

BAMBERG COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2018

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
<u>FINANCIAL SECTION</u>	
Independent Auditor’s Report	1 – 3
Management’s Discussion and Analysis (Unaudited)	4 – 25
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	28
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	29
Statement of Revenues, Expenditures, and Changes in Fund Balances	30
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	31
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	32
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Major Special Revenue Public Works Road Maintenance Fund	33
Proprietary Funds:	
Statement of Net Position	34
Statement of Revenues, Expenses, and Changes in Fund Net Position	35 – 36
Statement of Cash Flows	37
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities.....	38
Notes to the Basic Financial Statements	39 – 90
Required Supplementary Information (Unaudited)	
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	91
Schedule of the County’s Proportionate Share of the Net Pension Liability (SCRS and PORS)	92
Schedule of County Contributions (SCRS and PORS).....	93

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

TABLE OF CONTENTS

(continued)

	<u>Page</u>
<u>FINANCIAL SECTION</u> (continued)	
Combining and Individual Fund Schedules:	
General Fund and Major Capital Projects Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.....	94 – 95
Schedule of Expenditures, Compared to Budget – General Fund.....	96 – 105
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Project Authorization and Actual – Sales Tax and Other Capital Projects Fund.....	106
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Reserve Capital Projects Fund.....	107
Nonmajor Governmental Funds:	
Combining Balance Sheet	108
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances.....	109
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Special Revenue Fund.....	110
E-911 Special Revenue Fund	111
Fire Service Special Revenue Fund.....	112
Debt Service Fund.....	113
Fiduciary Funds – Agency Funds	
Combining Schedule of Fiduciary Assets and Liabilities	114
Combining Schedule of Changes in Fiduciary Assets and Liabilities.....	115 – 118
<u>SUPPLEMENTAL SECTION</u>	
Schedule of Court Fines, Assessments and Surcharges	119
Computation of Legal Debt Margin	120
Schedule of Delinquent Taxes Receivable	121
<u>COMPLIANCE SECTION</u>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	122 – 123
Schedule of Findings and Responses	124 – 135
Summary Schedule of Prior Year Findings.....	136 – 137

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hincee, CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA
P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA
T. Solorzano, CPA

C.W. Bolen, CPA
D.C. Scott, CPA
G.F. Huntley, CPA

W.C. Stevenson, CPA
B.T. Kight, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA

L.B. Salley, CPA
D.K. Strickland, CPA

G.P. Davis, CPA
H.O. Crider, Jr., CPA

INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

INDEPENDENT AUDITOR'S REPORT
(continued)

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bamberg County, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the major Special Revenue Public Works Road Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 15 to the financial statements, in 2017-2018 the County adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of the changes in the County's total OPEB liability and related ratios, schedules of the County's proportionate share of the net pension liability – SCRS and PORS, and schedules of County contributions – SCRS and PORS on pages 4–25 and 91–93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bamberg County, South Carolina's basic financial statements. The combining and individual fund schedules and the supplemental section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules and the supplemental section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

INDEPENDENT AUDITOR'S REPORT

(continued)

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the supplemental section are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2019, on our consideration of Bamberg County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Bamberg County, South Carolina's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bamberg County, South Carolina's internal control over financial reporting and compliance.

McGregor + Company LLP

Orangeburg, South Carolina
August 28, 2019

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the basic financial statements.

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

Financial Highlights:

- Bamberg County's assets and deferred outflows exceeded its liabilities and deferred inflows at June 30, 2018 by \$4,907,576 (net position). The County's unrestricted net position portion of this amount is a deficit \$(2,879,815).
- The County's total net position increased \$453,949 over the previous year.
- At June 30, 2018, the County's governmental fund balance sheet reported a combined ending fund balance of \$8,215,949, an increase of \$150,114 from the previous fiscal year. Of this amount, \$1,405,043 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$2,898,202, a decrease from last fiscal year of \$410,121. The unassigned fund balance is \$1,816,391.

Overview of the Financial Statements

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

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

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

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

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

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

The government-wide financial statements can be found on pages 26 and 27 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bamberg County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

The basic governmental funds financial statements can be found on pages 28 through 33 of this report.

Proprietary fund: Bamberg County utilizes one proprietary fund for its landfill and solid waste and litter control programs related activities. This fund accounts for the assessed solid waste fees and the landfill usage fees. These statements are found on pages 34 through 37.

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 38 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 39 through 90 of this report.

