

**BAMBERG COUNTY, SOUTH CAROLINA**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2012**

**BAMBERG COUNTY, SOUTH CAROLINA**

**ANNUAL REPORT**

**YEAR ENDED JUNE 30, 2012**

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March 12, 2013

## INDEPENDENT AUDITOR'S REPORT

The Honorable Members of County Council  
Bamberg, 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Bamberg County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in *Note 1*, the financial statements do not include financial data for the County's legally separate component unit, the Bamberg County Memorial Hospital (the "Hospital"). 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 assets, revenues, and expenses of the County's government-wide financial statements is not readily determinable.

## INDEPENDENT AUDITOR'S REPORT

(continued)

As discussed in *Note 1*, 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 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 year 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 assets, and expenses of the County's Governmental Activities. The amount by which this omission would affect the assets, net assets, and expenses of the County's government-wide financial statements is not readily determinable.

As discussed in *Note 1*, the funds held by the County in two Delinquent Tax sale bank accounts of \$221,677 could not be verified 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, net assets, and revenues of the County's general fund and proper reporting of liabilities in the agency funds is not readily determinable.

As discussed in *Note 1*, the County 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.

In our opinion, because of the omission of the discretely presented component unit and the unrecorded capital asset information as discussed previously, the government-wide financial statements referred to previously do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Bamberg County, South Carolina, as of June 30, 2012, or the changes in financial position thereof for the year then ended.

In addition, in our opinion, except for effects of not determining to whom the tax sale funds are due including the amount of revenue potentially due to the general fund and of maintaining proper custody of inmates' funds including determining the actual amount that should be held in trust as described previously, the fund financial statements referred to previously present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of Bamberg County, South Carolina, as of June 30, 2012, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITOR'S REPORT

(continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated March 12, 2013, on our consideration of Bamberg County'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, 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 the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bamberg County's financial statements as a whole. The combining and individual nonmajor fund financial schedules, the budgetary comparison information, the fiduciary fund schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial schedules, the budgetary comparison information, the fiduciary fund schedules and the statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, except as noted in the eighth paragraph, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*McGregor & Company LLP*

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

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, 2012. 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 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, 2012 by \$9,285,888 (net assets). Of this amount, \$(658,918) (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased \$977,237 over the previous year.
- At June 30, 2012, the County's governmental fund balance sheet reported a combined ending fund balance of \$475,930, a decrease of \$301,915 from the previous fiscal year. Of this amount, \$(550,631) remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$369,712, an increase from last fiscal year of \$275,759. The unassigned fund balance is \$(351,174)

**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, 2012**

The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets 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 12 and 13 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 8 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 balances 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, 2012**

The basic governmental funds financial statements can be found on pages 14 through 18 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 19 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 20 through 45 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 46 through 68 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 assets may serve over time as a useful indicator of a government's financial position. In the case of Bamberg County, assets exceeded liabilities by \$9,285,888 at the close of the most recent fiscal year. The County's decrease in net assets for this fiscal year amounts to \$977,237.

The largest portion of the County's net assets (96%) 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 assets (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance is a deficit of unrestricted net assets (\$658,918).

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

**Bamberg County's Net Assets**

|   | (Dollars in Thousands) |                  |
|---|------------------------|------------------|
|   | 2012                   | 2011<br>Restated |
| Current and other assets                        | \$ 3,418               | \$ 3,560         |
| Capital assets                                  | <u>11,792</u>          | <u>11,792</u>    |
| Total assets                                    | <u>15,210</u>          | <u>15,352</u>    |
| Long-term liabilities outstanding               | 2,092                  | 2,062            |
| Other liabilities                               | <u>3,832</u>           | <u>3,027</u>     |
| Total liabilities                               | <u>5,924</u>           | <u>5,089</u>     |
| Net Assets                                      |                        |                  |
| Invested in capital assets, net of related debt | 8,918                  | 9,637            |
| Restricted                                      | 1,026                  | 1,611            |
| Unrestricted                                    | <u>(658)</u>           | <u>(985)</u>     |
| Total net assets                                | <u>\$ 9,286</u>        | <u>\$ 10,263</u> |

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

**Bamberg County's Changes in Net Assets**

|                                  | (Dollars in Thousands) |                  |
|----------------------------------|------------------------|------------------|
|                                  | 2012                   | 2011<br>Restated |
| <b>Revenues</b>                  |                        |                  |
| Program revenues:                |                        |                  |
| Charges for services             | \$ 1,138               | \$ 1,398         |
| Operating grants                 | 407                    | 51               |
| Capital grants and contributions | 1,447                  | 34               |
| General revenue:                 |                        |                  |
| Taxes:                           |                        |                  |
| Property taxes                   | 4,924                  | 4,609            |
| Sales tax                        | 82                     | 75               |
| State shared revenue             | 492                    | 995              |
| Gain on sale of assets           | 1                      | -                |
| Interest earnings                | 27                     | 31               |
| Miscellaneous                    | <u>49</u>              | <u>29</u>        |
| Total revenues                   | <u>8,567</u>           | <u>7,222</u>     |

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

**Bamberg County's Changes in Net Assets**

|                                   | <b>(Dollars in Thousands)</b> |                          |
|-----------------------------------|-------------------------------|--------------------------|
|                                   | <b>2012</b>                   | <b>2011<br/>Restated</b> |
| <b>Expenses:</b>                  |                               |                          |
| General government                | 3,342                         | 3,475                    |
| Judicial                          | 511                           | 356                      |
| Public safety                     | 1,951                         | 2,074                    |
| Public works                      | 1,121                         | 1,296                    |
| Cultural and recreational         | 148                           | 149                      |
| Health and welfare                | 715                           | 375                      |
| Miscellaneous                     | 1,679                         | 689                      |
| Interest                          | <u>77</u>                     | <u>97</u>                |
| <br>Total expenses                | <br><u>9,544</u>              | <br><u>8,511</u>         |
| <br>Decrease in net assets        | <br>(977)                     | <br>(1,289)              |
| <br>Net assets, beginning of year | <br><u>10,263</u>             | <br><u>11,552</u>        |
| <br>Net assets, end of year       | <br><u>\$ 9,286</u>           | <br><u>\$ 10,263</u>     |

**Governmental Activities:** Revenues for the County's governmental activities were \$8,567,757 for fiscal year 2012. Taxes constitute the largest source of County revenues, amounting to approximately \$5,006,171 for the fiscal year 2012. Real, personal property, and vehicle taxes of \$4,924,109 represent over 98% of total taxes and 57% 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, 2012, Bamberg County governmental funds reported combined fund balances of \$475,930, a decrease of \$301,915 over the prior year balances.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

The General Fund is the chief operating fund of the County. At June 30, 2012, total fund balance in the General Fund was \$369,712, of which \$(351,174) was unassigned. As a measure of the General Fund's liquidity, the total fund balances compared to total fund expenditures was 4%. The fund balance of the General Fund increased by \$275,759 during the current fiscal year.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds decreased by \$577,674 from the prior year.

**General Fund Budgetary Highlights**

Budget to actual statement is provided for the General Fund on page 18. The expenditures incurred during the year were \$2,476,105 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 year activity.

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

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

Additional information on the County's capital assets can be found in Note 8 on page 34 this report.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

**Long-term debt:** At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,350,000, all of which is backed by the full faith and credit of the County.

**Bamberg County's Outstanding Debt**

|                           | <b>Governmental<br/>Activities</b> |                 |
|---------------------------|------------------------------------|-----------------|
|                           | <b>2012</b>                        | <b>2011</b>     |
| General obligation bonds  | \$ 1,350                           | \$ 1,390        |
| Tax Anticipation Notes    | 1,250                              | 250             |
| Capital lease obligations | 274                                | 515             |
|                           | <b>\$ 2,874</b>                    | <b>\$ 2,155</b> |

Additional information on Bamberg County's long-term debt can be found in Note 9 on pages 35 through 36 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 past four years' data, as obtained from the United States Bureau of Labor Statistics.

|               |       |
|---------------|-------|
| December 2009 | 16.7% |
| December 2010 | 15.1% |
| December 2011 | 14.9% |
| December 2012 | 13.4% |

The recession and the slow recovery from same were taken into consideration when adopting the general fund budget for 2013. The general fund budget for 2013 was \$7.1 million, a decrease of 6.0% from the 2012 budget of \$7.6 million. Specifically, capital outlay, equipment maintenance, building maintenance, and operating expenses such as supplies were reduced. Personnel costs were relatively constant. Bamberg has maintained consistent tax levies from 2012 to 2013. The County Operations, the Capital Needs, as well as the Fire Service levy remained flat at 123.5 mils, 12.0 mils, and 14.7 mils respectively.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
JUNE 30, 2012**

The following data is from the 2010 U.S. Census Data and reflects certain statistics concerning income, home values, population, and education. It is easy to see that Bamberg County continues to lag behind in many areas such as income and home values. However, Bamberg is a proud community and is home to many hard-working individuals and committed corporate entities.

**Bamberg County, SC Income Stats**

Bamberg County, SC Per Capita Salary \$16,236  
National Per Capita Income \$27,334  
Bamberg County, SC Median Household  
Income \$32,538  
National Median Household Income \$51,914  
Per Capita Salary % Over/Under -68.8 %  
Median Salary % Over/Under -59.4 %

**Bamberg County, SC Home Values**

Bamberg County, SC Median Home Value \$84,300  
Bamberg County, SC Number of Houses 5,658  
Bamberg County, SC Household Size 2.57  
National Median Home Value \$212,300

**Population Data**

Bamberg County, SC Population 15,987  
Bamberg County, SC Population Change -4%  
Bamberg County, SC Male Population 47.6%  
Bamberg County, SC Female Population 52.4%

**Education**

Education Attainment with High School Degree 76.4%  
Education Attainment with College Degree 17.4%

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.

**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 ASSETS**  
**JUNE 30, 2012**

|   | <b>GOVERNMENTAL<br/>ACTIVITIES</b> | <b>DISCRETELY<br/>PRESENTED<br/>COMPONENT<br/>UNIT<br/>COUNTY<br/>HOSPITAL<br/>(SEE NOTE 1)</b> |
|---|------------------------------------|---|
| <b>ASSETS</b>                                   |                                    |   |
| Cash and cash equivalents                       | \$ 820,661                         |   |
| Restricted cash and cash equivalents            | 1,242,898                          |   |
| Receivables                                     |                                    |   |
| Property taxes                                  | 559,395                            |   |
| Other receivables                               | 109,113                            |   |
| Due from other governments                      | 679,694                            |   |
| Due from Agency Funds                           | 6,071                              |   |
| Capital assets -                                |                                    |   |
| Non-depreciable - Note 1                        | 4,494,248                          |   |
| Depreciable - net - Note 1                      | 7,298,047                          |   |
| <b>TOTAL ASSETS</b>                             | <b>15,210,127</b>                  |   |
| <b>LIABILITIES</b>                              |                                    |   |
| Accounts payable                                | 668,238                            |   |
| Accrued expenses                                | 463,263                            |   |
| Accrued interest payable                        | 23,042                             |   |
| Due to other governments                        | 42,080                             |   |
| Due to Agency Funds                             | 1,084,892                          |   |
| Bond deposits and prepayments                   | 124,034                            |   |
| Tax anticipation notes                          | 1,250,140                          |   |
| Noncurrent liabilities:                         |                                    |   |
| Due within one year                             | 176,898                            |   |
| Due in more than one year                       | 2,091,652                          |   |
| <b>TOTAL LIABILITIES</b>                        | <b>5,924,239</b>                   |   |
| <b>NET ASSETS</b>                               |                                    |   |
| Invested in capital assets, net of related debt | 8,918,245                          |   |
| Restricted for:                                 |                                    |   |
| Debt service                                    | 50,151                             |   |
| Capital projects                                | 161,646                            |   |
| Emergency services                              | 83,425                             |   |
| Fire services                                   | 10,453                             |   |
| Tourism and community development               | 116,067                            |   |
| Property tax rollback program                   | 567,045                            |   |
| Child support enforcement                       | 37,774                             |   |
| Unrestricted (deficit)                          | (658,918)                          |   |
| <b>TOTAL NET ASSETS</b>                         | <b>\$ 9,285,888</b>                |   |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

| FUNCTIONS AND PROGRAMS          | EXPENSES            | PROGRAM REVENUES     |  |  | NEI (EXPENSE)<br>REVENUE AND<br>CHANGES IN<br>NEI ASSETS |
|---------------------------------|---------------------|----------------------|--|--|--|
|                                 |                     | FEES FOR<br>SERVICES | OPERATING<br>GRANTS AND<br>CONTRIBUTIONS | CAPITAL<br>GRANTS AND<br>CONTRIBUTIONS |  |
| <b>GOVERNMENTAL ACTIVITIES</b>  |                     |                      |  |  |  |
| General government              | \$ 3,342,012        | \$ 68,587            | \$ 65,887                                | \$ -                                   | \$ (3,207,538)   |
| Judicial                        | 511,315             | 280,209              | 90,318                                   | -                                      | (140,788)  |
| Public safety                   | 1,951,027           | 102,234              | 192,467                                  | -                                      | (1,656,326)  |
| Public works                    | 1,121,019           | 687,165              | 58,664                                   | -                                      | (375,190)  |
| Culture and recreation          | 148,569             | -                    | -  | -                                      | (148,569)  |
| Health and welfare              | 106,630             | -                    | -  | -                                      | (106,630)  |
| Miscellaneous                   | 1,678,740           | -                    | -  | 1,446,760                              | (231,980)  |
| Interest                        | 76,917              | -                    | -  | -                                      | (76,917)   |
| <b>TOTAL PRIMARY GOVERNMENT</b> | <b>\$ 8,936,229</b> | <b>\$ 1,138,195</b>  | <b>\$ 407,336</b>                        | <b>\$ 1,446,760</b>                    | <b>(5,943,938)</b>                                       |

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

**GENERAL REVENUES:**

|   |                         |
|---|-------------------------|
| Property taxes                              | 4,924,109               |
| Sales tax                                   | 82,062                  |
| State shared revenues                       | 492,080                 |
| Gain on sale of assets                      | 1,025                   |
| Interest earnings                           | 27,346                  |
| Miscellaneous                               | 48,844                  |
| Transfer to Component Unit                  | <u>(608,765)</u>        |
| <b>TOTAL GENERAL REVENUES AND TRANSFERS</b> | <b><u>4,966,701</u></b> |

**CHANGE IN NEI ASSETS** (977,237)

**NEI ASSETS - JUNE 30, 2011 - as Restated - Note 17** 10,263,125

**NEI ASSETS, JUNE 30, 2012** \$ 9,285,888

**BAMBERG COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

|  | <u>GENERAL<br/>FUND</u> | <u>OTHER<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--|-------------------------|---|---|
| <b>ASSETS</b>                                  |                         |   |   |
| Cash and cash equivalents:                     |                         |   |   |
| Unrestricted                                   | \$ 820,661              | \$ -                                    | \$ 820,661                              |
| Restricted                                     | 1,038,502               | 204,396                                 | 1,242,898                               |
| Receivables                                    |                         |   |   |
| Property taxes                                 | 470,660                 | 88,735                                  | 559,395                                 |
| Other receivables                              | 109,113                 | -                                       | 109,113                                 |
| Due from other governments                     | 658,269                 | 21,425                                  | 679,694                                 |
| Due from other funds                           | 197,707                 | 100,354                                 | 298,061                                 |
| Due from Agency Funds                          | 6,071                   | -                                       | 6,071                                   |
| <b>TOTAL ASSETS</b>                            | <u>\$ 3,300,983</u>     | <u>\$ 414,910</u>                       | <u>\$ 3,715,893</u>                     |
| <b>LIABILITIES AND FUND BALANCE</b>            |                         |   |   |
| <b>LIABILITIES</b>                             |                         |   |   |
| Accounts payable                               | 654,641                 | 13,597                                  | 668,238                                 |
| Accrued expenses                               | 454,611                 | 8,652                                   | 463,263                                 |
| Deferred revenue                               | 470,660                 | 88,735                                  | 559,395                                 |
| Bond deposits and prepayments                  | 124,034                 | -                                       | 124,034                                 |
| Due to other governments                       | 42,080                  | -                                       | 42,080                                  |
| Due to other funds                             | 100,353                 | 197,708                                 | 298,061                                 |
| Due to Agency Funds                            | 1,084,892               | -                                       | 1,084,892                               |
| <b>TOTAL LIABILITIES</b>                       | <u>2,931,271</u>        | <u>308,692</u>                          | <u>3,239,963</u>                        |
| <b>FUND BALANCES</b>                           |                         |   |   |
| Restricted                                     | 720,886                 | 305,675                                 | 1,026,561                               |
| Unassigned (deficit)                           | (351,174)               | (199,457)                               | (550,631)                               |
| <b>TOTAL FUND BALANCES</b>                     | <u>369,712</u>          | <u>106,218</u>                          | <u>475,930</u>                          |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <u>\$ 3,300,983</u>     | <u>\$ 414,910</u>                       | <u>\$ 3,715,893</u>                     |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

|   |                            |
|---|----------------------------|
| Total fund balance - total governmental funds   | \$ 475,930                 |
| Amounts reported for governmental activities in the Statement of Net Assets 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 deferred revenue in the funds. | 559,395                    |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.   | 11,792,295                 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:  |                            |
| Due within a year   | (1,450,080)                |
| Due in more than one year   | <u>(2,091,652)</u>         |
| Total net assets - total governmental activities  | <u><u>\$ 9,285,888</u></u> |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

