(1,320,155)
Public works	1,072,785	644,262	50,998	(377,525)
Culture and recreation	145,569	-	-	(145,569)
Health and welfare	22,829	-	-	(22,829)
Interest	507,359	-	-	(507,359)
TOTAL PRIMARY GOVERNMENT	\$ 7,776,786	\$ 1,087,050	\$ 502,971	\$ (5,424,369)

Discretely presented component unit:
County Hospital (see Note 1)

GENERAL REVENUES:	
Property taxes	4,958,039
Sales tax	80,659
State shared revenues	588,079
Gain on sale of assets	62,333
Interest earnings	22,022
Miscellaneous	24,203
TOTAL GENERAL REVENUES AND TRANSFERS	5,735,335
CHANGE IN NET POSITION	310,966
NET POSITION - JUNE 30, 2012	9,285,888
NET POSITION - JUNE 30, 2013	\$ 9,596,854

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents:			
Unrestricted	\$ 1,299,120	\$ -	\$ 1,299,120
Restricted	6,003,611	849,544	6,853,155
Receivables			
Property taxes	537,289	101,204	638,493
Other receivables	88,753	-	88,753
Due from other governments	525,402	19,479	544,881
Due from other funds	363,447	4,547	367,994
Due from Agency Funds	4,979	-	4,979
TOTAL ASSETS	\$ 8,822,601	\$ 974,774	\$ 9,797,375
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	599,269	6,446	605,715
Accrued expenses	437,443	7,863	445,306
Unearned revenue	537,289	101,204	638,493
Bond deposits and prepayments	122,709	-	122,709
Due to other governments	31,371	-	31,371
Due to other funds	4,547	363,447	367,994
Due to Agency Funds	100,499	-	100,499
TOTAL LIABILITIES	1,833,127	478,960	2,312,087
FUND BALANCES			
Restricted	5,664,448	754,165	6,418,613
Assigned	58,816	-	58,816
Unassigned (deficit)	1,266,210	(258,351)	1,007,859
TOTAL FUND BALANCES	6,989,474	495,814	7,485,288
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,822,601	\$ 974,774	\$ 9,797,375

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, 2013

Total fund balance - total governmental funds	\$ 7,485,288
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Delinquent taxes receivable will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unearned revenue in the funds.	638,493
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,792,295
Long-term liabilities and related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:	
Interest payable	(18,731)
Due within a year	(166,945)
Due in more than one year	<u>(10,133,546)</u>
Total net position - total governmental activities	<u>\$ 9,596,854</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, 2013

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE			
Property taxes	\$ 4,238,896	\$ 640,045	\$ 4,878,941
Intergovernmental revenue	1,515,066	182,970	1,698,036
Licenses and permits	40,082	-	40,082
Charges for services	410,587	395,426	806,013
Fines, fees and forfeitures	240,955	-	240,955
Investment income	21,541	481	22,022
Other	69,530	-	69,530
TOTAL REVENUES	6,536,657	1,218,922	7,755,579
EXPENDITURES			
Current			
General government	3,146,804	-	3,146,804
Judicial	548,861	-	548,861
Public safety	1,556,285	390,565	1,946,850
Public works	730,028	355,483	1,085,511
Culture and recreation	145,569	-	145,569
Health and welfare	11,329	11,500	22,829
Miscellaneous	812,748	-	812,748
Debt service:			
Principal	1,100,000	141,951	1,241,951
Interest	399,635	111,895	511,530
TOTAL EXPENDITURES	8,451,259	1,011,394	9,462,653
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,914,602)	207,528	(1,707,074)
OTHER FINANCING SOURCES (USES):			
Insurance recovery	-	214,099	214,099
Proceeds from sale of assets	60,820	1,513	62,333
Proceeds from issuance of debt	8,440,000	-	8,440,000
Transfers in (out)	33,544	(33,544)	-
TOTAL OTHER FINANCING SOURCES (USES)	8,534,364	182,068	8,716,432
NET CHANGE IN FUND BALANCES	6,619,762	389,596	7,009,358
FUND BALANCE, JULY 1, 2012	369,712	106,218	475,930
FUND BALANCE, JUNE 30, 2013	\$ 6,989,474	\$ 495,814	\$ 7,485,288

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, 2013**

Net changes in fund balances - total governmental funds \$ 7,009,358

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

Bond proceeds provide current financial resources to governmental
funds, bond issuance costs, repayment of bond principal and
capital lease principal are expenditures in the governmental funds,
but the repayment reduces long-term liabilities in the statement
of net position and the proceeds increase them.

Bond proceeds	(8,440,000)	
Debt issuance costs	391,306	
Capital lease obligation principal payments	76,951	
Tax anticipation note principal payment	1,124,860	
Bond principal payment	40,000	(6,806,883)

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	4,311	
Change in compensated absences	14,537	
Change in closure and maintenance costs payable	10,545	29,393

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

79,098

Change in net position of governmental activities \$ 310,966

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 4,236,945	\$ 4,236,945	\$ 4,238,896	\$ 1,951
Intergovernmental revenue	735,008	735,008	1,515,066	780,058
Licenses and permits	48,918	48,918	40,082	(8,836)
Charges for services	441,178	441,178	410,587	(30,591)
Fines, fees and forfeitures	365,346	365,346	240,955	(124,391)
Investment income	50,000	50,000	21,541	(28,459)
Other	55,000	55,000	69,530	14,530
Total revenues	5,932,395	5,932,395	6,536,657	604,262
EXPENDITURES				
Current:				
General government	3,051,831	3,051,831	3,146,804	(94,973)
Judicial	521,142	521,142	548,861	(27,719)
Public safety	1,470,192	1,470,192	1,556,285	(86,093)
Public works	843,762	843,762	730,028	113,734
Culture and recreation	146,069	146,069	145,569	500
Health and welfare	-	-	11,329	(11,329)
Miscellaneous	235,979	235,979	812,748	(576,769)
Debt service:				
Principal	-	-	1,100,000	(1,100,000)
Interest	-	-	399,635	(399,635)
Total expenditures	6,268,975	6,268,975	8,451,259	(2,182,284)
Excess (deficiency) of revenues over (under) expenditures	(336,580)	(336,580)	(1,914,602)	(1,578,022)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	60,000	60,000	60,820	820
Proceeds from issuance of bond	-	-	8,440,000	8,440,000
Transfers in(out)	-	-	33,544	33,544
Total other financing sources (uses)	60,000	60,000	8,534,364	8,474,364
Net change in fund balance	\$ (276,580)	\$ (276,580)	6,619,762	\$ 6,896,342
Fund balances, beginning of year			369,712	
Fund balances, end of year			\$ 6,989,474	

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2013**

ASSETS

Cash and cash equivalents	\$ 1,490,602
Delinquent property taxes	1,392,678
Due from General Fund	<u>100,499</u>
Total assets	<u><u>\$ 2,983,779</u></u>

LIABILITIES

Deferred revenue	\$ 1,392,678
Amounts due to others	1,367,478
Unknown funds held	218,644
Due to General Fund	<u>4,979</u>
Total liabilities	<u><u>\$ 2,983,779</u></u>

See accompanying notes to financial statements.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Bamberg County, South Carolina (the "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 "County 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.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources; and it complies with the requirements of contracts and grants of agencies from which it receives funds.

A. FINANCIAL REPORTING ENTITY

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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

A. FINANCIAL REPORTING ENTITY (continued)

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.

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, 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.

Using the aforementioned criteria, the County has determined that the Bamberg County Memorial Hospital (the "Hospital") is a component unit of the County which requires discrete presentation in these financial statements. However, audited financial information for the most recently completed fiscal year of the Hospital is not available and consequently is not included in the County's basic financial statements, which is a departure from GAAP.

Departures from GAAP

As stated above, the County's "government-wide" financial statements presented herein do not include the financial statements of the Hospital, a component unit of the County.

Capital asset records including depreciation calculations were not available. Therefore, the capital asset and depreciation balances presented on these financials are stated at the June 30, 2011 balances. Additionally, the County has excluded certain general capital and infrastructure assets from its Governmental Activities, and has not recorded related depreciation expense on those assets. Due to the lack of available records, the capital asset data could not be updated for the 2012 and 2013 years' activity.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

A. FINANCIAL REPORTING ENTITY (continued)

The funds held by the County of \$221,654 in the Delinquent Tax Fund could not be verified as to whom the funds are due. A portion of the funds consisting of \$100,000 was transferred to the County's General Fund during the fiscal year. These funds are reflected as due to the Tax Collector agency fund and the balance of \$121,654 is held in two Delinquent Tax sale bank accounts until determination of the ownership can be determined. The lack of records prohibited determining whether funds are due to bidders at the sale, held in trust until the property is redeemed or deeded, or due to the County.

The County is the custodian of inmate funds during the time of their incarceration and accounts for these funds in a separate bank account. In the previous year, the County discovered some funds collected from inmates were not deposited into the bank account and the amount of funds which should be held in trust could not be determined. No reconciliation of these funds held to inmate records of accounts was being performed. There is an ongoing investigation by State authorities regarding this matter. These monies are reported as an agency fund in these financial statements at the June 30, 2013 bank balance.

Each of these four issues is a departure from accounting principles generally accepted in the United States of America. The amount by which these departures would affect the assets, net position and expenses of the County's Governmental Activities is not readily determinable.

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

1. 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. The effect of interfund activity has been removed from these statements. Separate columns are used to distinguish between the County's governmental and discretely presented component units. Governmental activities normally are supported by taxes and intergovernmental revenues. The primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

The Statement of Net Position presents the financial condition of the Governmental Activities for the County at year-end. The County had no Business-type Activities at June 30, 2013. 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.

2. 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.

For the year ended June 30, 2013, the County reports its General Fund as a "major" fund.

A summary of fund financial statement types follows:

Governmental Funds Types:

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.

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 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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

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 accounts for all financial resources to be used for the construction and renovation of the County hospital. 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 Funds – These funds are used to account for those operations that are financed and operated in a manner similar to private business. In the Enterprise Funds, fees are generally charged to external users for goods and services 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 revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County had no Enterprise Funds at June 30, 2013.

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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

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 another 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.

In the Government-wide and in the Governmental Fund types financial statements, certain assets are recognized in connection with a transaction before the earnings process is complete. These assets are generally offset by a corresponding liability for deferred revenue, commonly referred to as unearned revenue. Unearned revenue in the Government-wide statements and in the fund financial statements, Governmental funds, is represented by various deposits on contracts. In the fund financial statements, Governmental funds report certain assets that are not yet available to finance expenditures for the current fiscal period and are classified as deferred revenue commonly known as unavailable revenue.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Measurement Focus and Basis of Accounting (continued)

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.

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, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

C. Assets, Liabilities, and Net Position or Fund Balances

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.

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."

Receivables and Allowance for Doubtful Accounts

Accounts receivable include amounts due from others and are stated net of an allowance for uncollectibles.