Other information: In addition to the basic financial statements and accompanying notes, the Governmental Accounting Standards Board requires information pertaining to other post-employment benefits and the pension plan be presented to supplement the basic financial statements. This required supplemental information (RSI) is presented immediately following the notes to the financial statements. Combining and individual fund schedules referred to earlier are presented following the RSI. The RSI can be found on pages 91 through 93 and the combining and individual fund schedules can be found on pages 94 through 118 of this report.

Government-wide Financial Analysis

The government-wide financial statements are provided as part of the new approach mandated by the GASB. GASB sets the uniform standards for presenting government financial reports.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Bamberg County, assets and deferred outflows exceeded liabilities and deferred inflow by \$4,907,576 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$453,949.

One portion of the County's net position (\$1,279,768) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment) less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (\$6,507,623) represents resources that are subject to restrictions on how they may be used. The remaining balance is a deficit of (\$2,879,815) unrestricted net position.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Bamberg County's Net Position (Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u> Restated	<u>2018</u>	<u>2017</u> Restated	<u>2018</u>	<u>2017</u> Restated
Current and other assets	\$ 9,965	\$ 9,736	\$ 82	\$ 103	\$10,047	\$ 9,839
Capital assets	<u>12,860</u>	<u>13,013</u>	<u>863</u>	<u>694</u>	<u>13,723</u>	<u>13,707</u>
Total assets	<u>22,825</u>	<u>22,749</u>	<u>945</u>	<u>797</u>	<u>23,770</u>	<u>23,546</u>
Total deferred outflows of resources	<u>2,612</u>	<u>2,724</u>	<u>58</u>	<u>63</u>	<u>2,670</u>	<u>2,787</u>
Long-term liabilities						
Outstanding	17,768	18,431	1,094	1,090	18,862	19,521
Other liabilities	<u>2,233</u>	<u>2,147</u>	<u>258</u>	<u>179</u>	<u>2,491</u>	<u>2,326</u>
Total liabilities	<u>20,001</u>	<u>20,578</u>	<u>1,352</u>	<u>1,269</u>	<u>21,353</u>	<u>21,847</u>
Total deferred inflows of resources	<u>170</u>	<u>30</u>	<u>9</u>	<u>2</u>	<u>179</u>	<u>32</u>
Net Position						
Invested in capital assets, net of related debt	812	466	468	278	1,280	744
Restricted	6,508	5,848	-	-	6,508	5,848
Unrestricted	<u>(2,054)</u>	<u>(1,449)</u>	<u>(826)</u>	<u>(689)</u>	<u>(2,880)</u>	<u>(2,138)</u>
Total net position	<u>\$ 5,266</u>	<u>\$ 4,865</u>	<u>\$(358)</u>	<u>\$(411)</u>	<u>\$ 4,908</u>	<u>\$ 4,454</u>

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

Bamberg County's Changes in Net Position (Dollars in Thousands)						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenue:						
Charges for services	\$ 786	\$ 788	\$ 999	\$1,023	\$ 1,785	\$ 1,811
Operating grants	407	552	285	46	692	598
Capital grants and contributions	536	779	-	-	536	779

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018

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

	<u>Governmental</u>		<u>Business-type</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General revenue:						
Taxes:						
Property taxes	7,289	6,610	-	-	7,289	6,610
Sales tax	961	955	-	-	961	955
State shared revenue	658	621	-	-	658	621
Gain on sale of assets	28	48	12	-	40	48
Interest earnings	35	7	-	-	35	7
Miscellaneous	82	101	-	-	82	101
Contributions	4	37	-	-	4	37
Total revenues	<u>10,786</u>	<u>10,498</u>	<u>1,296</u>	<u>1,069</u>	<u>12,082</u>	<u>11,567</u>
Expenses:						
General government	3,369	2,991	-	-	3,369	2,991
Judicial	785	724	-	-	785	724
Public safety	3,333	2,686	-	-	3,333	2,686
Public works	697	543	-	-	697	543
Economic development	505	251	-	-	505	251
Culture and recreation	210	206	-	-	210	206
Miscellaneous	186	182	-	-	186	182
Health and welfare	556	915	-	-	556	915
Interest and charges	661	670	-	-	661	670
Landfill and solid waste	-	-	1,326	1,141	1,326	1,141
Total expenses	<u>10,302</u>	<u>9,168</u>	<u>1,326</u>	<u>1,141</u>	<u>11,628</u>	<u>10,309</u>
Transfers	<u>(84)</u>	<u>(76)</u>	<u>84</u>	<u>76</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 400</u>	<u>\$ 1,254</u>	<u>\$ 54</u>	<u>\$ 4</u>	<u>\$ 454</u>	<u>\$ 1,258</u>