|   | <b>GENERAL<br/>FUND</b> | <b>OTHER<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|---|-------------------------|---|---|
| <b>REVENUE</b>  |                         |   |   |
| Property taxes  | \$ 4,278,263            | \$ 631,922                              | \$ 4,910,185                            |
| Intergovernmental revenue                                   | 2,264,481               | 61,197                                  | 2,325,678                               |
| Licenses and permits  | 48,336                  | -                                       | 48,336                                  |
| Charges for services  | 430,801                 | 403,392                                 | 834,193                                 |
| Fines, fees and forfeitures                                 | 255,666                 | -                                       | 255,666                                 |
| Investment income   | 26,463                  | 883                                     | 27,346                                  |
| Other   | 133,404                 | -                                       | 133,404                                 |
| <b>TOTAL REVENUES</b>                                       | <b>7,437,414</b>        | <b>1,097,394</b>                        | <b>8,534,808</b>                        |
| <b>EXPENDITURES</b>   |                         |   |   |
| Current   |                         |   |   |
| General government  | 3,347,722               | 94                                      | 3,347,816                               |
| Judicial  | 513,993                 | -                                       | 513,993                                 |
| Public safety   | 1,584,640               | 586,018                                 | 2,170,658                               |
| Public works  | 720,831                 | 438,693                                 | 1,159,524                               |
| Culture and recreation                                      | 148,569                 | -                                       | 148,569                                 |
| Health and welfare  | 96,313                  | 10,317                                  | 106,630                                 |
| Miscellaneous   | 1,678,740               | -                                       | 1,678,740                               |
| Debt service:   |                         |   |   |
| Principal   | 1,000,000               | 140,000                                 | 1,140,000                               |
| Interest  | 10,823                  | 70,230                                  | 81,053                                  |
| <b>TOTAL EXPENDITURES</b>                                   | <b>9,101,631</b>        | <b>1,245,352</b>                        | <b>10,346,983</b>                       |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER<br/>EXPENDITURES</b> | <b>(1,664,217)</b>      | <b>(147,958)</b>                        | <b>(1,812,175)</b>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>                      |                         |   |   |
| Insurance recovery  | 18,000                  | -                                       | 18,000                                  |
| Proceeds from sale of assets                                | 1,025                   | -                                       | 1,025                                   |
| Proceeds from issuance of debt                              | 2,100,000               | -                                       | 2,100,000                               |
| Transfers in (out)  | (179,049)               | (429,716)                               | (608,765)                               |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                 | <b>1,939,976</b>        | <b>(429,716)</b>                        | <b>1,510,260</b>                        |
| <b>NET CHANGE IN FUND BALANCES</b>                          | <b>275,759</b>          | <b>(577,674)</b>                        | <b>(301,915)</b>                        |
| <b>FUND BALANCE, JULY 1, 2011- as Restated</b>              | <b>93,953</b>           | <b>683,892</b>                          | <b>777,845</b>                          |
| <b>FUND BALANCE, JUNE 30, 2012</b>                          | <b>\$ 369,712</b>       | <b>\$ 106,218</b>                       | <b>\$ 475,930</b>                       |

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

Net changes in fund balances - total governmental funds \$ (301,915)

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

Lease proceeds provide current financial resources to governmental funds, 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 assets and the proceeds increase them.

|   |               |           |
|---|---------------|-----------|
| Anticipation note proceeds                  | (2,100,000)   |           |
| Anticipation note principal payment         | 1,100,000     |           |
| Capital lease obligation principal payments | 241,249       |           |
| Bond principal payment                      | <u>40,000</u> | (718,751) |

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              | 4,136        |        |
| Change in compensated absences                  | 22,321       |        |
| Change in closure and maintenance costs payable | <u>3,048</u> | 29,505 |

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.

13,924

Change in net assets of governmental activities

\$ (977,237)

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted Amounts</u> |                     |                    | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|---------------------|--------------------|---|
|  | <u>Original</u>         | <u>Final</u>        | <u>Actual</u>      |   |
| <b>REVENUES</b>  |                         |                     |                    |   |
| Property taxes   | \$ 4,243,197            | \$ 4,243,197        | \$ 4,278,263       | \$ 35,066   |
| Intergovernmental revenue                                    | 876,622                 | 876,622             | 2,264,481          | 1,387,859   |
| Licenses and permits   | 38,548                  | 38,548              | 48,336             | 9,788   |
| Charges for services   | 27,429                  | 27,429              | 430,801            | 403,372   |
| Fines, fees and forfeitures                                  | 345,346                 | 345,346             | 255,666            | (89,680)  |
| Investment income  | 60,000                  | 60,000              | 26,463             | (33,537)  |
| Other  | 924,073                 | 924,073             | 133,404            | (790,669)   |
| Total revenues   | <u>6,515,215</u>        | <u>6,515,215</u>    | <u>7,437,414</u>   | <u>922,199</u>  |
| <b>EXPENDITURES</b>  |                         |                     |                    |   |
| Current:   |                         |                     |                    |   |
| General government   | 3,178,546               | 3,178,546           | 3,347,722          | (169,176)   |
| Judicial   | 502,332                 | 502,332             | 513,993            | (11,661)  |
| Public safety  | 1,595,411               | 1,595,411           | 1,584,640          | 10,771  |
| Public works   | 843,662                 | 843,662             | 720,831            | 122,831   |
| Culture and recreation                                       | 150,069                 | 150,069             | 148,569            | 1,500   |
| Health and welfare   | -                       | -                   | 96,313             | (96,313)  |
| Miscellaneous  | 355,506                 | 355,506             | 1,678,740          | (1,323,234)   |
| Debt service:  |                         |                     |                    |   |
| Principal  | -                       | -                   | 1,000,000          | (1,000,000)   |
| Interest   | -                       | -                   | 10,823             | (10,823)  |
| Total expenditures   | <u>6,625,526</u>        | <u>6,625,526</u>    | <u>9,101,631</u>   | <u>(2,476,105)</u>  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(110,311)</u>        | <u>(110,311)</u>    | <u>(1,664,217)</u> | <u>(1,553,906)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                     |                    |   |
| Insurance recovery   | -                       | -                   | 18,000             | 18,000  |
| Proceeds from sale of capital assets                         | -                       | -                   | 1,025              | 1,025   |
| Proceeds from issuance of bond                               | -                       | -                   | 2,100,000          | 2,100,000   |
| Transfers in(out)  | -                       | -                   | (179,049)          | (179,049)   |
| Total other financing sources (uses)                         | <u>-</u>                | <u>-</u>            | <u>1,939,976</u>   | <u>1,939,976</u>  |
| Net change in fund balance                                   | <u>\$ (110,311)</u>     | <u>\$ (110,311)</u> | <u>275,759</u>     | <u>\$ 386,070</u>   |
| Fund balances, beginning of year - as Restated - Note 17     |                         |                     | <u>93,953</u>      |   |
| Fund balances, end of year                                   |                         |                     | <u>\$ 369,712</u>  |   |

See accompanying notes to financial statements

**BAMBERG COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
AGENCY FUNDS  
JUNE 30, 2012**

**ASSETS**

|                           |                  |
|---------------------------|------------------|
| Cash and cash equivalents | \$ 1,313,419     |
| Delinquent property taxes | 1,251,275        |
| Due from General Fund     | <u>1,084,892</u> |
| Total assets              | <u>3,649,586</u> |

**LIABILITIES**

|                       |                  |
|-----------------------|------------------|
| Deferred revenue      | 1,251,275        |
| Amounts due to others | 2,173,028        |
| Unknown funds held    | 219,212          |
| Due to General Fund   | <u>6,071</u>     |
| Total liabilities     | <u>3,649,586</u> |

**NET ASSETS**

|                  |                    |
|------------------|--------------------|
| Total net assets | <u><u>\$ -</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 financial statements of the County have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The County applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County does not apply FASB pronouncements issued after November 30, 1989.

**A. FINANCIAL REPORTING ENTITY**

Using the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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.

**Discretely Presented Component Unit**

Using the above 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 2012 year activity.

The funds held by the County in two Delinquent Tax sale bank accounts of \$221,677 could not be verified 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.

The County is the custodian of inmate funds during the time of their incarceration and accounts for these funds in a separate bank account. 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 was being performed. There is an ongoing investigation by State authorities regarding this matter. These funds are reported as an agency fund in these financial statements at the June 30, 2011 balances due to lack of available records to record the 2012 year activity.

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

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

**A. FINANCIAL REPORTING ENTITY (continued)**

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 assets 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 Assets 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.

The Statement of Net Assets presents the financial condition of the Governmental Activities for the County at year-end. The County had no Business-type Activities at June 30, 2012. 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 service, program or department and therefore clearly identifiable to a particular function and are offset by program revenues to reflect "net (expenses) revenue" of the County's individual functions before applying "general" revenue.

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

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

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

**B. Measurement Focus and Basis of Accounting (continued)**

**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, 2012, 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.

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

**Capital Projects Funds** – 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 Building Maintenance Fund and Capital Needs Equipment Replacement Funds account for all financial resources to be used for the capital acquisitions to serve the County's operations and services it provides to citizens.

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

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

**B. Measurement Focus and Basis of Accounting (continued)**

**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, 2012.

**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. Deferred 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 assets and changes in net assets. 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 Assets 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 Assets 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 fiscal year. See Note 8

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.

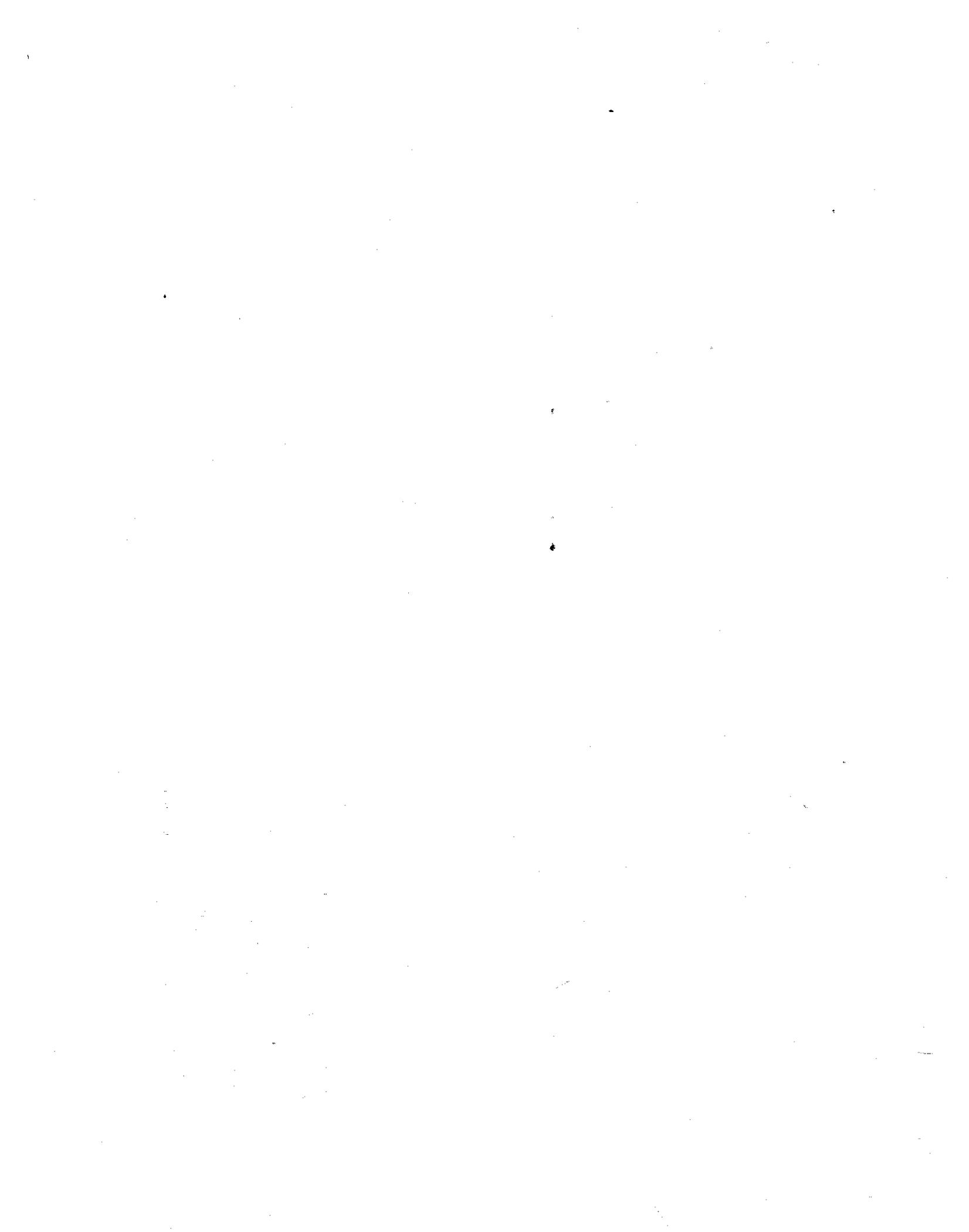
Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <b>Description</b>        | <b>Estimated Life</b> |
|---------------------------|-----------------------|
| 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 Assets 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.

***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 Assets or Fund Balances (continued)**

**Net Assets/Fund Equity**

Net assets in government-wide and proprietary fund financial statements are classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net assets represent 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 assets reports \$9,285,888 of which \$1,026,561 is restricted by enabling legislation. 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 Assets 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 recorded as program revenue in the Statement of Activities. General Revenues reported by the County include property taxes, state-shared taxes and other government imposed non-exchange fees (e.g. franchise fees, which are general revenue fees in lieu of business licenses).

**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, 2012, expenditures in the following general fund divisions exceeded appropriations:

|                    |            |
|--------------------|------------|
| General government | \$ 169,176 |
| Judicial           | 11,661     |
| Health and welfare | 96,313     |
| Miscellaneous      | 1,323,234  |
| Debt service:      |            |
| Principal          | 1,000,000  |
| Interest           | 10,823     |

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, 2012, the amount of the County's cash deposits was \$3,375,778 and the bank balance was \$3,794,212. To reconcile this information to the financial statements, we include the following:

|                           |                     |
|---------------------------|---------------------|
| Cash and cash equivalents | \$ 3,375,778        |
| Cash on hand              | 1,200               |
| Less: fiduciary cash      | <u>(1,313,419)</u>  |
|                           | <u>\$ 2,063,559</u> |

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

|                            |                     |
|----------------------------|---------------------|
| Cash and cash equivalents: |                     |
| Unrestricted               | \$ 820,661          |
| Restricted                 | <u>1,242,898</u>    |
|                            | <u>\$ 2,063,559</u> |

**Primary Government and Agency Funds**

At June 30, 2012, the carrying amount of the County's deposits was \$2,062,359 for the primary government and \$1,313,419 for Agency Funds. The bank balances for these funds total \$3,794,212. All deposits were insured by federal depositor insurance (FDIC) or collateral pledged in the County's name.

**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, 2012, are shown below less an estimated allowance for uncollectible accounts, as follows:

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Other receivables   | \$ 32,060                          |
| Landfill dumping (tipping) fees                           | 123,190                            |
| Interest receivable                                       | <u>565</u>                         |
| Total receivables   | 155,815                            |
| Less, allowance for uncollectible accounts (all landfill) | <u>(46,702)</u>                    |
| Receivables, net  | <u>\$ 109,113</u>                  |

**NOTE 4 - UNIDENTIFIABLE FUNDS**

As of June 30, 2012, 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 \$29,452, represent the amount of cash on deposit that exceeds identifiable liabilities. The Delinquent Tax Sale bank accounts also held unidentifiable funds of \$221,677. (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:

|   | <b>General<br/>Fund</b> | <b>Agency<br/>Fund</b> |
|---|-------------------------|------------------------|
| Included in bond deposits<br>and prepayments: |                         |                        |
| Magistrate                                    | \$ 26,841               |                        |
| Clerk of Court                                | 5,075                   |                        |
| Sheriff (execution and fees)                  | 620                     |                        |
| Included in unknown funds held:               |                         |                        |
| Clerk of Court                                |                         | \$ (2,465)             |
| Delinquent Tax                                | <u>-</u>                | <u>221,677</u>         |
|   | <u>\$ 32,536</u>        | <u>\$ 219,212</u>      |

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

**NOTE 5 - DUE FROM COMPONENT UNIT**

The County had \$608,765 due from the County Hospital at June 30, 2011 which is classified as a discretely presented component unit. The County Hospital has filed for protection under Chapter 9 of the United States Bankruptcy Code. As a result, the full amount due is considered uncollectible and has been written off in the year ended June 30, 2012.

**NOTE 6 - DUE TO/FROM OTHER FUNDS – INTERNAL BALANCES**

The Governmental Funds short-term interfund receivables and payables at June 30, 2012, were as follows:

|   | <b>Interfund<br/>Receivable</b> | <b>Interfund<br/>Payable</b> |
|---|---------------------------------|------------------------------|
| General Fund                            | \$ 203,778                      | \$ 1,185,245                 |
| Special Revenue Funds:                  |                                 |                              |
| Fire Service Fund                       | 4,659                           | -                            |
| Road Maintenance fund                   | -                               | 159,015                      |
| Capital Project Funds:                  |                                 |                              |
| Capital Need Equipment Replacement Fund | 93,962                          | -                            |
| Hospital Capital Project                | -                               | 38,693                       |
| Debt Service Fund                       | 1,733                           | -                            |
| Agency Funds                            | <u>1,084,892</u>                | <u>6,071</u>                 |
|   | <u>\$ 1,389,024</u>             | <u>\$ 1,389,024</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 7 - TRANSFERS TO/FROM OTHER FUNDS**

|  | <b>Transfers In</b> | <b>Transfers Out</b> |
|--|---------------------|----------------------|
| General Fund                             | \$ -                | \$ 179,049           |
| Special Revenue Funds:                   |                     |                      |
| E-911 Fund                               | 132,370             | -                    |
| Fire Service Fund                        | 66,934              | -                    |
| Debt Service Fund                        | -                   | 15,671               |
| Building Maintenance Fund                | -                   | 25,746               |
| Capital Needs Equipment Replacement Fund | <u>21,162</u>       | <u>-</u>             |
|  | <u>\$ 220,466</u>   | <u>\$ 220,466</u>    |

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

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

**NOTE 7 - TRANSFERS TO/FROM OTHER FUNDS (continued)**

In addition, the Hospital Capital Projects fund recorded a transfer to the Bamberg County Hospital in the amount of \$608,765 as a result of a prior receivable being deemed uncollectible. See Note 5.