Restricted Assets

Restricted accounts include money or other resources, the use of which is restricted by legal or contractual requirements.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, and Net Position or Fund Balances (continued)

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. However, the balances presented in these financial statements do not include any activity of the 2012 or 2013 fiscal years. See Note 7.

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:

Description	Estimated Life
Building and improvements	15 – 50
Machinery and equipment	5 – 15
Vehicles	5 – 15

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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, and Net Position or Fund Balances (continued)

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.

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.

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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, and Net Position or Fund Balances (continued)

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 \$9,596,854 of which \$1,488,248 is restricted. Restricted resources are used first to fund appropriations.

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 deferred 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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, and Net Position or Fund Balances (continued)

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 recoded 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).

D. Stewardship, Compliance and Accountability

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. This transfer cannot exceed \$10,000 or 10% of said department's budget; 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 (E911, Road Maintenance, and Fire Service), Capital Needs Equipment Replacement Capital Projects Fund, and Debt Service 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.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Stewardship, Compliance and Accountability (continued)

Budget to Actual Deficits

For the year ended June 30, 2013, expenditures in the following general fund divisions exceeded appropriations:

General government	\$ 77,625
Judicial	27,719
Public Safety	86,093
Health and welfare	11,329
Miscellaneous	542,875
Debt service:	
Principal	1,100,000
Interest	399,635

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.

NOTE 2 - DEPOSITS AND INVESTMENTS

As of June 30, 2013, the amount of the County's cash deposits was \$9,641,677 and the bank balance was \$9,925,160. To reconcile this information to the financial statements, we include the following:

Cash and cash equivalents	\$ 9,641,677
Cash on hand	1,200
Less: fiduciary cash	<u>(1,490,602)</u>
	<u>\$ 8,152,275</u>

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

Cash and cash equivalents:	
Unrestricted	\$ 1,299,120
Restricted	<u>6,853,155</u>
	<u>\$ 8,152,275</u>

Primary Government and Agency Funds

At June 30, 2013, the carrying amount of the County's deposits was \$8,152,275 for the primary government and \$1,490,602 for Agency Funds. The bank balances for these funds total \$9,925,160. Of the bank balance of \$9,925,160, \$1,227,513 is secured by FDIC insurance and \$8,493,635 is secured by collateral pledged in the County's name. The remaining \$204,012 of the County's bank deposits were uncollateralized.

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

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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

Receivables at June 20, 2013, are shown below less an estimated allowance for uncollectible accounts, as follows:

	Governmental Activities
Other receivables	\$ 28,233
Landfill dumping (tipping) fees	<u>111,082</u>
Total receivables	139,315
Less, allowance for uncollectible accounts (all landfill)	<u>(50,562)</u>
Receivables, net	<u>\$ 88,753</u>

NOTE 4 - UNIDENTIFIABLE FUNDS

As of June 30, 2013, excess funds were on deposit in the checking accounts of several court-related funds and deficits occurred in two of these accounts. The net overages, totaling \$25,625, represent the amount of cash on deposit that exceeds identifiable liabilities. The Delinquent Tax Sale bank accounts also held unidentifiable funds of \$221,654. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.) These funds are reflected in the financials as follows:

	General Fund	Agency Fund
Included in bond deposits and prepayments:		
Magistrate	\$ 26,291	
Clerk of Court	1,724	
Sheriff (execution and fees)	620	
Included in unknown funds held:		
Clerk of Court		\$ (3,010)
Delinquent Tax	<u>-</u>	<u>221,654</u>
	<u>\$ 28,635</u>	<u>\$ 218,644</u>

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

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

The Governmental Funds short-term interfund receivables and payables at June 30, 2013, were as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 368,426	\$ 105,046
Special Revenue Funds:		
Fire Service Fund	3,292	-
Road Maintenance fund	-	208,377
Capital Project Funds:		
Capital Need Equipment Replacement Fund	-	116,377
Hospital Capital Project	-	38,693
Debt Service Fund	1,255	-
Agency Funds	<u>100,499</u>	<u>4,979</u>
	<u>\$ 473,472</u>	<u>\$ 473,472</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.

NOTE 6 - TRANSFERS TO/FROM OTHER FUNDS

	Transfers In	Transfers Out
General Fund	\$ 33,544	\$ -
Special Revenue Funds:		
E-911 Fund	-	65,173
Fire Service Fund	<u>31,629</u>	<u>-</u>
	<u>\$ 65,173</u>	<u>\$ 65,173</u>

Transfers between the funds were primarily to support the operations of the funds.

NOTE 7 - CAPITAL ASSETS

The County's detailed schedule of capital assets and related depreciation calculations as of June 30, 2011 was not available. Therefore, 2012 and 2013 fiscal year transactions could not be recorded and June 30, 2013 balances could not be determined. Six vehicles and timber were sold, but it cannot be determined if they were included in the capital assets listed at June 30, 2011.

The County has not recorded capital assets associated with Bamberg County Memorial Hospital, nor its general infrastructure capital assets, which would include roads (dirt and paved), bridges, right-of-ways, storm water drainage systems, etc. (see Note 1).

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

NOTE 7 - CAPITAL ASSETS (continued)

Capital assets balances at June 30, 2011, were as follows:

Government Activities:

	Balance June 30, 2011
Capital assets not being depreciated:	
Land and land improvements	\$ 86,219
Construction in progress	<u>4,408,029</u>
Total capital assets not being depreciated	<u>4,494,248</u>
Capital assets being depreciated:	
Building and improvements	7,797,194
Furniture, vehicles, equipment	<u>3,806,041</u>
Total capital assets being depreciated	<u>11,603,235</u>
Less, accumulated depreciated for:	
Building and improvements	(2,156,099)
Furniture, vehicles, equipment	<u>(2,149,089)</u>
Total accumulated depreciated	<u>(4,305,188)</u>
Total capital assets being depreciated, net	<u>7,298,047</u>
Net capital assets – Governmental Activities	<u>\$ 11,792,295</u>

NOTE 8 - LONG-TERM DEBT

Long-term debt transactions of the Primary Government of Bamberg County were as follows:

	Balance July 1, 2012	Additions	Retirements	Balance June 30, 2013	Due within one year
Accrued Compensated Absences	\$ 197,996	\$ 99,583	\$ 114,120	\$ 183,459	\$ 49,790
Closure and Postclosure Costs	446,644	455	11,000	436,099	11,000
General Obligation Bonds	1,350,000	-	40,000	1,310,000	40,000
Revenue Bonds	-	8,440,000	-	8,440,000	5,000
Deferred Debt Costs	-	(391,306)	-	(391,306)	(19,565)
Anticipation Notes	1,250,140	140	1,125,000	125,280	44,283
Installment Purchase Contract	<u>273,910</u>	<u>-</u>	<u>76,951</u>	<u>196,959</u>	<u>36,437</u>
	<u>\$ 3,518,690</u>	<u>\$ 8,148,872</u>	<u>\$ 1,367,071</u>	<u>\$ 10,300,491</u>	<u>\$ 166,945</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

The following schedules list the principal and interest outstanding for each series of debt at June 30, 2013:

Description and Year	Interest Rate	Annual Interest	Annual Principal
Bamberg County General Obligation Bonds, Series 2008 (for hospital Revitalization):			
2014	4.00%	\$ 54,365	\$ 40,000
2015	4.00%	52,705	45,000
2016	4.00%	50,838	45,000
2017	4.00%	48,970	45,000
2018	4.00%	47,102	50,000
2019-2023	4.00%	192,768	460,000
2024-2028	4.00%	<u>79,057</u>	<u>625,000</u>
		<u>\$ 525,805</u>	<u>\$ 1,310,000</u>

Description and Year	Interest Rate	Annual Interest	Annual Principal
Bamberg Facilities Corporation Installment Purchase Revenue Bonds, taxable series 2013A:			
2014	8.875%	\$ 505,387	\$ 5,000
2015	8.875%	742,838	130,000
2016	8.875%	727,750	210,000
2017	8.875%	708,447	225,000
2018	8.875%	687,591	245,000
2019-2023	8.875%	3,059,212	1,570,000
2024-2028	8.875%	2,192,125	2,390,000
2029-2033	8.875%	<u>868,197</u>	<u>3,665,000</u>
		<u>\$ 9,491,547</u>	<u>\$ 8,440,000</u>

Description and Year	Interest Rate	Annual Interest	Annual Principal
Tax Anticipation Note dated April 29, 2013:			
2014	5.00%	\$ 5,717	\$ 44,283
2015	5.00%	3,476	46,524
2016	5.00%	<u>1,120</u>	<u>34,473</u>
		<u>\$ 10,313</u>	<u>\$ 125,280</u>

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

NOTE 8 - LONG-TERM DEBT (continued)

Description and Year	Interest Rate	Annual Interest	Annual Principal
Installment purchase contract, (two fire pumper trucks) dated November 10, 2008:			
2014	3.90%	\$ 7,681	\$ 36,437
2015	3.90%	6,260	37,858
2016	3.90%	4,784	39,334
2017	3.90%	3,250	40,868
2018	3.90%	<u>1,656</u>	<u>42,462</u>
		<u>\$ 23,631</u>	<u>\$ 196,959</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 long-term debt during the fiscal year 2013 were as follows:

- On April 23, 2012, the County renewed a Tax Anticipation Note in the amount of \$150,140 for general operations. In October, 2012 this obligation was renewed with an increase to the principal for the \$140 renewal fee and payment of interest of \$2,913. At maturity, April 29, 2013, the County paid principal of \$25,000 and interest of \$3,754 and renewed the \$125,280 principal.
- On April 12, 2012, the County issued a \$1,100,000 bond anticipation note to pay off the two outstanding tax anticipation notes. On April 8, 2013, the County paid interest due on this note of \$38,832. On June 28, 2013 the County, through the Bamberg Facilities Corporation, issued \$8,440,000 installment purchase revenue bonds of which \$1,100,000 retired the outstanding bond anticipation note and \$8,329 paid the outstanding interest due. Of the \$7,331,671 balance of bond proceeds, \$4,930,365 was placed in trust accounts in the County's name, \$2,010,000 was deposited into the County's bank accounts, and \$391,306 paid bond issue costs.