**NOTE 8 - CAPITAL ASSETS**

The County's detailed schedule of capital assets and related depreciation calculations as of June 30, 2011 were not available. Therefore, current year transactions could not be recorded and June 30, 2012 balances could not be determined. The County purchased \$1,440,662 of capital assets during 2012 fiscal year which is composed of \$1,430,662 of buildings and renovations through grants and \$10,000 land improvements. Three vehicles 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).

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

**Government Activities:**

|  | <b>Balance<br/>June 30, 2011</b> |
|--|----------------------------------|
| 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>             |

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

**NOTE 9 - LONG-TERM DEBT**

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

|                               | <b>Balance<br/>July 1, 2011<br/>*(Restated)</b> | <b>Additions</b>    | <b>Retirements</b>  | <b>Balance<br/>June 30,<br/>2012</b> | <b>Due<br/>within<br/>one year</b> |
|-------------------------------|---|---------------------|---------------------|--------------------------------------|------------------------------------|
| Accrued Compensated Absences  | \$ 220,317                                      | \$ 98,018           | \$ 120,339          | \$ 197,996                           | \$ 49,009                          |
| Closure and Postclosure Costs | * 449,692                                       | 7,952               | 11,000              | 446,644                              | 11,000                             |
| General Obligation Bonds      | 1,390,000                                       | -                   | 40,000              | 1,350,000                            | 40,000                             |
| Anticipation Notes            | 250,140   | 2,100,000           | 1,100,000           | 1,250,140                            | 1,250,140                          |
| Capital Leases                | <u>515,160</u>                                  | <u>-</u>            | <u>241,250</u>      | <u>273,910</u>                       | <u>76,889</u>                      |
|                               | <u>\$ 2,825,309</u>                             | <u>\$ 2,205,970</u> | <u>\$ 1,512,589</u> | <u>\$ 3,518,690</u>                  | <u>\$ 1,427,038</u>                |

**General Obligation Bonds:**

Bamberg County General Obligation Bonds, Series 2008  
(for hospital revitalization) due in annual installments of  
\$20,000 to \$145,000 through April 1, 2028, interest at 4% \$ 1,350,000

**Anticipation Notes:**

Tax Anticipation Note dated April 24, 2012 \$ 150,140

Bond Anticipation Note Dated April 12, 2012 1,100,000

\$ 1,250,140

**Capital Leases:**

Installment purchase contract, (1 sheriff police car) dated  
April 27, 2010, interest at 3.290% payable in annual  
installments of \$8,897, due on or before April 27, 2013 \$ 8,614

Installment purchase contract, (two fire pumper trucks) dated  
November 10, 2008, interest at 3.90% payable in annual  
installments of \$44,132, due on or before March 7, 2018 232,101

Installment purchase contract, (motor grader) dated November 10,  
2008, interest at 3.380% payable in annual installments of  
\$34,316, due on or before March 7, 2013 33,195

Total \$ 273,910

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

**NOTE 9 - LONG-TERM DEBT (continued)**

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County.

Additions to the County's long-term debt during the fiscal year 2012 were as follows:

- On August 11, 2010, the County renewed a Tax Anticipation Note in the amount of \$250,140 for general operations. At maturity, August 11, 2011, the County renewed the note in the amount of \$250,140 and paid \$9,398 of interest due.

This note matured December 12, 2011 at which time the County renewed the principal of \$250,140 and paid the interest due of \$2,424. Next maturity was April 23, 2012, which the County paid principal of \$100,000 and interest of \$3,147 and renewed the remaining \$150,140 principal. This note is due October 22, 2012 with an interest rate of 3.5%. Accrued interest at June 30, 2012 is \$2,642.

- In August 2011, the County issued a 2011 A Series tax anticipation note in the amount of \$500,000 for hospital operations. In December 2011, the County issued a 2011 B Series tax anticipation note in the amount of \$500,000 for hospital operations. On April 12, 2012, the County issued a \$1,100,000 bond anticipation note to pay off the two outstanding tax anticipation notes with principal of \$1,000,000 combined and \$8,399 in interest due. This BAN is due April 11, 2013 at an interest rate of 3.54%. Accrued interest at June 30, 2012 on this BAN is \$38,833.

**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 | Capital Leases    |                  | General Obligation Bonds |                   | Total Long-term Debt |                   |
|--------------|-------------------|------------------|--------------------------|-------------------|----------------------|-------------------|
|              | Principal         | Interest         | Principal                | Interest          | Principal            | Interest          |
| 2013         | \$ 76,889         | \$ 10,457        | \$ 40,000                | \$ 56,025         | \$ 116,889           | \$ 66,482         |
| 2014         | 36,448            | 7,684            | 40,000                   | 54,365            | 76,448               | 62,049            |
| 2015         | 37,870            | 6,262            | 45,000                   | 52,705            | 82,870               | 58,967            |
| 2016         | 39,347            | 4,785            | 45,000                   | 50,838            | 84,347               | 55,623            |
| 2017         | 40,881            | 3,251            | 45,000                   | 48,970            | 85,881               | 52,221            |
| 2018-2022    | 42,475            | 1,657            | 390,000                  | 208,952           | 432,475              | 210,609           |
| 2023-2027    | -                 | -                | 615,000                  | 104,580           | 615,000              | 104,580           |
| 2028         | -                 | -                | 130,000                  | 5,395             | 130,000              | 5,395             |
|              | <u>\$ 273,910</u> | <u>\$ 34,096</u> | <u>\$ 1,350,000</u>      | <u>\$ 581,830</u> | <u>\$ 1,623,910</u>  | <u>\$ 615,926</u> |

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

**NOTE 10 - FUND BALANCE REPORTING AND NET ASSETS**

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

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| Invested in Capital Assets, Net of Related Debt              |                                    |
| Net capital assets   | \$11,792,295                       |
| Less, general obligation bonds and TAN's                     | (2,600,140)                        |
| Less, installment purchase contracts                         | <u>(273,910)</u>                   |
| <b>Total invested in capital assets, net of related debt</b> | <b><u>\$ 8,918,245</u></b>         |
| Restricted   |                                    |
| Debt service   | \$ 50,151                          |
| Capital projects Capital Needs<br>Equipment Replacement Fund | 161,646                            |
| E-911 services   | 83,425                             |
| Fire services  | 10,453                             |
| Tourism and community development                            | 116,067                            |
| Property tax rollback program                                | 567,045                            |
| Child support enforcement                                    | <u>37,774</u>                      |
| <b>Total restricted net assets</b>                           | <b><u>\$ 1,026,561</u></b>         |

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

The County's fund balances as of June 30, 2012 were classified as follows:

| <b>Description</b>                     | <b>General<br/>Fund</b>  | <b>Other<br/>Govern-<br/>mental<br/>Funds</b> | <b>Total<br/>Govern-<br/>mental<br/>Funds</b> |
|--|--------------------------|---|---|
| <b>Restricted:</b>                     |                          |   |   |
| Capital Needs Equipment<br>Replacement | \$ -                     | \$ 161,646                                    | \$ 161,646                                    |
| Debt Service                           | -                        | 50,151  | 50,151  |
| E-911 Funds                            | -                        | 83,425  | 83,425  |
| Fire Services                          | -                        | 10,453  | 10,453  |
| Tourism and Community<br>Development   | 116,067                  | -   | 116,067                                       |
| Property Tax Rollbacks                 | 567,045                  | -   | 567,045                                       |
| Child Support Funds                    | 37,774                   | -   | 37,774  |
| <b>Unassigned</b>                      | <u>(351,174)</u>         | <u>(199,457)</u>                              | <u>(550,631)</u>                              |
| <b>Total Fund Balances</b>             | <b><u>\$ 369,712</u></b> | <b><u>\$ 106,218</u></b>                      | <b><u>\$ 475,930</u></b>                      |

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

**NOTE 11 - LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION**

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

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

Because the original landfill is closed, 100% of the liability for the above costs has been recognized as a long-term liability. The estimated liability for postclosure care costs is \$11,000 annually, or approximately \$132,000 as of June 30, 2012, for the remaining monitoring period of 12 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 26 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, 2012, 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, 2012, the costs to be recognized as a liability based on engineering estimates of filled capacity of the Class II landfill is \$314,644. The prior year balance for this Class II landfill reported \$341,250 liability and is being restated by \$34,558 to \$306,692 based on filled capacity at June 30, 2011.

Estimated total closure and postclosure care costs as of June 30, 2012, for the County's landfill follows:

|  | <b>Closed<br/>Landfill</b> | <b>C &amp; D<br/>Class II<br/>Landfill</b> | <b>Total</b>      |
|--|----------------------------|--|-------------------|
| Balance, June 30, 2011<br>(as previously reported) | \$ 143,000                 | \$ 341,250                                 | \$ 484,250        |
| To adjust for actual filled capacity               | <u>-</u>                   | <u>(34,558)</u>                            | <u>(34,558)</u>   |
| Restated balance, June 30, 2011                    | 143,000                    | 306,692                                    | 449,692           |
| Recognized current year costs                      | <u>(11,000)</u>            | <u>7,952</u>                               | <u>(3,048)</u>    |
| Balance, June 30, 2012                             | <u>\$ 132,000</u>          | <u>\$ 314,644</u>                          | <u>\$ 446,644</u> |

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

**NOTE 11 - LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION (continued)**

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, 2012. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Bamberg County has not accumulated or segregated funds to meet this additional liability.

**NOTE 12 - 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 multi-employer defined benefit pension plans administered by the South Carolina Retirement System, a Division of the State Budget and Control Board. Article X, Section 16, of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits, and employee/employer contributions for each pension plan. Employee and employer contribution rates for the SCRS and the PORS are actuarially determined. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS is issued and publicly available by writing the South Carolina Retirement System, P. O. Box 11960, Columbia, SC 29211-1960 or on their website at [www.retirement.sc.gov](http://www.retirement.sc.gov)

The majority of employees of the County are covered by the SCRS. Generally all County employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided by Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

The County's actual contributions to the SCRS for the three most recent fiscal years ended June 30, 2012, 2011, and 2010, were \$147,141, \$149,593, and \$133,140, respectively, and equaled the required contribution for each year. Under this system, the County's contributions were 9.385 percent of each covered employee's compensation as of June 30, 2012. Also, the County paid employer group-life insurance contributions of \$2,352 in the current fiscal year at the rate of .15 percent of compensation.

Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the PORS as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employees in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

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

**NOTE 12 - RETIREMENT PLAN (continued)**

Since July 1, 1988, employees participating in PORS have been required to contribute 6.5 percent of all compensation. The County's actual contributions to the PORS for the three most recent fiscal years ended June 30, 2012, 2011, and 2010 were \$110,805, \$113,534, and \$98,951, respectively, and equaled the required contribution for each year. Under the PORS system, the County's contributions were 11.363 percent for each covered employee's compensation as of June 30, 2012. Also, the County paid employer group-life insurance contributions of \$1,950 and accidental death insurance contributions of \$1,950 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

The County contributed 100% of the required contribution for each of the plans for the years ending June 30, 2012, 2011, and 2010.

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.

**NOTE 13 - 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.

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

**NOTE 13 - RISK MANAGEMENT (continued)**

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, 2012, 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, 2012, 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.

**NOTE 14 - 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 May, 2013. 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 too early in proceedings to predict an outcome.

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

**NOTE 14 - CONTINGENCIES (continued)**

**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 15 - OPERATING LEASE**

The County entered into an operating lease in 2010 with Dana P. Wilson Properties, LLC to lease a building needed to house the Department of Juvenile Justice. The current annual rent is \$5,700. The annual lease is renewable each November 1<sup>st</sup>. The leasing company is owned by an immediate family member of a Councilman.

**NOTE 16 - 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.

**NOTE 17 - RESTATEMENT OF FUND BALANCES AND NET ASSETS**

Fund balances and net assets for June 30, 2011 were restated as follows:

|   | <b>Net<br/>Assets</b> | <b>Fund<br/>Balance</b> |
|---|-----------------------|-------------------------|
| Balance, June 30, 2011  | \$ 9,870,072          | \$ 1,144,973            |
| From adjustments below  | (55,128)              | (367,128)               |
| To correct delinquent taxes receivable  | 413,623               | -                       |
| To correct landfill II postclosure and<br>closure estimate based on percentage filled | <u>34,558</u>         | <u>-</u>                |
| Balance June 30, 2011, restated   | <u>\$ 10,263,125</u>  | <u>\$ 777,845</u>       |

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

**NOTE 17 - RESTATEMENT OF FUND BALANCE AND NET ASSETS (continued)**

|  | <b>Net<br/>Assets</b> | <b>General<br/>Fund</b> |
|--|-----------------------|-------------------------|
| Adjustments:   |                       |                         |
| Delinquent tax sale funds not verified<br>as due to General Fund   | \$ (118,693)          | \$ (118,693)            |
| Funds held in bank determined to be<br>unidentifiable, previously recorded<br>as court revenue             | (17,904)              | (17,904)                |
| Detention Center Commission account<br>activity from 2011 year not recorded                                | 2,305                 | 2,305                   |
| Correct cash balances to actual  | (3,487)               | (3,487)                 |
| Reverse old receivables  | 53,443                | 53,443                  |
| Correct prior year due to state – fines  | 58,677                | 58,677                  |
| Correct allowance for landfill fees<br>receivable  | 65,737                | 65,737                  |
| Record liability expected from pending<br>lawsuit, recorded in government-wide<br>statements in prior year | -                     | (312,000)               |
| Adjust delinquent tax receivables<br>to actual   | <u>(95,206)</u>       | <u>(95,206)</u>         |
| Total adjustments  | <u>\$ (55,128)</u>    | (367,128)               |
| Balance, June 30, 2011   |                       | <u>461,081</u>          |
| Fund Balance, June 30, 2011 – restated   |                       | <u>\$ 93,953</u>        |

**Agency Funds**

|                                 | <b>As Previously<br/>Stated<br/>June 30, 2011</b> | <b>Restatement</b> | <b>As Restated<br/>June 30, 2011</b> |
|---------------------------------|---|--------------------|--------------------------------------|
| <b>School District Number 1</b> |   |                    |                                      |
| Assets:                         |   |                    |                                      |
| Cash and cash equivalents       | \$ 403,312  | \$ -               | \$ 403,312                           |
| Due from General Fund           | 925,793   | -                  | 925,793                              |
| Delinquent taxes receivable     | <u>-</u>  | <u>734,021</u>     | <u>734,021</u>                       |
| Total assets                    | <u>\$ 1,329,105</u>                               | <u>\$ 734,021</u>  | <u>\$ 2,063,126</u>                  |

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

**NOTE 17 - RESTATEMENT OF FUND BALANCE AND NET ASSETS (continued)**

**Agency Funds (continued)**

|                       | <b>As Previously<br/>Stated<br/>June 30, 2011</b> | <b>Restatement</b> | <b>As Restated<br/>June 30, 2011</b> |
|-----------------------|---|--------------------|--------------------------------------|
| <b>Liabilities:</b>   |   |                    |                                      |
| Funds held for others | \$ 1,329,105                                      | \$ -               | \$ 1,329,105                         |
| Deferred revenue      | <u>-</u>  | <u>734,021</u>     | <u>734,021</u>                       |
| Total liabilities     | <u>\$ 1,329,105</u>                               | <u>\$ 734,021</u>  | <u>\$ 2,063,126</u>                  |

**School District Number 2**

|                             |                     |                   |                     |
|-----------------------------|---------------------|-------------------|---------------------|
| <b>Assets:</b>              |                     |                   |                     |
| Cash and cash equivalents   | \$ 907,149          | \$ -              | \$ 907,149          |
| Due from General Fund       | 478,164             | -                 | 478,164             |
| Delinquent taxes receivable | <u>-</u>            | <u>409,769</u>    | <u>409,769</u>      |
| Total assets                | <u>\$ 1,385,313</u> | <u>\$ 409,769</u> | <u>\$ 1,795,082</u> |

|                       |                     |                   |                     |
|-----------------------|---------------------|-------------------|---------------------|
| <b>Liabilities:</b>   |                     |                   |                     |
| Funds held for others | \$ 1,385,313        | \$ -              | \$ 1,385,313        |
| Deferred revenue      | <u>-</u>            | <u>409,769</u>    | <u>409,769</u>      |
| Total liabilities     | <u>\$ 1,385,313</u> | <u>\$ 409,769</u> | <u>\$ 1,795,082</u> |

**Clerk of Court**

|                           |                  |                 |                  |
|---------------------------|------------------|-----------------|------------------|
| <b>Assets:</b>            |                  |                 |                  |
| Cash and cash equivalents | \$ 81,966        | \$ 9,799        | \$ 91,765        |
| Total assets              | <u>\$ 81,966</u> | <u>\$ 9,799</u> | <u>\$ 91,765</u> |

|                       |                  |                 |                  |
|-----------------------|------------------|-----------------|------------------|
| <b>Liabilities:</b>   |                  |                 |                  |
| Funds held for others | \$ 81,966        | \$ 5,996        | \$ 87,962        |
| Due to General Fund   | -                | 5,613           | 5,613            |
| Unknown funds held    | <u>-</u>         | <u>(1,810)</u>  | <u>(1,810)</u>   |
| Total liabilities     | <u>\$ 81,966</u> | <u>\$ 9,799</u> | <u>\$ 91,765</u> |

**Tax Sale Escrow**

|                           |                   |             |                   |
|---------------------------|-------------------|-------------|-------------------|
| <b>Assets:</b>            |                   |             |                   |
| Cash and cash equivalents | \$ 254,264        | \$ -        | \$ 254,264        |
| Total assets              | <u>\$ 254,264</u> | <u>\$ -</u> | <u>\$ 254,264</u> |

|                       |                   |                |                   |
|-----------------------|-------------------|----------------|-------------------|
| <b>Liabilities:</b>   |                   |                |                   |
| Due to General Fund   | \$ 118,693        | \$ (118,693)   | \$ -              |
| Funds held for others | 135,571           | (135,571)      | -                 |
| Unknown funds held    | <u>-</u>          | <u>254,264</u> | <u>254,264</u>    |
| Total liabilities     | <u>\$ 254,264</u> | <u>\$ -</u>    | <u>\$ 254,264</u> |

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

**NOTE 18 - SUBSEQUENT EVENTS**

Subsequent to year end, the County entered into a contract to install fencing at the County airport. The total contract price was \$220,448. This project is covered by a grant at 95% reimbursement of eligible costs up to \$57,797. A second grant will cover 90% eligible costs up to \$248,400 with the balance of unexpended grant funds to be rolled forward for eligible future airport projects.

Subsequent to year end, the County sold timber at the landfill and airport sites and received \$54,600 in proceeds.

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 will commence May 1, 2013 and will remain in effect for eight years

On February 9, 2013, the County entered into a contract with The South Carolina Jobs-Economic Development Authority (JEDA) to provide financial advisory services which will include debt issuances. The initial term of the agreement is one year with the option to renew for subsequent 12-month terms. The initial fee will be at a fixed-fee per transaction basis with a not-to-exceed aggregate cap of \$150,000. Renewed terms will be negotiated annually.

On January 28, 2013, the County gave final approval for an ordinance for the issuance of revenue bonds with the proceeds to be used for the capital project sales tax referendum projects. The debt has not been issued as of the date these financial statements were issued.

On January 28, 2013, the County gave final approval for an ordinance for the issuance of a special source revenue bond not to exceed \$2,000,000 with the funds used to pay off debts previously made by the County associated with infrastructure and improvements. The debt has not been issued as of the date these financial statements were issued

On October 5, 2011 the Bamberg County Hospital, a component unit of the County, commenced Chapter 9 bankruptcy proceedings. The County and Bamberg County Hospital are currently in negotiations to sell substantially all of the business equipment of the Bamberg County Hospital provided they are approved under the terms of the bankruptcy case. This letter of interest from the outside party to purchase the Hospital business assets will terminate April 15, 2013.

Subsequent to year end, the County renegotiated the terms of its \$150,140 Tax Anticipation Note and extended the payback of the balance until April 29, 2013 at an interest rate of 5%.

During the 2012 fiscal year, the County received a grant for approximately \$1.5 million to purchase a building (approximately \$700,000) pursuant to certain economic development agreements and make construction upfits with an estimated cost of \$800,000. The final draw was incurred and made subsequent to year end in August 2012 in the amount of \$257,185. The County also received a grant for approximately \$300,000 to fund construction costs of expanding certain facilities pursuant to a certain economic development agreement. During the fiscal year 2012, \$153,945 was incurred and drawn on this grant with \$123,945 remaining

COMBINING AND INDIVIDUAL  
FUND SCHEDULES

**BAMBERG COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012**

|   | Special Revenue Funds |                             |                         |                  | Capital Project Funds           |                                  |                  |                         | Total |
|---|-----------------------|-----------------------------|-------------------------|------------------|---------------------------------|----------------------------------|------------------|-------------------------|-------|
|   | E-911<br>Fund         | Road<br>Maintenance<br>Fund | Fire<br>Service<br>Fund | Hospital<br>Fund | Building<br>Maintenance<br>Fund | Capital Needs                    |                  | Debt<br>Service<br>Fund |       |
|   |                       |                             |                         |                  |                                 | Equipment<br>Replacement<br>Fund |                  |                         |       |
| <b>Assets</b>                                   |                       |                             |                         |                  |                                 |                                  |                  |                         |       |
| Cash and cash equivalents                       | \$ 68,911             | \$ -                        | \$ 7,319                | \$ 12,064        | \$ -                            | \$ 67,684                        | \$ 48,418        | \$ 204,396              |       |
| Due from other governments                      | 21,425                | -                           | -                       | -                | -                               | -                                | -                | 21,425                  |       |
| Due from other funds                            | -                     | -                           | 4,659                   | -                | -                               | 93,962                           | 1,733            | 100,354                 |       |
| Delinquent taxes receivable                     | -                     | -                           | 36,419                  | -                | -                               | 41,166                           | 11,150           | 88,735                  |       |
| <b>Total assets</b>                             | <b>\$ 90,336</b>      | <b>\$ -</b>                 | <b>\$ 48,397</b>        | <b>\$ 12,064</b> | <b>\$ -</b>                     | <b>\$ 202,812</b>                | <b>\$ 61,301</b> | <b>\$ 414,910</b>       |       |
| <b>Liabilities and Fund Balances</b>            |                       |                             |                         |                  |                                 |                                  |                  |                         |       |
| <b>Liabilities</b>                              |                       |                             |                         |                  |                                 |                                  |                  |                         |       |
| Accounts payable                                | \$ 5,750              | \$ 6,322                    | \$ 1,525                | \$ -             | \$ -                            | \$ -                             | \$ -             | \$ 13,597               |       |
| Accrued expenses                                | 1,161                 | 7,491                       | -                       | -                | -                               | -                                | -                | 8,652                   |       |
| Due to other funds                              | -                     | 159,015                     | -                       | 38,693           | -                               | -                                | -                | 197,708                 |       |
| Deferred revenue -<br>Delinquent property taxes | -                     | -                           | 36,419                  | -                | -                               | 41,166                           | 11,150           | 88,735                  |       |
| <b>Total Liabilities</b>                        | <b>6,911</b>          | <b>172,828</b>              | <b>37,944</b>           | <b>38,693</b>    | <b>-</b>                        | <b>41,166</b>                    | <b>11,150</b>    | <b>308,692</b>          |       |
| <b>Fund balances:</b>                           |                       |                             |                         |                  |                                 |                                  |                  |                         |       |
| Restricted                                      | 83,425                | -                           | 10,453                  | -                | -                               | 161,646                          | 50,151           | 305,675                 |       |
| Unassigned                                      | -                     | (172,828)                   | -                       | (26,629)         | -                               | -                                | -                | (199,457)               |       |
| <b>Total fund balances</b>                      | <b>83,425</b>         | <b>(172,828)</b>            | <b>10,453</b>           | <b>(26,629)</b>  | <b>-</b>                        | <b>161,646</b>                   | <b>50,151</b>    | <b>106,218</b>          |       |
| <b>Total liabilities and fund balances</b>      | <b>\$ 90,336</b>      | <b>\$ -</b>                 | <b>\$ 48,397</b>        | <b>\$ 12,064</b> | <b>\$ -</b>                     | <b>\$ 202,812</b>                | <b>\$ 61,301</b> | <b>\$ 414,910</b>       |       |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

|  | Special Revenue Funds |                       |                   |                    | Capital Project Funds     |  |                   |                   | Total |
|--|-----------------------|-----------------------|-------------------|--------------------|---------------------------|--|-------------------|-------------------|-------|
|  | E-911 Fund            | Road Maintenance Fund | Fire Service Fund | Hospital Fund      | Building Maintenance Fund | Capital Needs Equipment Replacement Fund | Debt Service Fund |                   |       |
| <b>Revenue</b>                                   |                       |                       |                   |                    |                           |  |                   |                   |       |
| Property taxes                                   | \$ -                  | \$ -                  | \$ 245,444        | \$ -               | \$ -                      | \$ 289,564                               | \$ 96,914         | \$ 631,922        |       |
| Charges for services                             | 55,392                | 348,000               | -                 | -                  | -                         | -  | -                 | 403,392           |       |
| Intergovernmental - State                        | 61,197                | -                     | -                 | -                  | -                         | -  | -                 | 61,197            |       |
| Interest income                                  | 706                   | -                     | 22                | 37                 | 23                        | 51                                       | 44                | 883               |       |
| <b>Total revenue</b>                             | <b>117,295</b>        | <b>348,000</b>        | <b>245,466</b>    | <b>37</b>          | <b>23</b>                 | <b>289,615</b>                           | <b>96,958</b>     | <b>1,097,394</b>  |       |
| <b>Expenditures</b>                              |                       |                       |                   |                    |                           |  |                   |                   |       |
| Current:   |                       |                       |                   |                    |                           |  |                   |                   |       |
| General government                               | -                     | -                     | -                 | -                  | -                         | 94                                       | -                 | 94                |       |
| Public safety                                    | 264,302               | -                     | 312,818           | -                  | -                         | 8,898                                    | -                 | 586,018           |       |
| Public works                                     | -                     | 425,693               | -                 | -                  | -                         | 13,000                                   | -                 | 438,693           |       |
| Health and welfare                               | -                     | -                     | -                 | 10,317             | -                         | -  | -                 | 10,317            |       |
| Debt service:                                    |                       |                       |                   |                    |                           |  |                   |                   |       |
| Principal  | -                     | -                     | -                 | -                  | -                         | 100,000                                  | 40,000            | 140,000           |       |
| Interest   | -                     | -                     | -                 | -                  | -                         | 12,545                                   | 57,685            | 70,230            |       |
| <b>Total expenditures</b>                        | <b>264,302</b>        | <b>425,693</b>        | <b>312,818</b>    | <b>10,317</b>      | <b>-</b>                  | <b>134,537</b>                           | <b>97,685</b>     | <b>1,245,352</b>  |       |
| Excess (deficiency) of revenue over expenditures | (147,007)             | (77,693)              | (67,352)          | (10,280)           | 23                        | 155,078                                  | (727)             | (147,958)         |       |
| <b>Other Financing Sources (Uses)</b>            |                       |                       |                   |                    |                           |  |                   |                   |       |
| Transfer in (out)                                | 132,370               | -                     | 66,934            | (608,765)          | (25,746)                  | 21,162                                   | (15,671)          | (429,716)         |       |
|  | 132,370               | -                     | 66,934            | (608,765)          | (25,746)                  | 21,162                                   | (15,671)          | (429,716)         |       |
| Net change in fund balance                       | (14,637)              | (77,693)              | (418)             | (619,045)          | (25,723)                  | 176,240                                  | (16,398)          | (577,674)         |       |
| Fund balance, beginning of year                  | 98,062                | (95,135)              | 10,871            | 592,416            | 25,723                    | (14,594)                                 | 66,549            | 683,892           |       |
| <b>Fund balance, end of year</b>                 | <b>\$ 83,425</b>      | <b>\$ (172,828)</b>   | <b>\$ 10,453</b>  | <b>\$ (26,629)</b> | <b>\$ -</b>               | <b>\$ 161,646</b>                        | <b>\$ 50,151</b>  | <b>\$ 106,218</b> |       |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