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

NOTE 8 - LONG-TERM DEBT (continued)

Annual Requirements for Long-Term Debt

The annual debt service requirements to amortize all of the County's long-term debt, except accrued compensated absences and landfill postclosure costs, are summarized below:

Fiscal years	Principal	Interest
2014	\$ 125,720	\$ 573,150
2015	259,382	805,279
2016	328,807	784,492
2017	310,868	760,667
2018	337,462	736,349
2019-2023	2,030,000	3,251,980
2024-2028	3,015,000	2,271,182
2029-2033	<u>3,665,000</u>	<u>868,197</u>
	<u>\$ 10,072,239</u>	<u>\$ 10,051,296</u>

NOTE 9 - 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:

	Governmental Activities
Invested in Capital Assets, Net of Related Debt	
Net capital assets	\$ 11,792,295
Less, general obligation bonds, TAN's and revenue bonds	(9,483,974)
Less, installment purchase contracts	(196,959)
Unspent bond funds	<u>4,930,365</u>
Total invested in capital assets, net of related debt	<u>\$ 7,041,727</u>
Restricted	
Debt service	\$ 50,846
Capital projects Capital Needs	
Equipment Replacement Fund	371,834
E-911 services	324,954
Fire services	6,531
Tourism and community development	114,739
Property tax rollback program	521,054
Child support enforcement	<u>98,290</u>
Total restricted net position	<u>\$ 1,488,248</u>

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

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

NOTE 9 - FUND BALANCE REPORTING AND NET POSITION (continued)

The County's fund balances as of June 30, 2013 were classified as follows:

Description	General Fund	Other Govern- mental Funds	Total Govern- mental Funds
Restricted:			
Capital Needs Equipment			
Replacement	\$ -	\$ 371,834	\$ 371,834
Debt Service	-	50,846	50,846
E-911 Funds	-	324,954	324,954
Fire Services	-	6,531	6,531
Tourism and Community			
Development	114,739	-	114,739
Property Tax Rollbacks	521,054	-	521,054
Child Support Funds	98,290	-	98,290
Bond proceeds for			
Capital Projects	4,410,000	-	4,410,000
Debt service	520,365	-	520,365
Assigned:			
2013-2014 fiscal year			
stabilization	58,816	-	58,816
Unassigned	<u>1,266,210</u>	<u>(258,351)</u>	<u>1,007,859</u>
Total Fund Balances	<u>\$ 6,989,474</u>	<u>\$ 495,814</u>	<u>\$ 7,485,288</u>

The Road Maintenance Special Revenue Fund had a deficit fund balance at June 30, 2013 of \$220,228. The Hospital Capital Projects Fund had a deficit fund balance at June 30, 2013 of \$38,123. Both funds are nonmajor funds of the County.

NOTE 10 - 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.

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

NOTE 10 - LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION (continued)

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 \$121,000 as of June 30, 2013, for the remaining monitoring period of 11 years.

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 28 more years. 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, 2013, the estimated annual groundwater monitoring cost over the remaining life is approximately \$4,000 per year.

Although closure and postclosure 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 postclosure 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 \$341,261. At June 30, 2013, the costs to be recognized as a liability based on engineering estimates of filled capacity of the Class II landfill is \$315,099.

Estimated total closure and postclosure care costs as of June 30, 2013, for the County's landfill follows:

	Closed Landfill	C & D Class II Landfill	Total
Balance, June 30, 2012	\$ 132,000	\$ 314,644	\$ 446,644
Recognized current year costs	<u>(11,000)</u>	<u>455</u>	<u>(10,545)</u>
Balance, June 30, 2013	<u>\$ 121,000</u>	<u>\$ 315,099</u>	<u>\$ 436,099</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, 2013. 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.

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

NOTE 11 - RETIREMENT PLAN

Generally, all permanent employees of the County are required by law to join the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS) which are cost sharing multiple employer defined benefit pension plans administered by the Retirement Division of the SC Public Employee Benefit Authority (SC PEBA). Both the SCRS and the PORS offer retirement, disability, survivor, and death benefits to eligible members or beneficiaries. A Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the SCRS and PORS is publicly available on its website at www.retirement.sc.gov, or a copy may be obtained by submitting a request to the SC PEBA, P.O. Box 11960, Columbia, South Carolina 29211-1960.

The majority of employees of the County are covered by the SCRS or PORS. Generally, all County employees are required to participate in and contribute to the SCRS or PORS as a condition of employment unless exempted by law as provided by Section 9-1-480 of the South Carolina Code of Laws. Both employees and employers are required to contribute to the Plans under authority of Title 9 of the SC Code of Laws. Reference §9-1-1085(A) and §9-11-225. The base contribution rates are set by statute, but are required to be increased by the trustees on the basis of the annual actuarial valuation if necessary to maintain a thirty-year amortization period for the Plans' unfunded liabilities.

Employee contributions to the Plans are 7.0% of salary. Employers are required to contribute at the following actuarially determined rates: SCRS – 10.45% and PORS – 11.9%. In addition to the above rates, participating employers of the SCRS and PORS contribute .15% and .20%, respectively, of payroll to provide a death benefit for their active participants. Participating employers of the PORS also contribute .20% to provide an accidental death insurance benefit for their active participants. All employers contribute at the actuarially required contribution rates. The County contributed amounts equal to the required contribution to the SCRS of \$156,674, \$143,493, and \$152,021, for the years ended June 30, 2013, 2012, and 2011, respectively. The County contributed amounts equal to the required contribution to the PORS of \$120,197, \$114,705, and \$117,614, for the years ended June 30, 2013, 2012, and 2011, respectively. The County's FY 2013 contributions represented less than one percent of total contributions required of all participating entities.

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. The multiple-employer plans created under Internal Revenue Code Sections 457, 401(k), and 403 (b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. Neither the County, nor the State of South Carolina, has any liability for losses under the plan. Employees may withdraw the current value of their contributions when they terminate County employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 12 - 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 and inland marine coverage at a rate of \$705,726 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, 2013, 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, 2013, and that the amount of the premiums is reasonably estimable, have not been satisfied.

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.

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

NOTE 13 - CONTINGENCIES

Litigation

The County is party to several legal proceedings that normally occur in governmental operations. County officials believe these legal proceedings are not likely to have a material adverse impact on the affected funds of the County, except for the cases that follow.

Bamberg County is the defendant in a lawsuit regarding contracts the County signed for services to be rendered to the Bamberg County Hospital. The trial is scheduled for April, 2014. It is expected by legal counsel that if the case is not settled prior to court, then it will result in an unfavorable outcome against the County in the amount of \$312,000. Therefore, a liability for this amount has been recorded in the financial statements.

A lawsuit has been filed against the County for nonpayment of a contract which the County is disputing the amount. This case is to be mediated and it is too early in proceedings 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. However, management believes that any required refunds would be immaterial and no provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 14 - 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 and politic 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 15 - SUBSEQUENT EVENTS

In November 2012, the citizens of Bamberg County approved a one cent sales tax to fund 9 capital projects as listed on the referendum. The collection of the sales tax by County businesses commenced May 1, 2013 and will remain in effect for eight years. The County will begin receiving one cent sales tax funds in the 2013-2014 fiscal year.

On October 5, 2011 the Bamberg County Hospital, a component unit of the County, commenced Chapter 9 bankruptcy proceedings. Bamberg County Hospital Board is currently in seeking to sell substantially all of the business equipment of the Bamberg County Hospital provided they are approved under the terms of the bankruptcy case.

In December, 2013 the County approved a \$228,830 lease purchase agreement to acquire County equipment.

In February, 2014, the County issued 2014A General Obligation Bond in the amount of \$90,000 with the proceeds being used for the March 1 installment payment to Bamberg Facilities Corporation.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

**BAMBERG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	Special Revenue Funds				Capital Project Funds				Total
	E-911 Fund	Road Maintenance Fund		Fire Service Fund	Hospital Fund	Capital Needs Equipment Replacement Fund		Debt Service Fund	
Assets									
Cash and cash equivalents	\$ 307,205	\$ -	\$ 3,981	\$ 570	\$ 488,201	\$ 49,587	\$ 849,544		
Due from other governments	19,455	-	10	-	10	4	19,479		
Due from other funds	-	-	3,292	-	-	1,255	4,547		
Delinquent taxes receivable	-	-	39,139	-	47,912	14,153	101,204		
Total assets	\$ 326,660	\$ -	\$ 46,422	\$ 570	\$ 536,123	\$ 64,999	\$ 974,774		
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ 545	\$ 5,149	\$ 752	\$ -	\$ -	\$ -	\$ 6,446		
Accrued expenses	1,161	6,702	-	-	-	-	7,863		
Due to other funds	-	208,377	-	38,693	116,377	-	363,447		
Unearned revenue -	-	-	39,139	-	47,912	14,153	101,204		
Delinquent property taxes	-	-	-	-	164,289	14,153	478,960		
Total Liabilities	1,706	220,228	39,891	38,693	164,289	14,153	478,960		
Fund balances:									
Restricted	324,954	-	6,531	-	371,834	50,846	754,165		
Unassigned	-	(220,228)	-	(38,123)	-	-	(258,351)		
Total fund balances	324,954	(220,228)	6,531	(38,123)	371,834	50,846	495,814		
Total liabilities and fund balances	\$ 326,660	\$ -	\$ 46,422	\$ 570	\$ 536,123	\$ 64,999	\$ 974,774		

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds			Capital Project Funds			Total
	E-911 Fund	Road Maintenance Fund	Fire Service Fund	Hospital Fund	Equipment Replacement Fund	Debt Service Fund	
Revenue							
Property taxes	\$ -	\$ -	\$ 253,839	\$ -	\$ 289,517	\$ 96,689	\$ 640,045
Charges for services	53,036	342,390	-	-	-	-	395,426
Intergovernmental - State	182,970	-	-	-	-	-	182,970
Interest income	364	-	13	6	67	31	481
Total revenue	236,370	342,390	253,852	6	289,584	96,720	1,218,922
Expenditures							
Current:							
Public safety	143,767	-	246,798	-	-	-	390,565
Public works	-	355,483	-	-	-	-	355,483
Health and welfare	-	-	-	11,500	-	-	11,500
Debt service:							
Principal	-	33,194	35,142	-	33,615	40,000	141,951
Interest	-	1,113	8,976	-	45,781	56,025	111,895
Total expenditures	143,767	389,790	290,916	11,500	79,396	96,025	1,011,394
Excess (deficiency) of revenue over expenditures	92,603	(47,400)	(37,064)	(11,494)	210,188	695	207,528
Other Financing Sources (Uses)							
Insurance recoveries	214,099	-	-	-	-	-	214,099
Proceeds from sale of assets	(65,173)	-	1,513	-	-	-	1,513
Transfer in (out)	148,926	-	31,629	-	-	-	(33,544)
	148,926	-	33,142	-	-	-	182,068
Net change in fund balance	241,529	(47,400)	(3,922)	(11,494)	210,188	695	389,596
Fund balance, beginning of year	83,425	(172,828)	10,453	(26,629)	161,646	50,151	106,218
Fund balance, end of year	\$ 324,954	\$ (220,228)	\$ 6,531	\$ (38,123)	\$ 371,834	\$ 50,846	\$ 495,814