|   | <u>Budgeted Amounts</u> |                  |                  | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     | <u>Actual</u>    |   |
| <b>REVENUES</b>                         |                         |                  |                  |   |
| <b>Local Sources</b>                    |                         |                  |                  |   |
| <b>Taxes</b>                            |                         |                  |                  |   |
| Real estate taxes                       | \$ 2,482,572            | \$ 2,482,572     | \$ 1,980,020     | \$ (502,552)  |
| Local option sales tax                  | 882,423                 | 882,423          | 826,673          | (55,750)  |
| Vehicle taxes                           | 402,365                 | 402,365          | 397,006          | (5,359)   |
| Vehicle decal income                    | 9,336                   | 9,336            | 9,740            | 404   |
| Delinquent taxes                        | 343,535                 | 343,535          | 260,395          | (83,140)  |
| Delinquent tax execution cost           | 30,000                  | 30,000           | 46,237           | 16,237  |
| Payment in lieu of taxes                | -                       | -                | 342,989          | 342,989   |
| Treasurer's cost to cities              | 30,849                  | 30,849           | 29,418           | (1,431)   |
| Payment in lieu - motor carrier         | 35,642                  | 35,642           | 53,174           | 17,532  |
| Manufacturer reimbursement              | -                       | -                | 23,673           | 23,673  |
| Merchant's inventory tax                | 26,475                  | 26,475           | 26,475           | -   |
| Homestead exemption reimbursement       | -                       | -                | 282,463          | 282,463   |
| Total taxes                             | <u>4,243,197</u>        | <u>4,243,197</u> | <u>4,278,263</u> | <u>35,066</u>   |
| <b>Intergovernmental</b>                |                         |                  |                  |   |
| <b>State</b>                            |                         |                  |                  |   |
| Accommodations tax                      | 71,185                  | 71,185           | 82,062           | 10,877  |
| Solid waste tire fees                   | -                       | -                | 6,104            | 6,104   |
| State aid and allocations               | 763,087                 | 763,087          | 492,080          | (271,007)   |
| Clerk/Sheriff/Probate Judge supplements | -                       | -                | 6,300            | 6,300   |
| Vital records fees                      | 5,725                   | 5,725            | 4,195            | (1,530)   |
| EMS Grant in aid                        | -                       | -                | 6,923            | 6,923   |
| Rural infrastructure grant - Masonite   | -                       | -                | 1,242,815        | 1,242,815   |
| Rural infrastructure grant - Rocklon    | -                       | -                | 153,945          | 153,945   |
| State election commission               | -                       | -                | 15,626           | 15,626  |
| Veterans affairs                        | -                       | -                | 4,337            | 4,337   |
| <b>Federal</b>                          |                         |                  |                  |   |
| DSS filing fees                         | 8,728                   | 8,728            | 12,300           | 3,572   |
| DSS - Clerk of Court                    | -                       | -                | 11,444           | 11,444  |
| DSS - Revenue                           | 27,897                  | 27,897           | 41,729           | 13,832  |
| DSS - Sheriff                           | -                       | -                | 6,320            | 6,320   |
| DSS - IV-D Incentives                   | -                       | -                | 60,274           | 60,274  |
| Homeland Security grants                | -                       | -                | 64,587           | 64,587  |
| Emergency Management Performance grants | -                       | -                | 53,440           | 53,440  |
| Total intergovernmental                 | <u>876,622</u>          | <u>876,622</u>   | <u>2,264,481</u> | <u>1,387,859</u>  |
| <b>Licenses and permits</b>             |                         |                  |                  |   |
| Moving and other permits                | -                       | -                | 1,930            | 1,930   |
| Franchise fees                          | -                       | -                | 2,171            | 2,171   |
| Building permits                        | 38,548                  | 38,548           | 44,235           | 5,687   |
| Total licenses and permits              | <u>38,548</u>           | <u>38,548</u>    | <u>48,336</u>    | <u>9,788</u>  |
| <b>Charges for services</b>             |                         |                  |                  |   |
| Rent                                    | 1,950                   | 1,950            | 1,950            | -   |
| Tower rent                              | -                       | -                | 18,300           | 18,300  |
| Probate fees                            | 25,479                  | 25,479           | 34,298           | 8,819   |
| Landfill fees                           | -                       | -                | 339,165          | 339,165   |
| Municipal inmate housing                | -                       | -                | 37,088           | 37,088  |
| Total charges for services              | <u>27,429</u>           | <u>27,429</u>    | <u>430,801</u>   | <u>403,372</u>  |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted Amounts</u> |                     | <u>Actual</u>      | <u>Variance with</u>  |
|--|-------------------------|---------------------|--------------------|---|
|  | <u>Original</u>         | <u>Final</u>        |                    | <u>Final Budget</u><br><u>Favorable</u><br><u>(Unfavorable)</u> |
| <b>Fines and forfeitures</b>   |                         |                     |                    |   |
| Clerk of court fines and fees  | 181,401                 | 181,401             | 88,525             | (92,876)  |
| Magistrate fines and fees  | 160,812                 | 160,812             | 139,325            | (21,487)  |
| Victim's Advocate funds  | -                       | -                   | 22,627             | 22,627  |
| Service fees   | 3,133                   | 3,133               | 2,813              | (320)   |
| Sheriff's fines and fees   | -                       | -                   | 2,376              | 2,376   |
| Total fines and forfeitures  | <u>345,346</u>          | <u>345,346</u>      | <u>255,666</u>     | <u>(89,680)</u>   |
| <b>Investment income</b>   | <u>60,000</u>           | <u>60,000</u>       | <u>26,463</u>      | <u>(33,537)</u>   |
| <b>Miscellaneous</b>   |                         |                     |                    |   |
| Miscellaneous revenue  | 924,073                 | 924,073             | 19,193             | (904,880)   |
| Local grant - Masonite project   | -                       | -                   | 50,000             | 50,000  |
| Detention Center phone   | -                       | -                   | 7,366              | 7,366   |
| Solid Waste grants - local sources   | -                       | -                   | 52,560             | 52,560  |
| Detention Center concessions commissions   | -                       | -                   | 4,285              | 4,285   |
| Total miscellaneous  | <u>924,073</u>          | <u>924,073</u>      | <u>133,404</u>     | <u>(790,669)</u>  |
| <b>TOTAL REVENUES</b>  | <u>6,515,215</u>        | <u>6,515,215</u>    | <u>7,437,414</u>   | <u>922,199</u>  |
| <b>EXPENDITURES</b>  |                         |                     |                    |   |
| Current:   |                         |                     |                    |   |
| General government   | 3,178,546               | 3,178,546           | 3,347,722          | (169,176)   |
| Judicial   | 502,332                 | 502,332             | 513,993            | (11,661)  |
| Public safety  | 1,595,411               | 1,595,411           | 1,584,640          | 10,771  |
| Public works   | 843,662                 | 843,662             | 720,831            | 122,831   |
| Culture and recreation   | 150,069                 | 150,069             | 148,569            | 1,500   |
| Health and welfare   | -                       | -                   | 96,313             | (96,313)  |
| Miscellaneous  | 355,506                 | 355,506             | 1,678,740          | (1,323,234)   |
| Debt service:  |                         |                     |                    |   |
| Principal  | -                       | -                   | 1,000,000          | (1,000,000)   |
| Interest   | -                       | -                   | 10,823             | (10,823)  |
| <b>TOTAL EXPENDITURES</b>  | <u>6,625,526</u>        | <u>6,625,526</u>    | <u>9,101,631</u>   | <u>(2,476,105)</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>                                    | <u>(110,311)</u>        | <u>(110,311)</u>    | <u>(1,664,217)</u> | <u>(1,553,906)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                         |                     |                    |   |
| Insurance recovery   | -                       | -                   | 18,000             | 18,000  |
| Proceeds from sale of assets   | -                       | -                   | 1,025              | 1,025   |
| Proceeds from issuance of bond   | -                       | -                   | 2,100,000          | 2,100,000   |
| Transfers in(out)  | -                       | -                   | (179,049)          | (179,049)   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>  | <u>-</u>                | <u>-</u>            | <u>1,939,976</u>   | <u>1,939,976</u>  |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b> | <u>\$ (110,311)</u>     | <u>\$ (110,311)</u> | <u>275,759</u>     | <u>\$ 386,070</u>   |
| <b>Fund Balance at Beginning of Year, As Restated - Note 17</b>                            |                         |                     | <u>93,953</u>      |   |
| <b>Fund Balance at End of Year</b>   |                         |                     | <u>\$ 369,712</u>  |   |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|                              | <u>Budgeted</u> |                | Actual         | Variance                   |
|------------------------------|-----------------|----------------|----------------|----------------------------|
|                              | Original        | Final          |                | Favorable<br>(Unfavorable) |
| <b>GENERAL GOVERNMENT</b>    |                 |                |                |                            |
| <b>Administration:</b>       |                 |                |                |                            |
| Salaries                     | \$ 194,097      | \$ 194,097     | \$ 202,634     | \$ (8,537)                 |
| Supplies                     | 2,500           | 2,500          | 3,349          | (849)                      |
| Capital Improvement          | 3,000           | 3,000          | -              | 3,000                      |
| Council operations           | 14,000          | 14,000         | -              | 14,000                     |
| Administrator operations     | 10,000          | 10,000         | 13,859         | (3,859)                    |
| Auto maintenance             | 1,000           | 1,000          | -              | 1,000                      |
| Economic development         | 500             | 500            | -              | 500                        |
| Clerk-to-Council operations  | 1,500           | 1,500          | 2,678          | (1,178)                    |
| Personnel operations         | 500             | 500            | 687            | (187)                      |
| Other administration council | 2,000           | 2,000          | 1,868          | 132                        |
| Gas and fuel                 | 900             | 900            | -              | 900                        |
|                              | <u>229,997</u>  | <u>229,997</u> | <u>225,075</u> | <u>4,922</u>               |
| <b>County Auditor:</b>       |                 |                |                |                            |
| Salaries                     | 55,850          | 55,850         | 46,967         | 8,883                      |
| Operations                   | 3,000           | 3,000          | 1,770          | 1,230                      |
| Supplies                     | 2,500           | 2,500          | 928            | 1,572                      |
| Capital improvements         | 3,000           | 3,000          | -              | 3,000                      |
|                              | <u>64,350</u>   | <u>64,350</u>  | <u>49,665</u>  | <u>14,685</u>              |
| <b>County Treasurer:</b>     |                 |                |                |                            |
| Salaries                     | 66,391          | 66,391         | 71,046         | (4,655)                    |
| Operations                   | 2,000           | 2,000          | 4,340          | (2,340)                    |
| Supplies                     | 2,000           | 2,000          | 1,541          | 459                        |
| Capital improvements         | 2,000           | 2,000          | -              | 2,000                      |
|                              | <u>72,391</u>   | <u>72,391</u>  | <u>76,927</u>  | <u>(4,536)</u>             |
| <b>County Tax Assessor:</b>  |                 |                |                |                            |
| Salaries                     | 119,517         | 119,517        | 126,717        | (7,200)                    |
| Operations                   | 5,000           | 5,000          | 4,451          | 549                        |
| Supplies                     | 5,500           | 5,500          | 3,103          | 2,397                      |
| Capital improvements         | 10,000          | 10,000         | 9,095          | 905                        |
| Contract appraisers          | 33,000          | 33,000         | 29,411         | 3,589                      |
|                              | <u>173,017</u>  | <u>173,017</u> | <u>172,777</u> | <u>240</u>                 |
| <b>Building Inspection:</b>  |                 |                |                |                            |
| Salaries                     | 39,646          | 39,646         | 39,746         | (100)                      |
| Operations                   | 6,194           | 6,194          | 5,562          | 632                        |
| Supplies                     | 2,500           | 2,500          | 824            | 1,676                      |
| Capital improvements         | 2,500           | 2,500          | -              | 2,500                      |
| Gas and fuel                 | 1,500           | 1,500          | 1,350          | 150                        |
| Auto maintenance             | 1,000           | 1,000          | 294            | 706                        |
|                              | <u>53,340</u>   | <u>53,340</u>  | <u>47,776</u>  | <u>5,564</u>               |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|                                  | <u>Budgeted</u> |                | Actual         | Variance                   |
|----------------------------------|-----------------|----------------|----------------|----------------------------|
|                                  | Original        | Final          |                | Favorable<br>(Unfavorable) |
| <b>GENERAL GOVERNMENT</b>        |                 |                |                |                            |
| <b>Voter Registration:</b>       |                 |                |                |                            |
| Salaries                         | 36,803          | 36,803         | 36,971         | (168)                      |
| Operations                       | 2,000           | 2,000          | 1,545          | 455                        |
| Supplies                         | 5,000           | 5,000          | 927            | 4,073                      |
| Capital improvements             | 2,000           | 2,000          | -              | 2,000                      |
| Board travel                     | 5,000           | 5,000          | 1,225          | 3,775                      |
| Telephone                        | 2,700           | 2,700          | 2,566          | 134                        |
| Election commission              | 15,000          | 15,000         | 21,519         | (6,519)                    |
| Voting machine maintenance       | 10,000          | 10,000         | 11,118         | (1,118)                    |
|                                  | <u>78,503</u>   | <u>78,503</u>  | <u>75,871</u>  | <u>2,632</u>               |
| <b>Delinquent Tax Collector:</b> |                 |                |                |                            |
| Salaries                         | 51,296          | 51,296         | 47,320         | 3,976                      |
| Operations                       | 15,000          | 15,000         | 2,239          | 12,761                     |
| Supplies                         | 1,000           | 1,000          | 751            | 249                        |
| Capital improvements             | 1,500           | 1,500          | -              | 1,500                      |
| Gas and fuel                     | 500             | 500            | -              | 500                        |
|                                  | <u>69,296</u>   | <u>69,296</u>  | <u>50,310</u>  | <u>18,986</u>              |
| <b>Finance and Buildings:</b>    |                 |                |                |                            |
| Salaries                         | 108,965         | 108,965        | 119,619        | (10,654)                   |
| Operations                       | 3,000           | 3,000          | 3,507          | (507)                      |
| Supplies                         | 1,000           | 1,000          | 1,223          | (223)                      |
| Building and grounds supplies    | 37,800          | 37,800         | 39,216         | (1,416)                    |
| Maintenance - County buildings   | 110,000         | 110,000        | 55,691         | 54,309                     |
| Uniforms                         | 400             | 400            | 315            | 85                         |
| Custodial contract               | 40,000          | 40,000         | 13,845         | 26,155                     |
|                                  | <u>301,165</u>  | <u>301,165</u> | <u>233,416</u> | <u>67,749</u>              |
| <b>Legal Department:</b>         |                 |                |                |                            |
| County Attorney                  | 2,400           | 2,400          | 20,052         | (17,652)                   |
| Legal service fee                | 15,000          | 15,000         | 215,017        | (200,017)                  |
|                                  | <u>17,400</u>   | <u>17,400</u>  | <u>235,069</u> | <u>(217,669)</u>           |
| <b>Contingency</b>               | 65,000          | 65,000         | 25,000         | 40,000                     |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|                                 | <u>Budgeted</u>  |                  | Actual           | Variance                   |
|---------------------------------|------------------|------------------|------------------|----------------------------|
|                                 | Original         | Final            |                  | Favorable<br>(Unfavorable) |
| <b>GENERAL GOVERNMENT</b>       |                  |                  |                  |                            |
| <b>Utilities:</b>               |                  |                  |                  |                            |
| Telephone                       | 74,000           | 74,000           | 119,648          | (45,648)                   |
| Electricity                     | 132,000          | 132,000          | 162,626          | (30,626)                   |
| Postage                         | 32,000           | 32,000           | 23,924           | 8,076                      |
| Printing/legal                  | 6,000            | 6,000            | 5,141            | 859                        |
| Audits                          | 35,000           | 35,000           | 76,351           | (41,351)                   |
| Bonding                         | 2,000            | 2,000            | 1,771            | 229                        |
| Computer - taxes                | 101,192          | 101,192          | 135,308          | (34,116)                   |
| Computer - payroll              | 4,600            | 4,600            | 292              | 4,308                      |
| Computer - Family Court         | 7,495            | 7,495            | 9,232            | (1,737)                    |
| Computer - Voter Registration   | 1,000            | 1,000            | -                | 1,000                      |
| Computer - Sheriff              | 4,000            | 4,000            | -                | 4,000                      |
| Copy machine                    | 8,500            | 8,500            | 5,602            | 2,898                      |
| Insurance                       | 76,000           | 76,000           | 77,082           | (1,082)                    |
| Airport operations              | 5,000            | 5,000            | -                | 5,000                      |
| EMS/Rescue                      | 475,000          | 475,000          | 475,000          | -                          |
|                                 | <u>963,787</u>   | <u>963,787</u>   | 1,091,977        | (128,190)                  |
| <b>Debts and Benefits:</b>      |                  |                  |                  |                            |
| Benefits                        | 1,072,000        | 1,072,000        | 1,055,325        | 16,675                     |
| Miscellaneous supplies          | 1,000            | 1,000            | 1,314            | (314)                      |
| Grant matches                   | 15,000           | 15,000           | -                | 15,000                     |
| Risk management                 | 2,300            | 2,300            | 51               | 2,249                      |
|                                 | <u>1,090,300</u> | <u>1,090,300</u> | 1,056,690        | 33,610                     |
| <b>County Council:</b>          |                  |                  |                  |                            |
| District 2                      | -                | -                | 2,000            | (2,000)                    |
| District 3                      | -                | -                | 2,089            | (2,089)                    |
| District 5                      | -                | -                | 1,589            | (1,589)                    |
| District 6                      | -                | -                | 1,491            | (1,491)                    |
|                                 | <u>-</u>         | <u>-</u>         | 7,169            | (7,169)                    |
| <b>Total General Government</b> | <u>3,178,546</u> | <u>3,178,546</u> | <u>3,347,722</u> | <u>(169,176)</u>           |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted</u> |                | Actual         | Variance                   |
|--|-----------------|----------------|----------------|----------------------------|
|  | Original        | Final          |                | Favorable<br>(Unfavorable) |
| <b>JUDICIAL</b>                        |                 |                |                |                            |
| <b>Clerk of Court:</b>                 |                 |                |                |                            |
| Salaries                               | 131,528         | 131,528        | 131,161        | 367                        |
| Operations                             | 2,300           | 2,300          | 961            | 1,339                      |
| Supplies                               | 6,500           | 6,500          | 7,837          | (1,337)                    |
| Capital improvements                   | 18,000          | 18,000         | 19,403         | (1,403)                    |
| Court expenses                         | 20,000          | 20,000         | 20,547         | (547)                      |
| IV-D expenditures                      | -               | -              | 14,268         | (14,268)                   |
|  | <u>178,328</u>  | <u>178,328</u> | <u>194,177</u> | <u>(15,849)</u>            |
| <b>Judge of Probate:</b>               |                 |                |                |                            |
| Salaries                               | 63,574          | 63,574         | 65,902         | (2,328)                    |
| Operations                             | 2,500           | 2,500          | 769            | 1,731                      |
| Supplies                               | 2,000           | 2,000          | 3,060          | (1,060)                    |
| Capital improvements                   | 2,000           | 2,000          | -              | 2,000                      |
|  | <u>70,074</u>   | <u>70,074</u>  | <u>69,731</u>  | <u>343</u>                 |
| <b>Magistrate:</b>                     |                 |                |                |                            |
| Salaries                               | 110,602         | 110,602        | 142,083        | (31,481)                   |
| Operations                             | 4,060           | 4,060          | 2,667          | 1,393                      |
| Supplies                               | 1,500           | 1,500          | 2,149          | (649)                      |
| Capital improvements                   | 2,000           | 2,000          | -              | 2,000                      |
| Court expense                          | 3,500           | 3,500          | 3,034          | 466                        |
| Municipal reimbursement for Magistrate | -               | -              | (31,766)       | 31,766                     |
|  | <u>121,662</u>  | <u>121,662</u> | <u>118,167</u> | <u>3,495</u>               |
| <b>Contract Agencies - Judicial:</b>   |                 |                |                |                            |
| Public Defender                        | 32,500          | 32,500         | 32,500         | -                          |
| Solicitor                              | 76,726          | 76,726         | 76,726         | -                          |
| Service Officer                        | 22,042          | 22,042         | 21,692         | 350                        |
| Court Library                          | 1,000           | 1,000          | 1,000          | -                          |
|  | <u>132,268</u>  | <u>132,268</u> | <u>131,918</u> | <u>350</u>                 |
| <b>Total Judicial</b>                  | <u>502,332</u>  | <u>502,332</u> | <u>513,993</u> | <u>(11,661)</u>            |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|                              | <u>Budgeted</u> |                | Actual         | Variance                   |
|------------------------------|-----------------|----------------|----------------|----------------------------|
|                              | Original        | Final          |                | Favorable<br>(Unfavorable) |
| <b>PUBLIC SAFETY</b>         |                 |                |                |                            |
| <b>County Sheriff:</b>       |                 |                |                |                            |
| Salaries                     | 475,062         | 475,062        | 494,740        | (19,678)                   |
| Overtime                     | 36,050          | 36,050         | 34,925         | 1,125                      |
| Operations                   | 6,000           | 6,000          | 9,932          | (3,932)                    |
| Supplies                     | 5,000           | 5,000          | 5,472          | (472)                      |
| Capital improvements         | 41,102          | 41,102         | 10,623         | 30,479                     |
| Investigations               | 3,500           | 3,500          | 1,173          | 2,327                      |
| Victim's services            | 32,000          | 32,000         | 25,934         | 6,066                      |
| Gasoline                     | 65,000          | 65,000         | 67,788         | (2,788)                    |
| Auto maintenance             | 15,000          | 15,000         | 17,627         | (2,627)                    |
| Uniforms                     | 12,000          | 12,000         | 1,748          | 10,252                     |
| Radio maintenance            | 6,500           | 6,500          | 3,052          | 3,448                      |
|                              | <u>697,214</u>  | <u>697,214</u> | <u>673,014</u> | <u>24,200</u>              |
| <b>County Coroner:</b>       |                 |                |                |                            |
| Salaries                     | 15,468          | 15,468         | 16,882         | (1,414)                    |
| Operations                   | 1,000           | 1,000          | 259            | 741                        |
| Supplies                     | 14,000          | 14,000         | 22,395         | (8,395)                    |
| Capital improvements         | 1,000           | 1,000          | 6,000          | (5,000)                    |
| Gas and fuel                 | 400             | 400            | 707            | (307)                      |
|                              | <u>31,868</u>   | <u>31,868</u>  | <u>46,243</u>  | <u>(14,375)</u>            |
| <b>Detention Center:</b>     |                 |                |                |                            |
| Salaries                     | 403,766         | 403,766        | 377,489        | 26,277                     |
| Overtime                     | 35,000          | 35,000         | 30,448         | 4,552                      |
| Operations                   | 5,500           | 5,500          | 12,711         | (7,211)                    |
| Supplies                     | 8,000           | 8,000          | 8,905          | (905)                      |
| Capital improvements         | 3,000           | 3,000          | 4,178          | (1,178)                    |
| Gas and fuel                 | 3,000           | 3,000          | 5,372          | (2,372)                    |
| Auto maintenance             | 3,000           | 3,000          | 2,435          | 565                        |
| Uniforms                     | 5,000           | 5,000          | 6,054          | (1,054)                    |
| Department of Youth Services | 3,200           | 3,200          | 12,800         | (9,600)                    |
| Inmate meals                 | 108,200         | 108,200        | 89,935         | 18,265                     |
| County physician             | 4,500           | 4,500          | 3,375          | 1,125                      |
| Inmate medical and drugs     | 50,000          | 50,000         | 12,754         | 37,246                     |
|                              | <u>632,166</u>  | <u>632,166</u> | <u>566,456</u> | <u>65,710</u>              |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|   | Budgeted         |                  | Actual           | Variance                   |
|---|------------------|------------------|------------------|----------------------------|
|   | Original         | Final            |                  | Favorable<br>(Unfavorable) |
| <b>Dispatching:</b>                             |                  |                  |                  |                            |
| Salaries  | 211,163          | 211,163          | 195,144          | 16,019                     |
| Overtime  | 15,000           | 15,000           | 11,649           | 3,351                      |
| Operations                                      | 2,000            | 2,000            | 746              | 1,254                      |
| Supplies  | 1,500            | 1,500            | 1,626            | (126)                      |
| Capital improvements                            | -                | -                | 654              | (654)                      |
| Uniforms  | 1,500            | 1,500            | -                | 1,500                      |
| Equipment maintenance                           | 3,000            | 3,000            | 1,368            | 1,632                      |
|   | <u>234,163</u>   | <u>234,163</u>   | <u>211,187</u>   | <u>22,976</u>              |
| <b>Grant Expenditures:</b>                      |                  |                  |                  |                            |
| Emergency Management Performance grants         | -                | -                | 23,072           | (23,072)                   |
| Homeland Security grants                        | -                | -                | 64,668           | (64,668)                   |
|   | <u>-</u>         | <u>-</u>         | <u>87,740</u>    | <u>(87,740)</u>            |
| <b>Total Public Safety</b>                      | <u>1,595,411</u> | <u>1,595,411</u> | <u>1,584,640</u> | <u>10,771</u>              |
| <br><b>PUBLIC WORKS</b>                         |                  |                  |                  |                            |
| <b>Landfill and Solid Waste:</b>                |                  |                  |                  |                            |
| Salaries  | 177,592          | 177,592          | 178,969          | (1,377)                    |
| Overtime  | 9,270            | 9,270            | 7,750            | 1,520                      |
| Operations                                      | 1,000            | 1,000            | 506              | 494                        |
| Supplies  | 800              | 800              | -                | 800                        |
| Monitoring, operation and equipment maintenance | 50,000           | 50,000           | 38,579           | 11,421                     |
| Gas and fuel                                    | 7,000            | 7,000            | 1,035            | 5,965                      |
| C&D chipping                                    | 18,000           | 18,000           | 10,495           | 7,505                      |
| Solid waste contract                            | 377,000          | 377,000          | 258,726          | 118,274                    |
| LADS operation                                  | 1,000            | 1,000            | -                | 1,000                      |
| LADS contract                                   | 195,000          | 195,000          | 185,563          | 9,437                      |
|   | <u>836,662</u>   | <u>836,662</u>   | <u>681,623</u>   | <u>155,039</u>             |
| <b>Mosquito control</b>                         | 7,000            | 7,000            | 4,470            | 2,530                      |
| <b>Solid waste tire grant expenditures</b>      | -                | -                | 34,738           | (34,738)                   |
| <b>TOTAL PUBLIC WORKS</b>                       | <u>843,662</u>   | <u>843,662</u>   | <u>720,831</u>   | <u>122,831</u>             |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted</u> |                | Actual           | Variance                   |
|--|-----------------|----------------|------------------|----------------------------|
|  | Original        | Final          |                  | Favorable<br>(Unfavorable) |
| <b>CULTURE AND RECREATION</b>                    |                 |                |                  |                            |
| County Library                                   | 135,069         | 135,069        | 135,069          | -                          |
| Recreation/Tourism                               | 15,000          | 15,000         | 13,500           | 1,500                      |
| <b>Total Culture and Recreation</b>              | <u>150,069</u>  | <u>150,069</u> | <u>148,569</u>   | <u>1,500</u>               |
| <b>HEALTH AND WELFARE</b>                        |                 |                |                  |                            |
| Hospital operations                              | -               | -              | 89,390           | (89,390)                   |
| Emergency Medical Services<br>grant expenditures | -               | -              | 6,923            | (6,923)                    |
| <b>Total Health and Welfare</b>                  | <u>-</u>        | <u>-</u>       | <u>96,313</u>    | <u>(96,313)</u>            |
| <b>MISCELLANEOUS</b>                             |                 |                |                  |                            |
| <b>Economic Development:</b>                     |                 |                |                  |                            |
| Board operations                                 | 2,000           | 2,000          | 500              | 1,500                      |
| Website and printing                             | 2,000           | 2,000          | 8,129            | (6,129)                    |
| Alliance contract                                | 60,000          | 60,000         | 62,500           | (2,500)                    |
|  | <u>64,000</u>   | <u>64,000</u>  | <u>71,129</u>    | <u>(7,129)</u>             |
| <b>Rural Infrastructure grant expenditures:</b>  |                 |                |                  |                            |
| Masonite project                                 | -               | -              | 1,292,815        | (1,292,815)                |
| Rocklon project                                  | -               | -              | 153,945          | (153,945)                  |
|  | <u>-</u>        | <u>-</u>       | <u>1,446,760</u> | <u>(1,446,760)</u>         |
| <b>Contract Agencies:</b>                        |                 |                |                  |                            |
| Lower Savannah Council of Governments            | 12,494          | 12,494         | 12,494           | -                          |
| MIAF   | 44,645          | 44,645         | 34,192           | 10,453                     |
| SCAC/NACO  | 12,365          | 12,365         | 8,432            | 3,933                      |
| Willow Swamp Contract                            | 2,120           | 2,120          | 2,120            | -                          |
| Soil & Water Conservation                        | 7,000           | 7,000          | 7,000            | -                          |
|  | <u>78,624</u>   | <u>78,624</u>  | <u>64,238</u>    | <u>14,386</u>              |

**BAMBERG COUNTY, SOUTH CAROLINA  
GENERAL FUND  
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET  
YEAR ENDED JUNE 30, 2012**

|                               | <u>Budgeted</u>     |                     | Actual              | Variance                   |
|-------------------------------|---------------------|---------------------|---------------------|----------------------------|
|                               | Original            | Final               |                     | Favorable<br>(Unfavorable) |
| <b>Non-Contract Agencies:</b> |                     |                     |                     |                            |
| Health Department             | 6,500               | 6,500               | 6,399               | 101                        |
| County Chamber                | 800                 | 800                 | 800                 | -                          |
| Tri-County Alcohol            | 2,000               | 2,000               | 2,000               | -                          |
| Western Carolina              | 2,000               | 2,000               | 2,000               | -                          |
| OCAB-CAA, Inc.                | 2,000               | 2,000               | 2,000               | -                          |
| Denmark Technical College     | 2,000               | 2,000               | 2,000               | -                          |
| Bamberg County Special Needs  | 1,800               | 1,800               | 1,800               | -                          |
| CASA                          | 1,000               | 1,000               | 1,000               | -                          |
| Clemson Extension             | 1,200               | 1,200               | 1,200               | -                          |
| Council on Aging              | 66,000              | 66,000              | 66,000              | -                          |
| DSS emergency relief          | 2,400               | 2,400               | 2,400               | -                          |
| Heritage Corridor             | 800                 | 800                 | -                   | 800                        |
| Cheese & Cracker Box          | 2,000               | 2,000               | 2,000               | -                          |
| Little Swamp Community Center | 1,500               | 1,500               | 1,500               | -                          |
|                               | <u>92,000</u>       | <u>92,000</u>       | <u>91,099</u>       | <u>901</u>                 |
| <b>Capital projects</b>       | 120,882             | 120,882             | 5,514               | 115,368                    |
| <b>Total Miscellaneous</b>    | <u>355,506</u>      | <u>355,506</u>      | <u>1,678,740</u>    | <u>(1,323,234)</u>         |
| <b>DEBT SERVICES:</b>         |                     |                     |                     |                            |
| Principal retirement          | -                   | -                   | 1,000,000           | (1,000,000)                |
| Interest and fiscal charges   | -                   | -                   | 10,823              | (10,823)                   |
| <b>Total Debt Services</b>    | <u>-</u>            | <u>-</u>            | <u>1,010,823</u>    | <u>(1,010,823)</u>         |
| <b>TOTAL EXPENDITURES</b>     | <u>\$ 6,625,526</u> | <u>\$ 6,625,526</u> | <u>\$ 9,101,631</u> | <u>\$ (2,476,105)</u>      |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**NONMAJOR SPECIAL REVENUE FUND**  
**E911 FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted</u>    |                    | Actual           | Variance                   |
|--|--------------------|--------------------|------------------|----------------------------|
|  | Original           | Final              |                  | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                    |                    |                  |                            |
| Intergovernmental:   |                    |                    |                  |                            |
| State  | \$ -               | \$ -               | \$ 61,197        | \$ 61,197                  |
| Charges for services   | 122,265            | 122,265            | 55,392           | (66,873)                   |
| Interest income  | -                  | -                  | 706              | 706                        |
|  | <u>-</u>           | <u>-</u>           | <u>706</u>       | <u>706</u>                 |
| Total revenues   | <u>122,265</u>     | <u>122,265</u>     | <u>117,295</u>   | <u>(4,970)</u>             |
| <b>EXPENDITURES</b>  |                    |                    |                  |                            |
| Current:   |                    |                    |                  |                            |
| <b>PUBLIC SAFETY</b>   |                    |                    |                  |                            |
| Salaries   | 98,000             | 98,000             | 81,229           | 16,771                     |
| Operations   | 6,000              | 6,000              | 3,042            | 2,958                      |
| Supplies   | 5,000              | 5,000              | 1,292            | 3,708                      |
| Capital improvements   | 2,000              | 2,000              | 127,635          | (125,635)                  |
| Equipment maintenance  | 26,000             | 26,000             | 8,352            | 17,648                     |
| Telephone  | 30,000             | 30,000             | 39,906           | (9,906)                    |
| Gas and fuel   | 2,500              | 2,500              | 2,202            | 298                        |
| Auto maintenance   | 500                | 500                | 436              | 64                         |
| Civil defense  | 2,000              | 2,000              | 208              | 1,792                      |
|  | <u>2,000</u>       | <u>2,000</u>       | <u>208</u>       | <u>1,792</u>               |
| <b>TOTAL EXPENDITURES</b>  | <u>172,000</u>     | <u>172,000</u>     | <u>264,302</u>   | <u>(92,302)</u>            |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b>  |                    |                    |                  |                            |
|  | <u>(49,735)</u>    | <u>(49,735)</u>    | <u>(147,007)</u> | <u>(97,272)</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |                  |                            |
| Transfers in(out)  | -                  | -                  | 132,370          | 132,370                    |
|  | <u>-</u>           | <u>-</u>           | <u>132,370</u>   | <u>132,370</u>             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <u>-</u>           | <u>-</u>           | <u>132,370</u>   | <u>132,370</u>             |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES AND OTHER<br/>FINANCING SOURCES (USES)</b> |                    |                    |                  |                            |
|  | <u>\$ (49,735)</u> | <u>\$ (49,735)</u> | (14,637)         | <u>\$ 35,098</u>           |
| <b>Fund Balance at Beginning of Year</b>   |                    |                    | <u>98,062</u>    |                            |
| <b>Fund Balance at End of Year</b>   |                    |                    | <u>\$ 83,425</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, 2012**

|   | <u>Budgeted</u>    |                    | Actual              | Variance                   |
|---|--------------------|--------------------|---------------------|----------------------------|
|   | Original           | Final              |                     | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>   |                    |                    |                     |                            |
| Charges for services  | \$ 353,700         | \$ 353,700         | \$ 348,000          | \$ (5,700)                 |
| Total revenues  | <u>353,700</u>     | <u>353,700</u>     | <u>348,000</u>      | <u>(5,700)</u>             |
| <b>EXPENDITURES</b>   |                    |                    |                     |                            |
| Current:  |                    |                    |                     |                            |
| Public Works:   |                    |                    |                     |                            |
| Salaries  | 237,565            | 237,565            | 237,736             | (171)                      |
| Overtime  | 2,575              | 2,575              | 3,411               | (836)                      |
| Operations  | 1,000              | 1,000              | 12                  | 988                        |
| Roads capital improvements                                  | 65,000             | 65,000             | 67,807              | (2,807)                    |
| Roads   | 50,000             | 50,000             | 45,231              | 4,769                      |
| Gas and fuel  | 45,000             | 45,000             | 63,223              | (18,223)                   |
| Uniforms  | 7,000              | 7,000              | 8,273               | (1,273)                    |
| Road projects (rocks)                                       | 5,000              | 5,000              | -                   | 5,000                      |
| <b>TOTAL EXPENDITURES</b>                                   | <u>413,140</u>     | <u>413,140</u>     | <u>425,693</u>      | <u>(12,553)</u>            |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b> | <u>\$ (59,440)</u> | <u>\$ (59,440)</u> | (77,693)            | <u>\$ (18,253)</u>         |
| <b>Fund Balance at Beginning of Year</b>                    |                    |                    | <u>(95,135)</u>     |                            |
| <b>Fund Balance at End of Year</b>                          |                    |                    | <u>\$ (172,828)</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, 2012**

|  | Budgeted           |                    | Actual           | Variance<br>Favorable<br>(Unfavorable) |
|--|--------------------|--------------------|------------------|--|
|  | Original           | Final              |                  |  |
| <b>REVENUES</b>  |                    |                    |                  |  |
| Property taxes   | \$ 246,984         | \$ 246,984         | \$ 245,444       | \$ (1,540)                             |
| Interest income  | -                  | -                  | 22               | 22                                     |
| Total revenues   | <u>246,984</u>     | <u>246,984</u>     | <u>245,466</u>   | <u>(1,518)</u>                         |
| <b>EXPENDITURES</b>  |                    |                    |                  |  |
| Current:   |                    |                    |                  |  |
| Public Safety  |                    |                    |                  |  |
| Salaries   | 32,779             | 32,779             | 32,881           | (102)                                  |
| Benefits   | -                  | -                  | 9,864            | (9,864)                                |
| Operations   | 2,000              | 2,000              | 34               | 1,966                                  |
| Supplies   | 2,200              | 2,200              | -                | 2,200                                  |
| Gas and fuel   | 2,200              | 2,200              | 1,666            | 534                                    |
| Auto maintenance   | 1,000              | 1,000              | 15               | 985                                    |
| Fire service   | 225,000            | 225,000            | 224,240          | 760                                    |
| Training fire/rescue   | 9,000              | 9,000              | -                | 9,000                                  |
| Capital outlay   | 44,118             | 44,118             | 44,118           | -                                      |
| <b>TOTAL EXPENDITURES</b>  | <u>318,297</u>     | <u>318,297</u>     | <u>312,818</u>   | <u>5,479</u>                           |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b>  | <u>(71,313)</u>    | <u>(71,313)</u>    | <u>(67,352)</u>  | <u>3,961</u>                           |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                    |                    |                  |  |
| Transfers in(out)  | -                  | -                  | 66,934           | 66,934                                 |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <u>-</u>           | <u>-</u>           | <u>66,934</u>    | <u>66,934</u>                          |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUE OVER EXPENDITURES<br/>AND OTHER FINANCING<br/>SOURCES (USES)</b> | <u>\$ (71,313)</u> | <u>\$ (71,313)</u> | (418)            | <u>\$ 70,895</u>                       |
| <b>Fund Balance at Beginning of Year</b>   |                    |                    | <u>10,871</u>    |  |
| <b>Fund Balance at End of Year</b>   |                    |                    | <u>\$ 10,453</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, 2012**

|  | <u>Budgeted</u>   |                   | Actual            | Variance                   |
|--|-------------------|-------------------|-------------------|----------------------------|
|  | Original          | Final             |                   | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                   |                   |                   |                            |
| Property taxes   | \$ 204,697        | \$ 204,697        | \$ 289,564        | \$ 84,867                  |
| Investment income  | -                 | -                 | 51                | 51                         |
| Total revenues   | <u>204,697</u>    | <u>204,697</u>    | <u>289,615</u>    | <u>84,918</u>              |
| <b>EXPENDITURES</b>  |                   |                   |                   |                            |
| Current:   |                   |                   |                   |                            |
| General government   | -                 | -                 | 94                | (94)                       |
| Public Safety:   |                   |                   |                   |                            |
| Sheriff capital improvements   | 8,898             | 8,898             | 8,898             | -                          |
| Public Works:  |                   |                   |                   |                            |
| Landfill equipment improvements  | 15,000            | 15,000            | 13,000            | 2,000                      |
| Debt service:  |                   |                   |                   |                            |
| Principal  | -                 | -                 | 100,000           | (100,000)                  |
| Interest   | -                 | -                 | 12,545            | (12,545)                   |
| <b>TOTAL EXPENDITURES</b>  | <u>23,898</u>     | <u>23,898</u>     | <u>134,537</u>    | <u>(110,639)</u>           |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b>  | <u>180,799</u>    | <u>180,799</u>    | <u>155,078</u>    | <u>(25,721)</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                   |                   |                   |                            |
| Transfers in(out)  | -                 | -                 | 21,162            | 21,162                     |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  | <u>-</u>          | <u>-</u>          | <u>21,162</u>     | <u>21,162</u>              |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUE OVER EXPENDITURES<br/>AND OTHER FINANCING<br/>SOURCES (USES)</b> | <u>\$ 180,799</u> | <u>\$ 180,799</u> | 176,240           | <u>\$ (4,559)</u>          |
| <b>Fund Balance at Beginning of Year</b>   |                   |                   | <u>(14,594)</u>   |                            |
| <b>Fund Balance at End of Year</b>   |                   |                   | <u>\$ 161,646</u> |                            |