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Sources				
Taxes				
Real estate taxes	\$ 2,847,188	\$ 2,847,188	\$ 1,946,331	\$ (900,857)
Local option sales tax	216,299	216,299	761,588	545,289
Vehicle taxes	375,000	375,000	428,892	53,892
Vehicle decal income	9,336	9,336	9,541	205
Delinquent taxes	275,535	275,535	275,011	(524)
Delinquent tax execution cost	50,000	50,000	47,086	(2,914)
Payment in lieu of taxes	350,000	350,000	373,104	23,104
Treasurer's cost to cities	30,849	30,849	29,538	(1,311)
Payment in lieu - motor carrier	35,642	35,642	32,597	(3,045)
Manufacturer reimbursement	20,621	20,621	21,764	1,143
Merchant's inventory tax	26,475	26,475	26,475	-
Homestead exemption reimbursement	-	-	286,969	286,969
Total taxes	4,236,945	4,236,945	4,238,896	1,951
Intergovernmental				
State				
Accommodations tax	75,000	75,000	80,659	5,659
Solid waste tire fees	-	-	5,671	5,671
State aid and allocations	617,658	617,658	588,079	(29,579)
Clerk/Sheriff/Probate Judge supplements	-	-	6,300	6,300
Judicial/Clerk of Court salary reimbursement	-	-	42,000	42,000
Vital records fees	5,725	5,725	5,270	(455)
EMS Grant in aid	-	-	6,757	6,757
Rural infrastructure grant - Masonite	-	-	257,185	257,185
Rural infrastructure grant - Rocklon	-	-	50,003	50,003
State election commission	-	-	8,506	8,506
Veterans affairs	-	-	4,467	4,467
C-Fund Program revenues	-	-	33,894	33,894
Federal				
DSS filing fees	-	-	8,100	8,100
DSS - Clerk of Court	-	-	10,086	10,086
DSS - Revenue	27,897	27,897	26,918	(979)
DSS - Sheriff	8,728	8,728	5,759	(2,969)
DSS - IV-D Incentives	-	-	54,387	54,387
Federal Aviation Administration grant	-	-	230,572	230,572
Homeland Security grants	-	-	33,694	33,694
Emergency Management Performance grants	-	-	56,759	56,759
Total intergovernmental	735,008	735,008	1,515,066	780,058
Licenses and permits				
Moving and other permits	2,870	2,870	1,760	(1,110)
Franchise fees	2,500	2,500	3,196	696
Building permits	43,548	43,548	35,126	(8,422)
Total licenses and permits	48,918	48,918	40,082	(8,836)
Charges for services				
Rent	1,950	1,950	1,950	-
Tower rent	31,800	31,800	39,300	7,500
Probate fees	32,142	32,142	21,115	(11,027)
Landfill fees	341,286	341,286	301,872	(39,414)
Municipal inmate housing	34,000	34,000	46,350	12,350
Total charges for services	441,178	441,178	410,587	(30,591)

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Fines and forfeitures				
Clerk of court fines and fees	181,401	181,401	96,921	(84,480)
Magistrate fines and fees	160,812	160,812	123,595	(37,217)
Victim's Advocate funds	20,000	20,000	17,570	(2,430)
Service fees	3,133	3,133	1,664	(1,469)
Sheriff's fines and fees	-	-	1,205	1,205
Total fines and forfeitures	<u>365,346</u>	<u>365,346</u>	<u>240,955</u>	<u>(124,391)</u>
Investment income	<u>50,000</u>	<u>50,000</u>	<u>21,541</u>	<u>(28,459)</u>
Miscellaneous				
Miscellaneous revenue	5,000	5,000	12,673	7,673
Detention Center phone	-	-	6,555	6,555
Solid Waste grants - local sources	50,000	50,000	45,327	(4,673)
Detention Center concessions commissions	-	-	4,975	4,975
Total miscellaneous	<u>55,000</u>	<u>55,000</u>	<u>69,530</u>	<u>14,530</u>
TOTAL REVENUES	<u>5,932,395</u>	<u>5,932,395</u>	<u>6,536,657</u>	<u>604,262</u>
EXPENDITURES				
Current:				
General government	3,051,831	3,051,831	3,146,804	(94,973)
Judicial	521,142	521,142	548,861	(27,719)
Public safety	1,470,192	1,470,192	1,556,285	(86,093)
Public works	843,762	843,762	730,028	113,734
Culture and recreation	146,069	146,069	145,569	500
Health and welfare	-	-	11,329	(11,329)
Miscellaneous	235,979	235,979	812,748	(576,769)
Debt service:				
Principal	-	-	1,100,000	(1,100,000)
Interest	-	-	399,635	(399,635)
TOTAL EXPENDITURES	<u>6,268,975</u>	<u>6,268,975</u>	<u>8,451,259</u>	<u>(2,182,284)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(336,580)</u>	<u>(336,580)</u>	<u>(1,914,602)</u>	<u>(1,578,022)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	60,000	60,000	60,820	820
Proceeds from issuance of bond	-	-	8,440,000	8,440,000
Transfers in(out)	-	-	33,544	33,544
TOTAL OTHER FINANCING SOURCES (USES)	<u>60,000</u>	<u>60,000</u>	<u>8,534,364</u>	<u>8,474,364</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (276,580)</u>	<u>\$ (276,580)</u>	<u>6,619,762</u>	<u>\$ 6,896,342</u>
Fund Balance at Beginning of Year			<u>369,712</u>	
Fund Balance at End of Year			<u>\$ 6,989,474</u>	

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT				
Administration:				
Salaries	\$ 190,000	\$ 190,000	\$ 212,173	\$ (22,173)
Supplies	2,500	2,500	2,909	(409)
Capital Improvement	500	500	177	323
Council operations	-	-	106	(106)
Administrator operations	3,000	3,000	1,452	1,548
Auto maintenance	1,000	1,000	100	900
Clerk-to-Council operations	1,500	1,500	2,255	(755)
Personnel operations	500	500	524	(24)
Other administration council	4,000	4,000	4,449	(449)
Gas and fuel	900	900	-	900
	<u>203,900</u>	<u>203,900</u>	<u>224,145</u>	<u>(20,245)</u>
County Auditor:				
Salaries	46,900	46,900	46,881	19
Operations	2,000	2,000	1,290	710
Supplies	1,500	1,500	693	807
Capital improvements	500	500	-	500
	<u>50,900</u>	<u>50,900</u>	<u>48,864</u>	<u>2,036</u>
County Treasurer:				
Salaries	68,330	68,330	68,625	(295)
Operations	2,000	2,000	2,329	(329)
Supplies	1,000	1,000	187	813
Capital improvements	1,000	1,000	911	89
	<u>72,330</u>	<u>72,330</u>	<u>72,052</u>	<u>278</u>
County Tax Assessor:				
Salaries	125,700	125,700	126,401	(701)
Operations	4,000	4,000	2,664	1,336
Supplies	3,000	3,000	4,264	(1,264)
Capital improvements	10,000	10,000	8,570	1,430
Contract appraisers	33,000	33,000	34,460	(1,460)
	<u>175,700</u>	<u>175,700</u>	<u>176,359</u>	<u>(659)</u>
Building Inspection:				
Salaries	39,646	39,646	39,746	(100)
Operations	1,100	1,100	-	1,100
Supplies	1,000	1,000	283	717
Capital improvements	500	500	240	260
Gas and fuel	1,500	1,500	1,526	(26)
Auto maintenance	750	750	360	390
Software maintenance	3,400	3,400	2,894	506
	<u>47,896</u>	<u>47,896</u>	<u>45,049</u>	<u>2,847</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT				
Voter Registration:				
Salaries	36,803	36,803	36,903	(100)
Operations	1,500	1,500	2,171	(671)
Supplies	3,000	3,000	2,159	841
Capital improvements	1,500	1,500	-	1,500
Board travel	5,000	5,000	2,494	2,506
Telephone	3,000	3,000	-	3,000
Election commission	15,000	15,000	8,838	6,162
Voting machine maintenance	10,000	10,000	20,918	(10,918)
	<u>75,803</u>	<u>75,803</u>	<u>73,483</u>	<u>2,320</u>
Delinquent Tax Collector:				
Salaries	49,600	49,600	48,518	1,082
Operations	2,000	2,000	1,747	253
Supplies	1,000	1,000	877	123
Capital improvements	500	500	-	500
	<u>53,100</u>	<u>53,100</u>	<u>51,142</u>	<u>1,958</u>
Finance and Buildings:				
Salaries	126,000	126,000	126,688	(688)
Operations	3,000	3,000	1,155	1,845
Supplies	1,000	1,000	1,800	(800)
Building and grounds supplies	37,800	37,800	40,104	(2,304)
Maintenance - County buildings	50,000	50,000	61,193	(11,193)
Uniforms	400	400	-	400
Custodial contract	2,500	2,500	1,520	980
	<u>220,700</u>	<u>220,700</u>	<u>232,460</u>	<u>(11,760)</u>
Legal Department:				
County Attorney	27,000	27,000	3,412	23,588
Legal service fee	15,000	15,000	4,782	10,218
Miscellaneous legal fees	15,000	15,000	45,603	(30,603)
	<u>57,000</u>	<u>57,000</u>	<u>53,797</u>	<u>3,203</u>
Contingency	40,000	40,000	-	40,000

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
GENERAL GOVERNMENT				
Utilities:				
Telephone	96,000	96,000	126,871	(30,871)
Electricity	145,000	145,000	173,563	(28,563)
Postage	30,000	30,000	24,802	5,198
Printing/legal	6,000	6,000	4,387	1,613
Audits	35,000	35,000	47,125	(12,125)
Bonding	2,000	2,000	7,081	(5,081)
Computer - taxes	95,000	95,000	133,846	(38,846)
Computer - payroll	4,600	4,600	4,983	(383)
Computer - Family Court	7,495	7,495	6,781	714
Computer - Voter Registration	1,000	1,000	966	34
Computer - Sheriff	4,000	4,000	1,752	2,248
Copy machine	7,000	7,000	2,346	4,654
Insurance	76,000	76,000	76,757	(757)
Airport operations	5,000	5,000	1,103	3,897
EMS/Rescue	475,000	475,000	475,000	-
DJJ rent expense	5,700	5,700	950	4,750
	<u>994,795</u>	<u>994,795</u>	<u>1,088,313</u>	<u>(93,518)</u>
Debts and Benefits:				
Benefits	1,006,837	1,006,837	1,068,897	(62,060)
Miscellaneous supplies	1,000	1,000	1,043	(43)
Grant matches	40,370	40,370	-	40,370
Risk management	1,000	1,000	444	556
	<u>1,049,207</u>	<u>1,049,207</u>	<u>1,070,384</u>	<u>(21,177)</u>
County Council:				
District 1	1,500	1,500	1,249	251
District 2	1,500	1,500	2,036	(536)
District 3	1,500	1,500	2,131	(631)
District 4	1,500	1,500	1,669	(169)
District 5	1,500	1,500	2,383	(883)
District 6	1,500	1,500	1,288	212
District 7	1,500	1,500	-	1,500
	<u>10,500</u>	<u>10,500</u>	<u>10,756</u>	<u>(256)</u>
Total General Government	<u>3,051,831</u>	<u>3,051,831</u>	<u>3,146,804</u>	<u>(94,973)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013**

	Budgeted		Actual	Variance Favorable (Unfavorable)
	Original	Final		
JUDICIAL				
Clerk of Court:				
Salaries	131,528	131,528	164,836	(33,308)
Operations	1,000	1,000	1,793	(793)
Supplies	5,500	5,500	6,192	(692)
Capital improvements	20,000	20,000	16,842	3,158
Court expenses	18,000	18,000	7,301	10,699
IV-D expenditures	-	-	4,322	(4,322)
	<u>176,028</u>	<u>176,028</u>	<u>201,286</u>	<u>(25,258)</u>
Judge of Probate:				
Salaries	63,574	63,574	64,376	(802)
Operations	1,500	1,500	1,288	212
Supplies	2,000	2,000	2,274	(274)
Capital improvements	800	800	-	800
	<u>67,874</u>	<u>67,874</u>	<u>67,938</u>	<u>(64)</u>
Magistrate:				
Salaries	109,602	109,602	141,668	(32,066)
Operations	2,000	2,000	2,356	(356)
Supplies	1,500	1,500	1,335	165
Capital improvements	36,000	36,000	36,000	-
Court expense	2,500	2,500	1,700	800
Municipal reimbursement for Magistrate	-	-	(29,740)	29,740
	<u>151,602</u>	<u>151,602</u>	<u>153,319</u>	<u>(1,717)</u>
Contract Agencies - Judicial:				
Public Defender	31,000	31,000	31,000	-
Solicitor	72,726	72,726	72,726	-
Service Officer	21,012	21,012	21,692	(680)
Court Library	900	900	900	-
	<u>125,638</u>	<u>125,638</u>	<u>126,318</u>	<u>(680)</u>
Total Judicial	<u>521,142</u>	<u>521,142</u>	<u>548,861</u>	<u>(27,719)</u>

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
PUBLIC SAFETY				
County Sheriff:				
Salaries	454,858	454,858	481,553	(26,695)
Overtime	36,000	36,000	42,742	(6,742)
Operations	6,000	6,000	6,991	(991)
Supplies	5,000	5,000	6,401	(1,401)
Capital improvements	15,000	15,000	10,606	4,394
Investigations	3,500	3,500	348	3,152
Victim's services	32,000	32,000	29,285	2,715
Gasoline	65,000	65,000	64,029	971
Auto maintenance	20,000	20,000	20,273	(273)
Uniforms	6,000	6,000	5,103	897
Radio maintenance	4,000	4,000	4,226	(226)
	<u>647,358</u>	<u>647,358</u>	<u>671,557</u>	<u>(24,199)</u>
County Coroner:				
Salaries	15,468	15,468	16,851	(1,383)
Operations	1,000	1,000	798	202
Supplies	14,000	14,000	5,874	8,126
Capital improvements	12,000	12,000	817	11,183
Gas and fuel	400	400	430	(30)
	<u>42,868</u>	<u>42,868</u>	<u>24,770</u>	<u>18,098</u>
Detention Center:				
Salaries	378,766	378,766	378,704	62
Overtime	35,000	35,000	27,281	7,719
Operations	5,500	5,500	8,024	(2,524)
Supplies	5,000	5,000	5,699	(699)
Capital improvements	3,000	3,000	4,829	(1,829)
Gas and fuel	5,000	5,000	5,255	(255)
Auto maintenance	3,000	3,000	2,243	757
Uniforms	5,000	5,000	4,474	526
Department of Youth Services	3,200	3,200	4,450	(1,250)
Inmate meals	93,000	93,000	90,186	2,814
County physician	4,500	4,500	4,500	-
Inmate medical and drugs	25,000	25,000	13,632	11,368
	<u>565,966</u>	<u>565,966</u>	<u>549,277</u>	<u>16,689</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Dispatching:				
Salaries	196,000	196,000	201,817	(5,817)
Overtime	13,000	13,000	13,651	(651)
Operations	2,000	2,000	1,479	521
Supplies	1,500	1,500	818	682
Uniforms	1,000	1,000	433	567
Equipment maintenance	500	500	1,920	(1,420)
	<u>214,000</u>	<u>214,000</u>	<u>220,118</u>	<u>(6,118)</u>
Grant Expenditures:				
Emergency Management Performance grants	-	-	56,849	(56,849)
Homeland Security grants	-	-	33,714	(33,714)
	<u>-</u>	<u>-</u>	<u>90,563</u>	<u>(90,563)</u>
Total Public Safety	<u>1,470,192</u>	<u>1,470,192</u>	<u>1,556,285</u>	<u>(86,093)</u>
 PUBLIC WORKS				
Landfill and Solid Waste:				
Salaries	177,592	177,592	158,984	18,608
Overtime	5,270	5,270	4,732	538
Operations	500	500	389	111
Supplies	400	400	95	305
Capital improvements	5,000	5,000	-	5,000
Monitoring, operation and equipment maintenance	60,000	60,000	49,900	10,100
Gas and fuel	3,000	3,000	1,897	1,103
C&D chipping	20,000	20,000	16,091	3,909
Solid waste contract	370,000	370,000	312,347	57,653
LADS operation	1,000	1,000	-	1,000
LADS contract	195,000	195,000	131,158	63,842
	<u>837,762</u>	<u>837,762</u>	<u>675,593</u>	<u>162,169</u>
Mosquito control	6,000	6,000	5,675	325
Solid waste tire grant expenditures	-	-	48,760	(48,760)
TOTAL PUBLIC WORKS	<u>843,762</u>	<u>843,762</u>	<u>730,028</u>	<u>113,734</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
CULTURE AND RECREATION				
County Library	132,069	132,069	132,069	-
Recreation/Tourism	14,000	14,000	13,500	500
Total Culture and Recreation	<u>146,069</u>	<u>146,069</u>	<u>145,569</u>	<u>500</u>
HEALTH AND WELFARE				
Hospital operations	-	-	4,572	(4,572)
Emergency Medical Services grant expenditures	-	-	6,757	(6,757)
Total Health and Welfare	<u>-</u>	<u>-</u>	<u>11,329</u>	<u>(11,329)</u>
MISCELLANEOUS				
Economic Development:				
Board operations	1,000	1,000	-	1,000
Website and printing	6,000	6,000	13,989	(7,989)
Alliance contract	50,000	50,000	50,000	-
	<u>57,000</u>	<u>57,000</u>	<u>63,989</u>	<u>(6,989)</u>
Rural Infrastructure grant expenditures:				
Masonite project	-	-	257,185	(257,185)
Rocklon project	-	-	50,003	(50,003)
	<u>-</u>	<u>-</u>	<u>307,188</u>	<u>(307,188)</u>
Contract Agencies:				
Lower Savannah Council of Governments	12,494	12,494	11,991	503
MIAF	34,500	34,500	41,364	(6,864)
SCAC/NACO	12,365	12,365	9,687	2,678
Willow Swamp Contract	2,120	2,120	2,120	-
Soil & Water Conservation	6,000	6,000	6,000	-
Animal control	24,000	24,000	24,000	-
	<u>91,479</u>	<u>91,479</u>	<u>95,162</u>	<u>(3,683)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Non-Contract Agencies:				
Health Department	6,000	6,000	443	5,557
County Chamber	800	800	800	-
Tri-County Alcohol	1,800	1,800	1,800	-
Western Carolina	1,800	1,800	1,800	-
OCAB-CAA, Inc.	1,800	1,800	1,800	-
Denmark Technical College	1,800	1,800	1,800	-
Bamberg County Special Needs	1,800	1,800	1,800	-
CASA	800	800	800	-
Clemson Extension	1,100	1,100	1,100	-
Council on Aging	64,000	64,000	64,000	-
DSS emergency relief	2,000	2,000	2,000	-
Heritage Corridor	800	800	800	-
Cheese & Cracker Box	1,800	1,800	1,800	-
Little Swamp Community Center	1,200	1,200	1,200	-
	<u>87,500</u>	<u>87,500</u>	<u>81,943</u>	<u>5,557</u>
Capital projects				
Federal Aviation Administration grant expenditures	-	-	230,572	(230,572)
Industrial Park roadway	-	-	33,894	(33,894)
	<u>-</u>	<u>-</u>	<u>264,466</u>	<u>(264,466)</u>
Total Miscellaneous	<u>235,979</u>	<u>235,979</u>	<u>812,748</u>	<u>(576,769)</u>
DEBT SERVICES:				
Principal retirement	-	-	1,100,000	(1,100,000)
Interest and fiscal charges	-	-	399,635	(399,635)
	<u>-</u>	<u>-</u>	<u>1,499,635</u>	<u>(1,499,635)</u>
TOTAL EXPENDITURES	<u>\$ 6,268,975</u>	<u>\$ 6,268,975</u>	<u>\$ 8,451,259</u>	<u>\$ (2,182,284)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
E911 FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2013**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
State	\$ 122,265	\$ 122,265	\$ 182,970	\$ 60,705
Charges for services	-	-	53,036	53,036
Interest income	-	-	364	364
	<u>122,265</u>	<u>122,265</u>	<u>236,370</u>	<u>114,105</u>
Total revenues				
EXPENDITURES				
Current:				
Public Safety				
Salaries	92,000	92,000	44,221	47,779
Operations	2,500	2,500	5,258	(2,758)
Supplies	3,000	3,000	831	2,169
Capital improvements	2,000	2,000	23,533	(21,533)
Equipment maintenance	15,000	15,000	19,683	(4,683)
Telephone	30,000	30,000	47,352	(17,352)
Gas and fuel	2,500	2,500	1,763	737
Auto maintenance	500	500	243	257
Civil defense	1,500	1,500	883	617
	<u>149,000</u>	<u>149,000</u>	<u>143,767</u>	<u>5,233</u>
TOTAL EXPENDITURES				
	<u>(26,735)</u>	<u>(26,735)</u>	<u>92,603</u>	<u>119,338</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES				
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	214,099	214,099
Transfers in(out)	-	-	(65,173)	(65,173)
	<u>-</u>	<u>-</u>	<u>148,926</u>	<u>148,926</u>
TOTAL OTHER FINANCING SOURCES (USES)				
	<u>(26,735)</u>	<u>(26,735)</u>	<u>241,529</u>	<u>\$ 268,264</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)				
Fund Balance at Beginning of Year			<u>83,425</u>	
Fund Balance at End of Year			<u>\$ 324,954</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
ROAD MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2013