**BAMBERG COUNTY, SOUTH CAROLINA  
NONMAJOR DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2012**

|  | <u>Budgeted</u>   |                   | Actual           | Variance                   |
|--|-------------------|-------------------|------------------|----------------------------|
|  | Original          | Final             |                  | Favorable<br>(Unfavorable) |
| <b>REVENUES</b>  |                   |                   |                  |                            |
| Property taxes   | \$ 110,000        | \$ 110,000        | \$ 96,914        | \$ (13,086)                |
| Interest income  | -                 | -                 | 44               | 44                         |
|  | <u>110,000</u>    | <u>110,000</u>    | <u>96,958</u>    | <u>(13,042)</u>            |
| <b>EXPENDITURES</b>  |                   |                   |                  |                            |
| Debt service:  |                   |                   |                  |                            |
| Principal  | -                 | -                 | 40,000           | (40,000)                   |
| Interest   | -                 | -                 | 57,685           | (57,685)                   |
|  | <u>-</u>          | <u>-</u>          | <u>97,685</u>    | <u>(97,685)</u>            |
| <b>TOTAL EXPENDITURES</b>  |                   |                   |                  |                            |
| <b>EXCESS (DEFICIENCY) OF REVENUE<br/>OVER EXPENDITURES</b>  |                   |                   |                  |                            |
|  | <u>110,000</u>    | <u>110,000</u>    | <u>(727)</u>     | <u>(110,727)</u>           |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                   |                   |                  |                            |
| Transfers in(out)  | -                 | -                 | (15,671)         | (15,671)                   |
|  | <u>-</u>          | <u>-</u>          | <u>(15,671)</u>  | <u>(15,671)</u>            |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>  |                   |                   |                  |                            |
| <b>EXCESS (DEFICIENCY) OF<br/>REVENUE OVER EXPENDITURES<br/>AND OTHER FINANCING<br/>SOURCES (USES)</b> |                   |                   |                  |                            |
|  | <u>\$ 110,000</u> | <u>\$ 110,000</u> | (16,398)         | <u>\$ (126,398)</u>        |
| <b>Fund Balance at Beginning of Year</b>   |                   |                   | <u>66,549</u>    |                            |
| <b>Fund Balance at End of Year</b>   |                   |                   | <u>\$ 50,151</u> |                            |

**BAMBERG COUNTY, SOUTH CAROLINA**  
**COMBINING SCHEDULE OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**

|                           | School<br>District 1 | School<br>District 2 | Town of<br>Bamberg | Town of<br>Denmark | Town of<br>Ehrhardt |
|---------------------------|----------------------|----------------------|--------------------|--------------------|---------------------|
| <b>ASSETS</b>             |                      |                      |                    |                    |                     |
| Cash                      | \$ 168,263           | \$ 831,015           | \$ -               | \$ -               | \$ -                |
| Delinquent property taxes | 784,247              | 467,028              | -                  | -                  | -                   |
| Due from General Fund     | 817,978              | 262,247              | 2,553              | 1,620              | 295                 |
| <b>TOTAL ASSETS</b>       | <u>1,770,488</u>     | <u>1,560,290</u>     | <u>2,553</u>       | <u>1,620</u>       | <u>295</u>          |
| <b>LIABILITIES</b>        |                      |                      |                    |                    |                     |
| Deferred revenue:         |                      |                      |                    |                    |                     |
| Delinquent property tax   | 784,247              | 467,028              | -                  | -                  | -                   |
| Due to Trust Fund holders | 986,241              | 1,093,262            | 2,553              | 1,620              | 295                 |
| Unknown funds held        | -                    | -                    | -                  | -                  | -                   |
| Due to General Fund       | -                    | -                    | -                  | -                  | -                   |
| <b>Total Liabilities</b>  | <u>1,770,488</u>     | <u>1,560,290</u>     | <u>2,553</u>       | <u>1,620</u>       | <u>295</u>          |
| <b>NET ASSETS</b>         | <u>\$ -</u>          | <u>\$ -</u>          | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>         |

**BAMBERG COUNTY, SOUTH CAROLINA  
COMBINING SCHEDULE OF FIDUCIARY NET ASSETS  
JUNE 30, 2012**

|                           | Town of<br>Olar | Clerk of<br>Court | Delinquent<br>Tax Sale<br>Escrow | Inmate<br>Trust<br>Escrow | Total            |
|---------------------------|-----------------|-------------------|----------------------------------|---------------------------|------------------|
| <b>ASSETS</b>             |                 |                   |                                  |                           |                  |
| Cash                      | -               | 90,533            | \$ 221,677                       | \$ 1,931                  | \$ 1,313,419     |
| Delinquent property taxes | -               | -                 | -                                | -                         | 1,251,275        |
| Due from General Fund     | 123             | -                 | -                                | 76                        | 1,084,892        |
| <b>TOTAL ASSETS</b>       | <b>123</b>      | <b>90,533</b>     | <b>221,677</b>                   | <b>2,007</b>              | <b>3,649,586</b> |
| <b>LIABILITIES</b>        |                 |                   |                                  |                           |                  |
| Deferred revenue:         |                 |                   |                                  |                           |                  |
| Delinquent property tax   | -               | -                 | -                                | -                         | 1,251,275        |
| Due to Trust Fund holders | 123             | 86,927            | -                                | 2,007                     | 2,173,028        |
| Unknown funds held        | -               | (2,465)           | 221,677                          | -                         | 219,212          |
| Due to General Fund       | -               | 6,071             | -                                | -                         | 6,071            |
| <b>Total Liabilities</b>  | <b>123</b>      | <b>90,533</b>     | <b>221,677</b>                   | <b>2,007</b>              | <b>3,649,586</b> |
| <b>NET ASSETS</b>         | <b>\$ -</b>     | <b>\$ -</b>       | <b>\$ -</b>                      | <b>\$ -</b>               | <b>\$ -</b>      |

**BAMBERG COUNTY, SOUTH CAROLINA  
ALL AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

|                                     | Balance<br>June 30,<br>2011 | Additions           | Deductions          | Balance<br>June 30,<br>2012 |
|-------------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| <b>School District Number 1</b>     | <b>*Restated</b>            |                     |                     |                             |
| Assets:                             |                             |                     |                     |                             |
| Cash and cash equivalents           | \$ 403,312                  | \$ 926,552          | \$ 1,161,601        | \$ 168,263                  |
| Due from General Fund               | 925,793                     | 3,188,180           | 3,295,995           | 817,978                     |
| Delinquent taxes receivable         | 734,021                     | 388,358             | 338,132             | 784,247                     |
|                                     | <u>\$ 2,063,126</u>         | <u>\$ 4,503,090</u> | <u>\$ 4,795,728</u> | <u>\$ 1,770,488</u>         |
| Total Assets                        | <u>\$ 2,063,126</u>         | <u>\$ 4,503,090</u> | <u>\$ 4,795,728</u> | <u>\$ 1,770,488</u>         |
| Liabilities:                        |                             |                     |                     |                             |
| Funds held for others               | \$ 1,329,105                | \$ 4,114,732        | \$ 4,457,596        | \$ 986,241                  |
| Deferred revenue                    | 734,021                     | 388,358             | 338,132             | 784,247                     |
|                                     | <u>\$ 2,063,126</u>         | <u>\$ 4,503,090</u> | <u>\$ 4,795,728</u> | <u>\$ 1,770,488</u>         |
| Total liabilities                   | <u>\$ 2,063,126</u>         | <u>\$ 4,503,090</u> | <u>\$ 4,795,728</u> | <u>\$ 1,770,488</u>         |
| <br><b>School District Number 2</b> | <br><b>*Restated</b>        |                     |                     |                             |
| Assets:                             |                             |                     |                     |                             |
| Cash and cash equivalents           | \$ 907,149                  | \$ 376,338          | \$ 452,472          | \$ 831,015                  |
| Due from General Fund               | 478,164                     | 2,108,019           | 2,323,936           | 262,247                     |
| Delinquent taxes receivable         | 409,769                     | 191,078             | 133,819             | 467,028                     |
|                                     | <u>\$ 1,795,082</u>         | <u>\$ 2,675,435</u> | <u>\$ 2,910,227</u> | <u>\$ 1,560,290</u>         |
| Total Assets                        | <u>\$ 1,795,082</u>         | <u>\$ 2,675,435</u> | <u>\$ 2,910,227</u> | <u>\$ 1,560,290</u>         |
| Liabilities:                        |                             |                     |                     |                             |
| Funds held for others               | \$ 1,385,313                | \$ 2,484,357        | \$ 2,776,408        | \$ 1,093,262                |
| Deferred revenue                    | 409,769                     | 191,078             | 133,819             | 467,028                     |
|                                     | <u>\$ 1,795,082</u>         | <u>\$ 2,675,435</u> | <u>\$ 2,910,227</u> | <u>\$ 1,560,290</u>         |
| Total liabilities                   | <u>\$ 1,795,082</u>         | <u>\$ 2,675,435</u> | <u>\$ 2,910,227</u> | <u>\$ 1,560,290</u>         |

\* As Restated - See Note 17

**BAMBERG COUNTY, SOUTH CAROLINA  
ALL AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

|                         | Balance<br>June 30,<br>2011 | Additions         | Deductions        | Balance<br>June 30,<br>2012 |
|-------------------------|-----------------------------|-------------------|-------------------|-----------------------------|
| <b>Town of Bamberg</b>  |                             |                   |                   |                             |
| Assets:                 |                             |                   |                   |                             |
| Due from General Fund   | \$ 8,212                    | \$ 493,023        | \$ 498,682        | \$ 2,553                    |
| Total Assets            | <u>\$ 8,212</u>             | <u>\$ 493,023</u> | <u>\$ 498,682</u> | <u>\$ 2,553</u>             |
| Liabilities:            |                             |                   |                   |                             |
| Funds held for others   | \$ 8,212                    | \$ 493,023        | \$ 498,682        | \$ 2,553                    |
| Total liabilities       | <u>\$ 8,212</u>             | <u>\$ 493,023</u> | <u>\$ 498,682</u> | <u>\$ 2,553</u>             |
| <b>Town of Denmark</b>  |                             |                   |                   |                             |
| Assets:                 |                             |                   |                   |                             |
| Due from General Fund   | \$ 2,583                    | \$ 193,554        | \$ 194,517        | \$ 1,620                    |
| Total Assets            | <u>\$ 2,583</u>             | <u>\$ 193,554</u> | <u>\$ 194,517</u> | <u>\$ 1,620</u>             |
| Liabilities:            |                             |                   |                   |                             |
| Funds held for others   | \$ 2,583                    | \$ 193,554        | \$ 194,517        | \$ 1,620                    |
| Total liabilities       | <u>\$ 2,583</u>             | <u>\$ 193,554</u> | <u>\$ 194,517</u> | <u>\$ 1,620</u>             |
| <b>Town of Ehrhardt</b> |                             |                   |                   |                             |
| Assets:                 |                             |                   |                   |                             |
| Due from General Fund   | \$ 345                      | \$ 40,900         | \$ 40,950         | \$ 295                      |
| Total Assets            | <u>\$ 345</u>               | <u>\$ 40,900</u>  | <u>\$ 40,950</u>  | <u>\$ 295</u>               |
| Liabilities:            |                             |                   |                   |                             |
| Funds held for others   | \$ 345                      | \$ 40,900         | \$ 40,950         | \$ 295                      |
| Total liabilities       | <u>\$ 345</u>               | <u>\$ 40,900</u>  | <u>\$ 40,950</u>  | <u>\$ 295</u>               |
| <b>Town of Olar</b>     |                             |                   |                   |                             |
| Assets:                 |                             |                   |                   |                             |
| Due from General Fund   | \$ 299                      | \$ 19,596         | \$ 19,772         | \$ 123                      |
| Total Assets            | <u>\$ 299</u>               | <u>\$ 19,596</u>  | <u>\$ 19,772</u>  | <u>\$ 123</u>               |
| Liabilities:            |                             |                   |                   |                             |
| Funds held for others   | \$ 299                      | \$ 19,596         | \$ 19,772         | \$ 123                      |
| Total liabilities       | <u>\$ 299</u>               | <u>\$ 19,596</u>  | <u>\$ 19,772</u>  | <u>\$ 123</u>               |

**BAMBERG COUNTY, SOUTH CAROLINA  
ALL AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

|  | <b>Balance<br/>June 30,<br/>2011</b> | <b>Additions</b>    | <b>Deductions</b>   | <b>Balance<br/>June 30,<br/>2012</b> |
|--|--------------------------------------|---------------------|---------------------|--------------------------------------|
| <b>Clerk of Court</b>  |                                      |                     |                     |                                      |
|  | <b>*Restated</b>                     |                     |                     |                                      |
| Assets:  |                                      |                     |                     |                                      |
| Cash and cash equivalents                                    | \$ 91,765                            | \$ 1,537,561        | \$ 1,538,793        | \$ 90,533                            |
| Total Assets   | <u>\$ 91,765</u>                     | <u>\$ 1,537,561</u> | <u>\$ 1,538,793</u> | <u>\$ 90,533</u>                     |
| Liabilities:   |                                      |                     |                     |                                      |
| Funds held for others  | \$ 87,962                            | \$ 1,465,929        | \$ 1,466,964        | \$ 86,927                            |
| Due to General Fund  | 5,613                                | 70,656              | 70,198              | 6,071                                |
| Unknown funds held   | <u>(1,810)</u>                       | <u>976</u>          | <u>1,631</u>        | <u>(2,465)</u>                       |
| Total liabilities  | <u>\$ 91,765</u>                     | <u>\$ 1,537,561</u> | <u>\$ 1,538,793</u> | <u>\$ 90,533</u>                     |
| <b>Tax Sale Escrow</b>                                       |                                      |                     |                     |                                      |
|  | <b>*Restated</b>                     |                     |                     |                                      |
| Assets:  |                                      |                     |                     |                                      |
| Cash and cash equivalents                                    | \$ 254,264                           | \$ 257,805          | \$ 290,392          | \$ 221,677                           |
| Total Assets   | <u>\$ 254,264</u>                    | <u>\$ 257,805</u>   | <u>\$ 290,392</u>   | <u>\$ 221,677</u>                    |
| Liabilities:   |                                      |                     |                     |                                      |
| Unknown funds held   | <u>\$ 254,264</u>                    | <u>\$ 257,805</u>   | <u>\$ 290,392</u>   | <u>\$ 221,677</u>                    |
| Total liabilities  | <u>\$ 254,264</u>                    | <u>\$ 257,805</u>   | <u>\$ 290,392</u>   | <u>\$ 221,677</u>                    |
| <b>Inmate Trust Escrow</b>                                   |                                      |                     |                     |                                      |
| <b>( No Fiscal Year 2012 Activity Reported - See Note 1)</b> |                                      |                     |                     |                                      |
| Assets:  |                                      |                     |                     |                                      |
| Cash and cash equivalents                                    | \$ 1,931                             | \$ -                | \$ -                | \$ 1,931                             |
| Due from General Fund  | <u>76</u>                            | <u>-</u>            | <u>-</u>            | <u>76</u>                            |
| Total Assets   | <u>\$ 2,007</u>                      | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 2,007</u>                      |
| Liabilities:   |                                      |                     |                     |                                      |
| Funds held for others  | <u>\$ 2,007</u>                      | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 2,007</u>                      |
| Total liabilities  | <u>\$ 2,007</u>                      | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 2,007</u>                      |

\* As Restated - See Note 17

**BAMBERG COUNTY, SOUTH CAROLINA  
ALL AGENCY FUNDS  
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2012**

|                              | <b>Balance<br/>June 30,<br/>2011<br/>*Restated</b> | <b>Additions</b>            | <b>Deductions</b>           | <b>Balance<br/>June 30,<br/>2012</b> |
|------------------------------|--|-----------------------------|-----------------------------|--------------------------------------|
| <b>TOTALS - AGENCY FUNDS</b> |  |                             |                             |                                      |
| Assets:                      |  |                             |                             |                                      |
| Cash and cash equivalents    | \$ 1,658,421                                       | \$ 3,098,256                | \$ 3,443,258                | \$ 1,313,419                         |
| Due from General Fund        | 1,415,472  | 6,043,272                   | 6,373,852                   | 1,084,892                            |
| Delinquent taxes receivable  | 1,143,790  | 579,436                     | 471,951                     | 1,251,275                            |
|                              | <u>                    </u>                        | <u>                    </u> | <u>                    </u> | <u>                    </u>          |
| Total Assets                 | <u>\$ 4,217,683</u>                                | <u>\$ 9,720,964</u>         | <u>\$ 10,289,061</u>        | <u>\$ 3,649,586</u>                  |
| Liabilities:                 |  |                             |                             |                                      |
| Funds held for others        | \$ 2,815,826                                       | \$ 8,812,091                | \$ 9,454,889                | \$ 2,173,028                         |
| Unknown funds held           | 252,454  | 258,781                     | 292,023                     | 219,212                              |
| Due to General Fund          | 5,613  | 70,656                      | 70,198                      | 6,071                                |
| Deferred revenue             | 1,143,790  | 579,436                     | 471,951                     | 1,251,275                            |
|                              | <u>                    </u>                        | <u>                    </u> | <u>                    </u> | <u>                    </u>          |
| Total Liabilities            | <u>\$ 4,217,683</u>                                | <u>\$ 9,720,964</u>         | <u>\$ 10,289,061</u>        | <u>\$ 3,649,586</u>                  |

\* As Restated - See Note 17

**BAMBERG COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES  
FOR THE YEAR ENDED JUNE 30, 2012**

|   | <u>CLERK OF<br/>COURT</u> | <u>MAGISTRATES</u> | <u>TOTAL</u>      |
|---|---------------------------|--------------------|-------------------|
| <b>Court Fines</b>  |                           |                    |                   |
| Court fines   | \$ 39,952                 | \$ 111,220         | \$ 151,172        |
| Court fines retained by the County                                  | <u>(3,673)</u>            | <u>(111,220)</u>   | <u>(114,893)</u>  |
| Court fines remitted to State Treasurer                             | <u>\$ 36,279</u>          | <u>\$ -</u>        | <u>\$ 36,279</u>  |
| <b>Court Assessments</b>  |                           |                    |                   |
| Court assessments collected   | \$ 8,601                  | \$ 109,194         | \$ 117,795        |
| Court assessments retained by the County                            | <u>(3,618)</u>            | <u>(11,301)</u>    | <u>(14,919)</u>   |
| Court assessments remitted to State Treasurer                       | <u>\$ 4,983</u>           | <u>\$ 97,893</u>   | <u>\$ 102,876</u> |
| <b>Court Surcharges</b>   |                           |                    |                   |
| Court surcharges collected  | \$ 3,822                  | \$ 66,911          | \$ 70,733         |
| Court surcharges retained by the County                             | <u>(2,639)</u>            | <u>(5,069)</u>     | <u>(7,708)</u>    |
| Court surcharges remitted to State Treasurer                        | <u>\$ 1,183</u>           | <u>\$ 61,842</u>   | <u>\$ 63,025</u>  |
| <b>Surcharges and Assessment retained for<br/>Victims' Services</b> |                           |                    |                   |
| Court surcharges allocated to Victim Services                       | \$ 2,639                  | \$ 5,069           | \$ 7,708          |
| Court assessments allocated to Victim Services                      | <u>3,618</u>              | <u>11,301</u>      | <u>14,919</u>     |
| Funds available   | <u>\$ 6,257</u>           | <u>\$ 16,370</u>   | <u>\$ 22,627</u>  |
| <b>Victims' Services</b>  |                           |                    |                   |
| Beginning Balance - July 1, 2011                                    |                           | \$ -               |                   |
| Funds available   |                           | 22,627             |                   |
| Victims' services paid by General Fund                              |                           | 3,307              |                   |
| Expenditures for victims' services                                  |                           | <u>(25,934)</u>    |                   |
| Ending Balance - June 30, 2012                                      |                           | <u>\$ -</u>        |                   |

## STATISTICAL SECTION

**BAMBERG COUNTY, SOUTH CAROLINA  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2012**

|  |                          |
|--|--------------------------|
| Real and Other Personal Property Assessed Value                        | \$ 24,739,290            |
| Less: Exempt Property Assessed Value                                   | <u>50</u>                |
| Net Real Other Personal Property Assessed Value                        | 24,739,240               |
| Vehicles Assessed Value  | <u>3,594,990</u>         |
| Total Taxable Assessed Value   | <u>28,334,230</u>        |
| Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value        | 2,266,738                |
| Amount of Debt Applicable to Debt Limit:<br>Total Bonded Debt - Note 9 | <u>1,350,000</u>         |
| <b>LEGAL DEBT MARGIN</b>   | <u><u>\$ 916,738</u></u> |

**BAMBERG COUNTY, SOUTH CAROLINA  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
JUNE 30, 2012**

| <b>Tax Year</b>                                   | <b>Delinquent<br/>Taxes</b> |
|---|-----------------------------|
| 2002  | \$ 76,373                   |
| 2003  | 25,357                      |
| 2004  | 48,824                      |
| 2005  | 69,731                      |
| 2006  | 88,855                      |
| 2007  | 140,706                     |
| 2008  | 123,532                     |
| 2009  | 147,188                     |
| 2010  | 249,726                     |
| 2011  | 840,269                     |
| Rollbacks   | 109                         |
|   | <u>109</u>                  |
| <b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2012</b> | <b>\$ 1,810,670</b>         |
|   | <u>1,810,670</u>            |
| Delinquent taxes, June 30, 2011                   | \$ 1,613,135                |
| Add executions, March 15, 2012                    | 1,135,946                   |
| Supplementals                                     | 53,020                      |
| Less:   |                             |
| Collections                                       | 840,432                     |
| Errors  | 128,925                     |
| Nulla Bonaes                                      | 22,074                      |
|   | <u>22,074</u>               |
| <b>DELINQUENT TAXES RECEIVABLE, JUNE 30, 2012</b> | <b>\$ 1,810,670</b>         |
|   | <u>1,810,670</u>            |
| Distribution                                      |                             |
| General Fund                                      | \$ 470,660                  |
| Fire Service Special Revenue Fund                 | 36,419                      |
| Capital Needs Capital Projects Fund               | 41,166                      |
| Hospital Bond Debt Service                        | 11,150                      |
| School Districts                                  | 1,251,275                   |
|   | <u>1,251,275</u>            |
| <b>TOTAL</b>                                      | <b>\$ 1,810,670</b>         |
|   | <u>1,810,670</u>            |

## COMPLIANCE SECTION

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

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## 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, South Carolina

We have audited 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, 2012, which collectively comprise Bamberg County, South Carolina's basic financial statements and have issued our report thereon dated March 12, 2013. We did not issue an opinion on the government-wide financial statements because of the omission of the component unit and the incompleting data of the capital assets. The report on fund financial statements was qualified because the Delinquent Tax sale bank account activity could not be verified as to whom the funds held are due and inmate funds could not be reconciled and the amount of misappropriated funds is unknown. Except as discussed in the preceding sentences, 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.

### Internal Control Over Financial Reporting

Management of Bamberg County, South Carolina, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Bamberg County, South Carolina's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bamberg County, South Carolina's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**  
(continued)

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 described in the accompanying schedule of findings and responses to be material weaknesses. 2012-1 through 2012-6.

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 deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies. 2012-7 through 2012-9.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Bamberg County, South Carolina's financial statements are free of 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 2012-6 and 2012-8.

We noted certain other matters that we reported to management of Bamberg County, South Carolina in a separate letter dated March 12, 2013.

Bamberg County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Bamberg County, South Carolina's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, County Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGregor + Company LLP*

Orangeburg, South Carolina  
March 12, 2013

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

**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**

**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.

**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, and salary reimbursements.

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 balances at July 1 for many accounts over all the funds did not agree to the prior year audited financial statements. Material adjustments were necessary in various funds to correct.

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, 2012**

**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 (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; comparing the balances in the Landfill's system to the County's main general 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 refinanced some obligations. The net proceeds to the County or payments made by the County were recorded in Miscellaneous Revenue and Expense. 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, \$141,601 in legal fees incurred, \$1,100,000 of debt proceeds received, and \$1,008,399 in debt service paid were not recorded as activity 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.

The total of the line items for several departments in the budget book prepared by the County did not agree to the department total in the same budget book. Several budget amounts in the budget book did not agree to the budget entered into the County's general ledger system. Also, all funds are budgeted as if they were all one fund, the general fund. Separate budgets must be accurately prepared for each fund and any transfers between funds anticipated should be budgeted as well. Care should be exercised in including all recurring revenue and expenditures in the budget process. Due to these budget issues and the previously mentioned inadequate general ledger accounting issues, the monthly reports generated from the County's general ledger system for Council to review and verify per the budget ordinance are not accurate and inclusive of all County transactions.

**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.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

**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 (continued)**

**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.

**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. These policies will be adopted, established and supported by the Bamberg County Council. The system will become the foundation for the County's accounting and financial statement reporting throughout the organization and will be managed by the County Administrator through the Finance Department.

Bamberg County management will also develop and implement processes to improve its practice of monitoring the transactions recorded into the "single" unified general ledger system. Appropriate County officers/employees will be designated and charged with the responsibility for the monitoring. These procedures will include 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 finance system users will undergo extensive training from the current system provider, QS1 (Smith Data). It is believed that we have the necessary general ledger system in place; however, it is not being used to its fullest potential. We plan to educate all users on how to integrate the system county-wide and hopefully remove many of the causes cited in the management letter.

Our plan is to make many of these accounting and financial reporting system improvements in the current fiscal year (FY13) so that we can use the improved system during the budget process and so that we can have everything in place for the upcoming FY14 fiscal year. Specifically we will establish the correct accounting funds needed to appropriately account for all of the County's transactions. We will reclass activities from the general fund into their proper respective funds. For example, debt service principal and interest payments will be established and recorded in a Debt Service Fund. We will direct users of the system to become consistent in account classifications, names, and carrying balances. We will immediately stop the practice of netting certain revenues and expenditures in one account.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

**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 (continued)**

Management will ensure that proper and timely reconciliations are performed so that errors are caught early, reduced, or over time eliminated.

These new processes will require time to develop, train, implement, and correct. Management is committed to this goal.

**2012-2 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.

**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. In prior years the County attempted to help the hospital financially in the hopes that the facility would be able to remain open. Despite that help, the hospital did close and has now filed for protection under Chapter 9 of the United States Bankruptcy Code. At this time the County is trying to work with the hospital board and has invited hospital equipment brokerage firms to view and examine the assets to determine the value of the remaining equipment. The intent is to determine if there is a market for the equipment and to identify potential interested buyers. The County is also inquiring about the cost of engaging a brokerage house to perform a complete appraisal.

Hospital Corporation of America (HCA) has signed a non-binding contract with the Bamberg County Memorial Hospital for the purpose of opening an urgent care facility within the emergency room portion of the hospital. Their engineers are looking to see how much of the space may be needed. It is possible that HCA may purchase the hospital but the outcome is not known at this time.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

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

**Material Weaknesses**

**2012-2 Omission of Component Unit (continued)**

To sum, Bamberg County is trying to facilitate the sale of the hospital and its assets but much of the outcome is beyond the scope of the County's control. We believe that the hospital and its assets will be sold to either HCA or another third party. When this happens this audit finding will be resolved.

**2012-3 Capital Assets**

**Condition:** The County does not maintain a current copy of the detail of capital assets and related depreciation calculations for its assets. 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.

**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, 2012.

**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 will work to obtain the capital asset detail listing from the prior year auditor. Once the County has this detail listing, we will update it for all additions and/or deletions that occurred during FY12 and forward.

In addition, the County does plan to conduct a full inventory of all County-owned assets. We will then update the listing to account for any assets that have been disposed of or that are no longer in service. Once the listing is brought up to date the County will ensure going forward that a master copy of the detail capital asset detail is maintained in its permanent files.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

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

**Material Weaknesses**

**2012-4 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, 2012.

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

**County response:** The County will place more focus in reconciling transactions and verifying account balances. We have much work to do in this area due to the lack of a unified general ledger accounting system. As noted in the response to Material Weakness 2012-1 the County plans to work toward implementing policies and procedures that will eventually lead to a single unified general ledger system. Once we are able to accomplish this goal we should see vast improvements in accuracy and completeness of our financial records.

**2012-5 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, 2012**

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

**Material Weaknesses**

**2012-5 Preparation of Financial Statements (continued)**

**County response:** Bamberg County operates with a very small staff. The Finance Department has one employee. This one employee is responsible for payroll, accounts payable, and recording all general ledger transactions, including revenues and expenditures. Admittedly we simply do not have the resources to be able to hire additional finance staff. Bamberg County will rectify this issue by a combination of training existing staff and by hiring an outside financial consultant to prepare the financial statements. We understand that by preparing our own financial statements that errors, omissions, misclassifications and other discrepancies would be found by staff and corrected by them before it rose to the level of the external auditors. It will take time to develop and/or hire staff to perform this function but we will move toward that as our goal.

**2012-6 Detention Center Inmate Funds**

**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.

**Criteria:** 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.

**Effect:** 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, 2012**

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

**Material Weaknesses**

**2012-6 Detention Center Inmate Funds (continued)**

**County response:** Bamberg is conducting an internal fraud audit with regard to this issue. Specifically we are examining both the Inmate Fund account and the Commission account. We have been in contact with the State authority, apprised them of our work and agreed to share information with them.

We also contacted our contracted commissary provider, Swanson Services, and requested immediate training for staff on how to better utilize the existing system so that we can prepare the appropriate monthly cash reconciliations. Once we can determine, or estimate the amount of misappropriation, we will install a new commissary software system. This new system will reduce the opportunity for fraud by instilling cash controls at the point of inmate intake. The new system will be a card system meaning that when an inmate comes into the jail; all cash in their possession will be converted to a card. This stored value card can be used just like a debit card. They will then use their card to make purchases from the commissary. Upon release, the inmate will be given their card to take with them. The intent is to reduce the cash as much as possible thus reducing the opportunity for misappropriation.

In addition we have immediately moved the Commission account from the Jail to the County Treasurer's office. We believe that segregation of duties issues have led to and compounded this misappropriation. We are making changes to correct that. Specifically we will have the bank statements come to the County Treasurer instead of the Jail. The Jail Administrator will no longer have signature authority over the Commission account and we have developed a formal system for the Jail Administrator to request to expend any funds from the Commission account. Further, we have instructed Jail staff to make no less than weekly deposits and to reconcile those deposits immediately with the system. We are continuing to discuss and teach good internal control measures to the Jail staff.

We believe that these new procedures, coupled with our internal audit, the installation of the new system and our own internal controls will mitigate the risk of misappropriation of inmate funds in the future.

**Significant Deficiencies**

**2012-7 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, the Detention Center, and the Sheriff because of the size of the administrative staff.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

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

**Significant Deficiencies**

**2012-7 Segregation of Duties (continued)**

**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:** Bamberg County will develop compensating internal controls to address the segregation of duties in the areas cited in this audit finding. We will work with each of these department heads to develop a solution for the lack of segregation of duties. We will first look to each department to have someone from that department review the transactions. In some instances this will not be possible due to the small staff. We will then look within the existing employee base to find a person who has the appropriate knowledge and skills to perform the reviews needed. If suitable existing personnel cannot be found to perform the tasks we will utilize an outside professional to perform such reviews. The County is currently working with a Certified Public Accountant who is experienced in governmental accounting, internal audit and fraud examinations. This financial professional will be the lead person in helping the County to address this and other audit findings and to create an environment of strong internal controls.

**2012-8 Payroll Issues**

**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.

**Criteria:** 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.

**Cause:** The entries were the result of either oversight on the part of County staff for not verifying the data and correcting timely

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

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

**Significant Deficiencies**

**2012-8 Payroll Issues (continued)**

**Effect:** Included in these differences were three pay runs in which the employees' FICA amount was charged to the County's expenditure line which resulted in a \$5,988.24 understatement of expenditures due to the 2% rate reduction allowed for employee portion. On two occasions, there was an additional charge to the County's retirement expenditure amount. South Carolina unemployment was still being calculated on the old \$7,000 salary cap rather than the \$10,000 (2011) and \$12,000 (2012) salary caps.

**Recommendation:** All payroll rates and wage base changes should be entered into the payroll system and verified routinely. After the import of each payroll run, the general ledger accounts should be reconciled to the payroll registers and any discrepancies should be corrected timely.

**County response:** The County will implement a system of reconciling the payroll registers to the general ledger accounts. The Finance Director will sign off on this reconciliation. Additionally a separate designated person will perform a quarterly payroll review to ensure that the bi-weekly payroll registers are indeed agreeing to the general ledger as well as to review the withholding percentages for payroll taxes and retirement contributions. Payroll rates and wage base changes will be approved by the Finance Director and reviewed and approved by the County Administrator. A form will be developed to establish this approval process.

**2012-9 Inadequate Controls over Property Assessed Values**

**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.

**Criteria:** Evidence of verification of manual data changes to the electronic system database should be noted.

**Cause:** There is no known cause for this deficiency.

**Effect:** The effect is non-compliance with County's official actions and potential tax bills being issued with incorrect property assessed values.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2012**

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

**Significant Deficiencies**

**2012-9 Inadequate Controls over Property Assessed Values (continued)**

**Recommendation:** Recommendation was made in the prior year to design and implement controls to strengthen controls surrounding property assessed values in its computerized database system. Suitable controls have been designed and were in place at the start of the 2013 fiscal year.

**County response:** This deficiency has been corrected. The County Assessor is printing a daily activity log from the system each day. This report shows all changes made to any property record of the County. The Assessor reviews this log each day and ties it back to the property cards. She then signs off on the changes attesting that all changes were proper and authorized. This activity log is maintained in the Assessor's permanent files.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**A. Findings – Financial Statement Audit**

**Material Weaknesses**

**2011-1 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, 2011. 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

**Current status:** Sustained in 2012-1

**Significant Deficiencies**

**2011-2 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.

**Current status:** Sustained in 2012-9.

**2011-3 Inadequate Segregation of Duties**

**Criteria and Condition:** A segregation of duties condition arises when an individual has custody of accounting records, is responsible for authorizing transactions, and does financial reporting for those transactions. The effect is an increase risk that errors, irregularities or fraud may occur and not be detected in a timely manner by employees in the normal course of operations.

**Current status:** Sustained in 2012-7.

**BAMBERG COUNTY  
BAMBERG, SOUTH CAROLINA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

**A. Findings – Financial Statement Audit**

**Significant Deficiencies**

**2011-4 Incomplete Capital Asset Records**

**Criteria and Condition:** The County's capital asset listings do not contain all the capital assets of the County. In particular, the listings omit the Bamberg County Hospital, general infrastructure, roads, bridges, rights-of-way (easements), stormwater drainage systems, etc.

**Current status:** Sustained in 2012-3.