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Charges for services	\$ 353,700	\$ 353,700	\$ 342,390	\$ (11,310)
Total revenues	<u>353,700</u>	<u>353,700</u>	<u>342,390</u>	<u>(11,310)</u>
EXPENDITURES				
Current:				
Public Works:				
Salaries	237,565	237,565	236,346	1,219
Overtime	2,575	2,575	9,588	(7,013)
Operations	500	500	16	484
Roads capital improvements	-	-	94	(94)
Roads	40,000	40,000	39,260	740
Gas and fuel	55,000	55,000	59,626	(4,626)
Uniforms	5,000	5,000	9,203	(4,203)
Road projects (rocks)	5,000	5,000	1,350	3,650
Debt service:				
Principal	35,000	35,000	33,194	1,806
Interest	-	-	1,113	(1,113)
TOTAL EXPENDITURES	<u>380,640</u>	<u>380,640</u>	<u>389,790</u>	<u>(9,150)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (26,940)</u>	<u>\$ (26,940)</u>	(47,400)	<u>\$ (20,460)</u>
Fund Balance at Beginning of Year			<u>(172,828)</u>	
Fund Balance at End of Year			<u>\$ (220,228)</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
FIRE SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 246,984	\$ 246,984	\$ 253,839	\$ 6,855
Interest income	-	-	13	13
Total revenues	<u>246,984</u>	<u>246,984</u>	<u>253,852</u>	<u>6,868</u>
EXPENDITURES				
Current:				
Public Safety				
Salaries	32,779	32,779	32,881	(102)
Operations	200	200	56	144
Supplies	250	250	161	89
Gas and fuel	2,000	2,000	1,676	324
Auto maintenance	500	500	56	444
Fire service	225,000	225,000	211,968	13,032
Debt service:				
Principal	50,000	50,000	35,142	14,858
Interest	-	-	8,976	(8,976)
TOTAL EXPENDITURES	<u>310,729</u>	<u>310,729</u>	<u>290,916</u>	<u>19,813</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(63,745)</u>	<u>(63,745)</u>	<u>(37,064)</u>	<u>26,681</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	1,513	1,513
Transfers in(out)	-	-	31,629	31,629
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>33,142</u>	<u>33,142</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (63,745)</u>	<u>\$ (63,745)</u>	(3,922)	<u>\$ 59,823</u>
Fund Balance at Beginning of Year			<u>10,453</u>	
Fund Balance at End of Year			<u>\$ 6,531</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUND
CAPITAL NEEDS EQUIPMENT REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2013**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
REVENUES				
Property taxes	\$ 294,000	\$ 294,000	\$ 289,517	\$ (4,483)
Investment income	-	-	67	67
	<u>294,000</u>	<u>294,000</u>	<u>289,584</u>	<u>(4,416)</u>
Total revenues				
EXPENDITURES				
Debt service:				
Principal	-	-	33,615	(33,615)
Interest	-	-	45,781	(45,781)
	<u>-</u>	<u>-</u>	<u>79,396</u>	<u>(79,396)</u>
TOTAL EXPENDITURES				
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ 294,000</u>	<u>\$ 294,000</u>	210,188	<u>\$ (83,812)</u>
Fund Balance at Beginning of Year			<u>161,646</u>	
Fund Balance at End of Year			<u>\$ 371,834</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2013

	<u>Budgeted</u>		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 100,000	\$ 100,000	\$ 96,689	\$ (3,311)
Interest income	-	-	31	31
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>96,720</u>	<u>(3,280)</u>
EXPENDITURES				
Debt service:				
Principal	-	-	40,000	(40,000)
Interest	-	-	56,025	(56,025)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>96,025</u>	<u>(96,025)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ 100,000</u>	<u>\$ 100,000</u>	695	<u>\$ (99,305)</u>
Fund Balance at Beginning of Year			<u>50,151</u>	
Fund Balance at End of Year			<u>\$ 50,846</u>	

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
JUNE 30, 2013

	School District 1	School District 2	Town of Bamberg	Town of Denmark	Town of Ehrhardt
ASSETS					
Cash	\$ 985,444	\$ 283,001	\$ -	\$ -	\$ -
Delinquent property taxes	867,544	525,134	-	-	-
Due from General Fund	221	146	31	19	4
TOTAL ASSETS	\$ 1,853,209	\$ 808,281	\$ 31	\$ 19	\$ 4
LIABILITIES					
Deferred revenue:					
Delinquent property tax	\$ 867,544	\$ 525,134	\$ -	\$ -	\$ -
Due to Trust Fund holders	985,665	283,147	31	19	4
Unknown funds held	-	-	-	-	-
Due to General Fund	-	-	-	-	-
TOTAL LIABILITIES	\$ 1,853,209	\$ 808,281	\$ 31	\$ 19	\$ 4

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
JUNE 30, 2013

	Town of Olar	Clerk of Court	Delinquent Tax Sale Escrow	Inmate Trust Escrow	Total
ASSETS					
Cash	\$ -	\$ 97,987	\$ 121,654	\$ 2,516	\$ 1,490,602
Delinquent property taxes	-	-	-	-	1,392,678
Due from General Fund	2	-	100,000	76	100,499
TOTAL ASSETS	2	97,987	221,654	2,592	2,983,779
LIABILITIES					
Deferred revenue:					
Delinquent property tax	\$ -	\$ -	\$ -	\$ -	\$ 1,392,678
Due to Trust Fund holders	2	96,018	-	2,592	1,367,478
Unknown funds held	-	(3,010)	221,654	-	218,644
Due to General Fund	-	4,979	-	-	4,979
TOTAL LIABILITIES	2	97,987	221,654	2,592	2,983,779

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
School District Number 1				
Assets:				
Cash and cash equivalents	\$ 168,263	\$ 5,470,626	\$ 4,653,445	\$ 985,444
Due from General Fund	817,978	221	817,978	221
Delinquent taxes receivable	784,247	83,297	-	867,544
	<u>\$ 1,770,488</u>	<u>\$ 5,554,144</u>	<u>\$ 5,471,423</u>	<u>\$ 1,853,209</u>
Total Assets				
Liabilities:				
Funds held for others	\$ 986,241	\$ 5,470,847	\$ 5,471,423	\$ 985,665
Deferred revenue	784,247	83,297	-	867,544
	<u>\$ 1,770,488</u>	<u>\$ 5,554,144</u>	<u>\$ 5,471,423</u>	<u>\$ 1,853,209</u>
Total Liabilities				
 School District Number 2				
Assets:				
Cash and cash equivalents	\$ 831,015	\$ 2,621,376	\$ 3,169,390	\$ 283,001
Due from General Fund	262,247	146	262,247	146
Delinquent taxes receivable	467,028	58,106	-	525,134
	<u>\$ 1,560,290</u>	<u>\$ 2,679,628</u>	<u>\$ 3,431,637</u>	<u>\$ 808,281</u>
Total Assets				
Liabilities:				
Funds held for others	\$ 1,093,262	\$ 2,621,522	\$ 3,431,637	\$ 283,147
Deferred revenue	467,028	58,106	-	525,134
	<u>\$ 1,560,290</u>	<u>\$ 2,679,628</u>	<u>\$ 3,431,637</u>	<u>\$ 808,281</u>
Total Liabilities				
 Town of Bamberg				
Assets:				
Due from General Fund	\$ 2,553	\$ 490,070	\$ 492,592	\$ 31
	<u>\$ 2,553</u>	<u>\$ 490,070</u>	<u>\$ 492,592</u>	<u>\$ 31</u>
Total Assets				
Liabilities:				
Funds held for others	\$ 2,553	\$ 490,070	\$ 492,592	\$ 31
	<u>\$ 2,553</u>	<u>\$ 490,070</u>	<u>\$ 492,592</u>	<u>\$ 31</u>
Total Liabilities				

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Town of Denmark				
Assets:				
Due from General Fund	\$ 1,620	\$ 216,173	\$ 217,774	\$ 19
Total Assets	<u>\$ 1,620</u>	<u>\$ 216,173</u>	<u>\$ 217,774</u>	<u>\$ 19</u>
Liabilities:				
Funds held for others	\$ 1,620	\$ 216,173	\$ 217,774	\$ 19
Total Liabilities	<u>\$ 1,620</u>	<u>\$ 216,173</u>	<u>\$ 217,774</u>	<u>\$ 19</u>
Town of Ehrhardt				
Assets:				
Due from General Fund	\$ 295	\$ 44,429	\$ 44,720	\$ 4
Total Assets	<u>\$ 295</u>	<u>\$ 44,429</u>	<u>\$ 44,720</u>	<u>\$ 4</u>
Liabilities:				
Funds held for others	\$ 295	\$ 44,429	\$ 44,720	\$ 4
Total Liabilities	<u>\$ 295</u>	<u>\$ 44,429</u>	<u>\$ 44,720</u>	<u>\$ 4</u>
Town of Olar				
Assets:				
Due from General Fund	\$ 123	\$ 20,162	\$ 20,283	\$ 2
Total Assets	<u>\$ 123</u>	<u>\$ 20,162</u>	<u>\$ 20,283</u>	<u>\$ 2</u>
Liabilities:				
Funds held for others	\$ 123	\$ 20,162	\$ 20,283	\$ 2
Total Liabilities	<u>\$ 123</u>	<u>\$ 20,162</u>	<u>\$ 20,283</u>	<u>\$ 2</u>

**BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Clerk of Court				
Assets:				
Cash and cash equivalents	\$ 90,533	\$ 1,443,506	\$ 1,436,052	\$ 97,987
Total Assets	<u>\$ 90,533</u>	<u>\$ 1,443,506</u>	<u>\$ 1,436,052</u>	<u>\$ 97,987</u>
Liabilities:				
Funds held for others	\$ 86,927	\$ 1,377,691	\$ 1,368,600	\$ 96,018
Due to General Fund	6,071	65,825	66,917	4,979
Unknown funds held	(2,465)	1,715	2,260	(3,010)
Total Liabilities	<u>\$ 90,533</u>	<u>\$ 1,445,231</u>	<u>\$ 1,437,777</u>	<u>\$ 97,987</u>
Tax Sale Escrow - See Note 1				
Assets:				
Cash and cash equivalents	\$ 221,677	\$ -	\$ 100,023	\$ 121,654
Due from General Fund	-	100,000	-	100,000
Total Assets	<u>\$ 221,677</u>	<u>\$ 100,000</u>	<u>\$ 100,023</u>	<u>\$ 221,654</u>
Liabilities:				
Unknown funds held	\$ 221,677	\$ -	\$ 23	\$ 221,654
Total Liabilities	<u>\$ 221,677</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ 221,654</u>
Inmate Trust Escrow - See Note 1				
Assets:				
Cash and cash equivalents	\$ 1,931	\$ 585	\$ -	\$ 2,516
Due from General Fund	76	-	-	76
Total Assets	<u>\$ 2,007</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 2,592</u>
Liabilities:				
Funds held for others	\$ 2,007	\$ 585	\$ -	\$ 2,592
Total Liabilities	<u>\$ 2,007</u>	<u>\$ 585</u>	<u>\$ -</u>	<u>\$ 2,592</u>

**BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
TOTALS - AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 1,313,419	\$ 9,536,093	\$ 9,358,910	\$ 1,490,602
Due from General Fund	1,084,892	871,201	1,855,594	100,499
Delinquent taxes receivable	1,251,275	141,403	-	1,392,678
	<u>3,649,586</u>	<u>10,548,697</u>	<u>11,214,504</u>	<u>2,983,779</u>
Total Assets	<u>\$ 3,649,586</u>	<u>\$ 10,548,697</u>	<u>\$ 11,214,504</u>	<u>\$ 2,983,779</u>
Liabilities:				
Funds held for others	\$ 2,173,028	\$ 10,241,479	\$ 11,047,029	\$ 1,367,478
Unknown funds held	219,212	1,715	2,283	218,644
Due to General Fund	6,071	65,825	66,917	4,979
Deferred revenue	1,251,275	141,403	-	1,392,678
	<u>2,173,028</u>	<u>10,241,479</u>	<u>11,047,029</u>	<u>1,367,478</u>
Total Liabilities	<u>\$ 2,173,028</u>	<u>\$ 10,241,479</u>	<u>\$ 11,047,029</u>	<u>\$ 1,367,478</u>

STATISTICAL SECTION

**BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>CLERK OF COURT</u>	<u>MAGISTRATES</u>	<u>TOTAL</u>
Court Fines			
Court fines	\$ 42,494	\$ 97,946	\$ 140,440
Court fines retained by the County	<u>(8,072)</u>	<u>(97,946)</u>	<u>(106,018)</u>
Court fines remitted to State Treasurer	<u>\$ 34,422</u>	<u>\$ -</u>	<u>\$ 34,422</u>
Court Assessments			
Court assessments collected	\$ 5,360	\$ 89,410	\$ 94,770
Court assessments retained by the County	<u>(1,882)</u>	<u>(9,229)</u>	<u>(11,111)</u>
Court assessments remitted to State Treasurer	<u>\$ 3,478</u>	<u>\$ 80,181</u>	<u>\$ 83,659</u>
Court Surcharges			
Court surcharges collected	\$ 4,512	\$ 61,832	\$ 66,344
Court surcharges retained by the County	<u>(2,449)</u>	<u>(4,010)</u>	<u>(6,459)</u>
Court surcharges remitted to State Treasurer	<u>\$ 2,063</u>	<u>\$ 57,822</u>	<u>\$ 59,885</u>
Surcharges and Assessment retained for Victims' Services			
Court surcharges allocated to Victim Services	\$ 2,449	\$ 4,010	\$ 6,459
Court assessments allocated to Victim Services	<u>1,882</u>	<u>9,229</u>	<u>11,111</u>
Funds available	<u>\$ 4,331</u>	<u>\$ 13,239</u>	<u>\$ 17,570</u>
Victims' Services			
Beginning Balance - July 1, 2012		\$ -	
Funds available		17,570	
Victims' services paid by General Fund		11,715	
Expenditures for victims' services		<u>(29,285)</u>	
Ending Balance - June 30, 2013		<u>\$ -</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2013**

Real and Other Personal Property Assessed Value	\$ 25,029,670
Vehicles Assessed Value	<u>4,131,760</u>
Total Taxable Assessed Value	<u>29,161,430</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	2,332,914
Amount of Debt Applicable to Debt Limit: Total Bonded Debt - Note 9	<u>1,310,000</u>
LEGAL DEBT MARGIN	<u><u>\$ 1,022,914</u></u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2013

Tax Year	Delinquent Taxes
2003	\$ 24,522
2004	45,613
2005	65,657
2006	83,400
2007	135,804
2008	117,841
2009	136,191
2010	137,640
2011	268,736
2012	1,014,770
Rollbacks	997
	<u>2,031,171</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2013	\$ 2,031,171
	<u>2,031,171</u>
Delinquent taxes, June 30, 2012	\$ 1,810,670
Add executions, March 15, 2013	1,242,736
Supplementals	175,917
Less:	
Collections	1,038,217
Errors	78,248
Nulla Bonaes	81,687
	<u>2,031,171</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2013	\$ 2,031,171
	<u>2,031,171</u>
Distribution	
General Fund	\$ 537,289
Fire Service Special Revenue Fund	39,139
Capital Needs Capital Projects Fund	47,912
Hospital Bond Debt Service	14,153
School Districts	1,392,678
	<u>1,392,678</u>
TOTAL	\$ 2,031,171
	<u>2,031,171</u>

COMPLIANCE SECTION

McGregor & COMPANY,LL.

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D.K. Strickland, CPA
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M.L. Layman, CPA
P.A. Betetta, Jr, CPA
S. Wo, CPA
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J.R. Matthews, II, CPA
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D.M. Herpel, CPA
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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 major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of and for the year ended June 30, 2013, 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 6, 2014.

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 questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

ORANGEBURG
1190 Boulevard Street
Orangeburg, SC 29115
(803) 536-1015
fax (803) 536-1020

BARNWELL
(803) 259-1163
fax (803) 259-5469

COLUMBIA
(803) 787-0003
fax (803) 787-2299

www.mcgregorcpa.com

**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***

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies 2013-1 through 2013-7 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 2013-8 described in the accompanying schedule of findings and responses 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2013-6 and 2013-7.

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.

McGregor + Company LLP

Orangeburg, South Carolina
March 6, 2014

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-1 Accounting and Financial Reporting System Needs Improvement

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, 2013. The County has historically relied on "outside" accountants to gather information from its various departments and combine that data with its two ledger systems in order to compile the annual financial statements. This process creates very long delays after fiscal year-end to have meaningful annual financial information. This condition is further compounded by: an accounting system not set up to process and record the financial transactions for multiple funds, financial transaction processing performed in multiple departments that are not integrated into a centralized accounting system, unreconciled financial activities, improper identification of affiliated components of the financial reporting entity, and unclear financial reporting roles and responsibilities. These combined deficiencies create an environment that makes it difficult to record transactions and prevent, detect and correct misstatements in the County's financial statements on a timely basis. Accordingly, significant corrections were proposed for the audit.

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.

Cause: There are many accounts for which the revenues and expenditures are both recorded in the same account. This "netting" of activity does not allow for proper reporting of actual revenues and expenditures. Some of the accounts involved are grants, miscellaneous revenue, DSS IV-D revenue, salary reimbursements, and sale of assets.

The County has several funds including special revenue, capital projects, and debt service, and several agency funds, but all the activity is primarily recorded in the general fund. Adjustments must be made to reclass the activity from the general fund to the respective other funds in order to present the County's activity properly.

Beginning July 1 general ledger account balances were not rolled forward correctly or were not recorded at all resulting in the general ledger being out of balance by \$4,079,345. Material adjustments were necessary in various funds to correct these balances to the prior year's audited financial statement balances.

The County currently maintains multiple ledger systems. The main ledger system is in the Finance Department and Treasurer's office which are merged monthly. The Clerk of Court, Magistrate and Probate Judges' offices as well as other departments have check books and memorandum systems which are not recorded in the County's general ledger system, but those transactions must be recorded through year-end adjustments. These various systems contain inconsistencies in account classifications, names, and carrying balances.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-1 Accounting and Financial Reporting System Needs Improvement (continued)

Several significant reconciliations are either not performed or are not performed timely. These reconciliations include comparing the balances in the County's main ledger to the balances in the Treasurer's ledger; maintaining the amounts held for others by the Delinquent Tax office in the tax sale accounts and comparing to amounts recorded in the County's main ledger; reconciling the inmate funds bank account in the Detention System to the actual deposits and disbursements in the accounting system noted by individual inmate; comparing amounts recorded as fines and assessments by various courts to amounts recorded as revenue and payments to the State agencies in the County's main general ledger and reconciling these same reports to the bank activity and determining remaining funds held in trust or other funds on deposit; comparing amounts recorded as collected and remitted for child support cases to the bank activity and to the County's fee portion recorded in the County's main ledger. Controls and oversight over proper reporting and reconciling of funds would aid in detecting and preventing misappropriation of funds.

The County made several principal and interest payments on its outstanding debt obligations and issued new debt obligations. The net proceeds to the County or payments made by the County were recorded in Miscellaneous Revenue and Expense and some proceeds, which were sent directly to the financial institution to hold in trust, were not recorded by the County. There were several instances where the legal fees were retained by the attorney and only the net being sent to the County. By not reviewing the debt documents, \$391,306 in legal fees incurred, \$8,440,000 of debt proceeds received, and \$1,108,329 in debt service paid were not properly recorded in the general ledgers. Debt proceeds, debt service, and legal fees should all be recorded in separate accounts in order to reflect the activity properly.

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 County Council establish policies and procedures that improve the transfer/incorporation of the various departments' financial activities into a "single" unified general ledger system. The system would be the foundation for the County's accounting and financial statement reporting throughout the organization and would be managed by the Finance Department. We also recommend the County improve its practice of monitoring the transactions recorded into the "single" unified general ledger system by defining appropriate policy and procedures including the requirement for timely reconciliation of amounts recorded in subsidiary record systems to the significant accounts and transactions classes in the "single" unified general ledger system.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-1 Accounting and Financial Reporting System Needs Improvement (continued)

County response: The County concurs with the auditors recommendation that Bamberg County develop and recommend policies and procedures that improve the transfer/incorporation of the various departments' financial activities into a "single" unified general ledger system. Toward that end, the County has ended its practice of recording tax and other revenues on a separate general ledger known as the DBS (Delinquent Bookkeeping System). The County began using a single general ledger with its July 2013 receipts.

Although the County set up proper and separate funds with its FY14 Budget, the County does continue to struggle to record transactions correctly within those funds. This is due to the fact that the County does not have staff in its employ that have the necessary experience and knowledge in order to maintain comprehensive fund financial statements. In as much as this is a repeat finding going back several years, the County recognizes this issue as a severe impediment to moving forward with many of its financial-related goals.

2013-2 Omission of Component Unit

Condition: The County's financial statements omitted a material component unit, the Bamberg County Hospital ("Hospital"), a discretely presented component unit of the County. The Hospital also contains another affiliated entity, the Foundation of the Bamberg County Hospital.

Criteria: The Governmental Accounting Standards Board (GASB) has issued Statement No. 14 *The Financial Reporting Entity* and Statement No. 39 *Determine Whether Certain Organizations are Component Units* which established reporting criteria for state and local governments to report financial activities of its related entities.

Cause: The Hospital's financial statements were not audited, and therefore, could not be included in the County's financial statements.

Effect: The County's financial statements do not report the required financial information.

Recommendation: All component units should be audited and reported by the primary government.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-2 Omission of Component Unit (continued)

County response: Bamberg County has not and does not have access to the financial records of the Bamberg County Memorial Hospital thus it is impossible to include their financial statements in the Bamberg County audited financial statements. The Hospital closed and has filed for protection under Chapter 9 of the United States Bankruptcy Code. Bamberg County owns the building but does not own any of the assets located in the building. Bamberg County has attempted to help the Board move toward a final resolution and facilitate the sale of the equipment although the outcome is beyond the scope of the County's control. The County believes that at some point the hospital and its assets will be sold and this audit finding will be resolved.

2013-3 Capital Assets

Condition: The County does not maintain a current copy of the detail of capital assets and related depreciation calculations for its assets. As noted in prior audits, infrastructure and the component unit assets of the hospital were not included in the capital assets of the County.

Criteria: A complete capital assets listing should be maintained by the County of all capital assets owned meeting the \$5,000 capitalization threshold and should be included in the financial statements of the County at their original cost (or historical value if cost is not available) at the time acquired. These capital assets should be depreciated as applicable over their respective lives.

Cause: The County did not obtain a copy of the capital asset listing from the prior auditor.

Effect: The government-wide financial statements do not include all capital asset information and are materially misstated as of and for the year ended June 30, 2013.

Recommendation: We recommend a detailed listing of capital assets and related depreciation be obtained. Also, a full inventory of all County-owned assets (including buildings, infrastructure, and hospital assets) should be taken and all assets meeting the \$5,000 threshold for capitalization should be agreed to the detailed listing. All discrepancies should be corrected and all disposed assets should be so noted and unrecorded assets be included.

County response: The County is attempting to obtain the capital asset detail listing from a prior year auditor. Once the detail is obtained, the County will update it with all additions and deletions that occurred during FY12 and forward. In addition, the County has taken a full inventory of all County-owned assets. When the capital asset detail listing is obtained and updated the County will ensure that a copy is maintained in its permanent files.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-4 Material Audit Adjustments

Condition: During our audit, we noted corrections that needed to be made to the books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles.

Criteria: The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control.

Cause: The entries were the result of either oversight on the part of finance staff or inability to determine how to make the necessary corrections.

Effect: Without the proposed entries being made, the financial statements would have been materially misstated as of and for the year ended June 30, 2013.

Recommendation: An attempt should be made by finance staff to reconcile transactions and verify account balances.

County response: The County concurs with this finding and agrees that immediate, significant and permanent improvements must be made so that the County's general ledger does not contain material misstatements that require material audit adjustments at year-end. The County recently decided to use an outside contractor to go through the complete general ledger and make any adjusting entries to correct the records for the current fiscal year. This process began in March and will continue throughout the remainder of the fiscal year. In addition, the County is currently considering staffing options that will significantly and positively impact this audit finding in the future.

2013-5 Preparation of Financial Statements

Condition: The County did not prepare its own financial statements and note disclosures due to lack of necessary training.

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

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

Recommendation: None. The County's inability to prepare financial statements and disclosures does not reflect upon the County's ability to maintain accounting records and subsidiary ledgers.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-5 Preparation of Financial Statements (continued)

County response: Bamberg County operates with a very small staff. The Finance Department has one employee who is responsible for payroll, accounts payable, and recording all general ledger transactions, including revenues and expenditures. The County recognizes that resources must be allocated toward additional Finance staff, particularly staff that has the necessary knowledge, experience and training to prepare the County's financial statements.

2013-6 Detention Center Inmate Funds

Condition: A bank account was being maintained in the Detention Center for the custody of inmate funds. This bank account had not been reconciled with an accurate accounting of inmates' funds being held by the Detention Center. During the 2012-2013 fiscal year, the bank account was moved to the Treasurer's office and all activity given to the Treasurer to record and reconcile. No accurate listing of funds which should be held in the account has been compiled.

Criteria: Proper recording of all transactions in the accounting system and timely reconciliation of the bank activity to an accurate listing of funds held in trust for inmates provides a preventative control for misappropriation of funds.

Effect: In the prior years, the County discovered during the release of an inmate that his funds to be returned were not held in the account. An investigation led to the discovery of misappropriation by an employee. The matter is still under investigation by the State authorities and one employee was terminated. The total amount misappropriated has not been determined and any potential recoupment of these funds is unknown at this time.

Recommendation: We recommend *all* funds relinquished by inmates at the time of incarceration be documented and witnessed by two employees. These funds should be recorded by inmate into the Detention Center's accounting system and deposited intact. All subsequent deposits and draws by inmates should be documented, recorded in the system, and deposited or check drawn on the bank account. Monthly, the bank account activity should be reconciled to the balance of the inmate accounts in the system and these inmates should be reconciled to the roster of inmates housed at the Detention Center.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2013-6 Detention Center Inmate Funds (continued)

County response: The County has made improvements to its cash handling procedures at the Detention Center. Specifically, the Commission account was moved from the control of the Detention Center to the control of the County Treasurer. In addition, the County is moving toward a new commissary software system which will reduce the opportunity for misappropriation of cash. Detention Center staff has been instructed to make no less than weekly deposits and to reconcile these deposits immediately with the system.

The State is still investigating the misappropriation of inmate funds. Additionally the County will explore the statute of limitations regarding the funds to determine what liability the County has regarding any funds that may have not been returned to prior inmates.

2013-7 Uncollateralized and Uninsured Deposits

Condition: The cash on deposit with one financial institution is uncollateralized and uninsured by \$204,012.

Criteria: Agreements should be in place with all financial institutions which hold County funds to collateralize its deposits at all times.

Cause: Oversight by County personnel.

Effect: The County's deposits were uninsured and uncollateralized by \$204,012 at June 30, 2013.

Recommendation: We recommend the County review all agreements with financial institutions for collateral and the current value of the assets held as collateral to make sure the value pledged is sufficient to cover the deposits of the County.

County response: On June 28, 2013, two days before the fiscal year-end, Bamberg County issued a revenue bond and the resultant net proceeds of the bond issue were deposited in the County's bank account. This bond issue was a one-time and non-recurring event, thus causing a portion of total County funds to be uncollateralized. The County Treasurer will continue to review balances and ensure that all accounts are within the FDIC limit and will coordinate with banks to ensure that the deposits are sufficiently collateralized at all times.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Significant Deficiencies

2013-8 Segregation of Duties

Condition: The County's system of internal control does not include adequate segregation of duties in the offices of the Landfill, the Judge of Probate, and the Sheriff because of the size of the administrative staff.

Criteria: Segregation of duties provides for checks and balances as a transaction is processed and completed.

Effect: The duties of each employee do not include functions which should detect errors made by other employees involved in processing transactions.

Recommendation: We recommend that duties such as evidence of oversight by the department head (or by other office staff when the administrative size of an office prohibits internal segregation of duties) be performed and documented.

County response: A small staff size in many instances precludes the County from having appropriate segregation of duties. The County will continue to, where appropriate, develop compensating internal controls to address the segregation of duties in the areas cited in this audit finding.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2012-1 Accounting and Financial Reporting System Needs Improvement

Criteria and 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, 2012. The County has historically relied on "outside" accountants to gather information from its various departments and combine that data with its two ledger systems in order to compile the annual financial statements. This process creates very long delays after fiscal year-end to have meaningful annual financial information. This condition is further compounded by: an accounting system not set up to process and record the financial transactions for multiple funds, financial transaction processing performed in multiple departments that are not integrated into a centralized accounting system, unreconciled financial activities, improper identification of affiliated components of the financial reporting entity, and unclear financial reporting roles and responsibilities. These combined deficiencies create an environment that makes it difficult to record transactions and prevent, detect and correct misstatements in the County's financial statements on a timely basis. Accordingly, significant corrections were proposed for the audit. 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.

Current status: Sustained. See 2013-1.

2012-2 Omission of Component Unit

Criteria and Condition: The County's financial statements omitted a material component unit, the Bamberg County Hospital ("Hospital"), a discretely presented component unit of the County. The Hospital also contains another affiliated entity, the Foundation of the Bamberg County Hospital. The Governmental Accounting Standards Board (GASB) has issued Statement No. 14 *The Financial Reporting Entity* and Statement No. 39 *Determine Whether Certain Organizations are Component Units* which established reporting criteria for state and local governments to report financial activities of its related entities. The Hospital's financial statements were not audited, and therefore, could not be included in the County's financial statements.

Current status: Sustained. See 2013-2.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2012-3 Capital Assets

Criteria and Condition: The County does not maintain a current copy of the detail of capital assets and related depreciation calculations for its assets. It was noted in the prior year audit, infrastructure and the component unit assets of the hospital were not included in the capital assets of the County. A complete capital assets listing should be maintained by the County of all capital assets owned meeting the \$5,000 capitalization threshold and should be included in the financial statements of the County at their original cost (or historical value if cost is not available) at the time acquired. These capital assets should be depreciated as applicable over their respective lives. The government-wide financial statements do not include all capital asset information and are materially misstated as of and for the year ended June 30, 2012.

Current status: Sustained. See 2013-3.

2012-4 Material Audit Adjustments

Criteria and Condition: During our audit, we noted corrections that needed to be made to the books in order for the resulting financial statements to be presented in accordance with generally accepted accounting principles. The identification by the auditor of a material misstatement to be corrected through one or more proposed journal entries is indicative of a material weakness in internal control. The entries were the result of either oversight on the part of finance staff or inability to determine how to make the necessary corrections.

Current status: Sustained. See 2013-4.

2012-5 Preparation of Financial Statements

Criteria and Condition: The County did not prepare its own financial statements and note disclosures due to lack of necessary training. Preparation of financial statements would aid in detecting material misstatements.

Current status: Sustained. See 2013-5.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Material Weaknesses

2012-6 Detention Center Inmate Funds

Criteria and Condition: A bank account is maintained in the Detention Center for the custody of inmate funds. This bank account was not reconciled during the year and the records to record the activity for 2012 year are not available. Proper recording of all transactions in the accounting system and timely reconciliation of the bank activity to the system by a separate individual provides a preventative control for misappropriation of funds. The County discovered during the release of an inmate that his funds to be returned were not held in the account. An investigation led to the discovery of misappropriation by an employee. The matter is still under investigation by the State authorities and one employee was terminated. The total amount misappropriated has not been determined and any potential recoupment of these funds is unknown at this time.

Current status: Sustained. See 2013-6.

Significant Deficiencies

2012-7 Segregation of Duties

Criteria and Condition: The County's system of internal control does not include adequate segregation of duties in the offices of the Landfill, the Judge of Probate, the Detention Center, and the Sheriff because of the size of the administrative staff. Segregation of duties provides for checks and balances as a transaction is processed and completed.

Current status: Sustained. See 2013-8.

2012-8 Payroll Issues

Criteria and Condition: The payroll registers feed into the general ledger system through an automatic entry. On several of the payroll runs, the registers did not agree to the automatic entry made to the general ledgers. Also, the County's base for retirement has not been updated in the payroll system for the rate increase. Payroll registers are used to generate payroll quarterly and year-end reports. These registers should agree to the payroll activity recorded in the general ledger activity.

Current status: Not sustained in current year.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINDINGS RELATING TO THE BASIC FINANCIAL STATEMENTS REPORTED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*:

Significant Deficiencies

2012-9 Inadequate Controls over Property Assessed Values

Criteria and Condition: The County lacks control over property assessed value changes in its electronic database. The formal record of property assessed value is a manually prepared assessment card. Those cards are maintained in file drawers, but the County's electronic database of properties and their respective assessed values is used to summarize the data and transfer the information to the County Auditor for tax bill preparation. Verification of the manual data to the electronic database is not being performed. Evidence of verification of manual data changes to the electronic system database should be noted.

Current status: Not sustained in current year.