Primary Government Activities: Revenues for the County's governmental activities were \$10,785,595 for fiscal year 2018. Taxes constitute the largest source of County revenues, amounting to approximately \$8,249,779 for the fiscal year 2018. Real, personal property, and vehicle taxes of \$7,288,913 represent over 88% of total taxes and 68% of all revenue combined. The business-type activities had an increase in net position for the year of \$53,443.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

June 30, 2018, Bamberg County governmental funds reported combined fund balances of \$8,215,949, an increase of \$150,114 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2018, total fund balance in the General Fund was \$2,898,202, of which \$1,816,391 was unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balances compared to total fund expenditures was 24%. The fund balance of the General Fund decreased by \$410,121 during the current fiscal year.

The major Special Revenue Public Work Road Maintenance Fund is used to account fees assessed for roads for maintenance. The Fund balance for this fund decreased by \$92,255 to arrive at a deficit fund balance of \$(349,447) at June 30, 2018.

The major Sales Tax and Other Capital Projects Fund is used to account for specific revenues and debt proceeds slated to fund the approved capital projects under the sales tax referendum. The fund balance for this fund increased by \$775,370 during the fiscal year resulting in an ending fund balance of \$4,738,858 at June 30, 2018.

The major Capital Reserve Capital Projects Fund is used to account for tax revenue levied for capital equipment needs. The fund balance for this fund decreased by \$186,360 to arrive at an ending fund balance of \$372,066 at June 30, 2018.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$63,480 from the prior year.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund on page 32. The expenditures incurred during the year were \$352,066 over the budgeted amounts and revenues received were \$236,205 over the budgeted amounts.

Capital Asset and Debt Administration

Capital assets: Bamberg County's investment in capital assets for its governmental activities and business-type activities as of June 30, 2018 is stated below.

	Governmental Activities (Dollars in Thousands)	Business-Type Activities
Land	\$ 392	\$ 36
Construction in process	315	-
Buildings and improvements	7,851	146
Vehicles	935	216
Machinery and equipment	2,022	465
Infrastructure	<u>1,345</u>	<u>-</u>
Total capital assets, net	<u>\$12,860</u>	<u>\$ 863</u>

Additional information on the County's capital assets can be found in Note 7 on pages 53 through 54 of this report.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Long-term debt: At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,601,915, all of which is backed by the full faith and credit of the County. During the 17-18 fiscal year, the County issued \$162,500 general obligation bond Series 2018 to provide funding for payment of existing debt service on debt related to capital sales tax projects. During the fiscal year, the County also executed an installment purchase contract of \$145,476 for heavy equipment, a note payable for vehicles totaling \$115,779, and increased one note payable for \$14,500 for capital projects.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 1,602	\$ 1,639	\$ -	\$ -
Installment purchase revenue bonds	9,870	10,390	-	-
Notes payable	343	316	58	-
Capital lease obligations	<u>1,131</u>	<u>1,288</u>	<u>337</u>	<u>416</u>
	<u>\$12,946</u>	<u>\$13,633</u>	<u>\$395</u>	<u>\$ 416</u>

Additional information on Bamberg County's long-term debt can be found in Note 11 on pages 56 through 63 of this report.

Economic Factors and Next Year's Budgets and Rates

Physical Characteristics



New Bamberg County Entrance Sign on US Highway 301

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**



County Profile

Date Formed: 1897	Land Area (Square Miles): 393
County Seat: Bamberg	Other Cities & Towns: Denmark, Ehrhardt, Govan, Olar
Form of Government: Council-Administrator	Council Members: 7
Method of Election: Single Member	Term Length: 4 years
Council of Government: Lower Savannah	

County History

Bamberg County and its county seat were named for local resident William Seaborn Bamberg (1820-1858) and other members of the Bamberg family. The area was a part of Barnwell County until 1897 when the new county was established. Although the area has been primarily agricultural, several towns developed along the route of the South Carolina Railroad in the mid-nineteenth century. In February of 1865, Confederate soldiers fought an unsuccessful skirmish against General Sherman’s troops at Rivers Bridge, now the site of a state park. The plantation of author William Gilmore Simms (1806-1870) was in what is now Bamberg County, and artist Jim Harrison was also a native of the county.

Bamberg County was established in 1897 and consists of 395.2 square miles. The population (2018) is 14,275 based on the most recent United States census data. The County operates under the Council-Administrator form of government and employs approximately 113. The county intersects four U.S. Highways – U.S. 301, 601, 78 and 321.

Rail Service:

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

Air Service:

Bamberg is served by a community airport consisting of an approximately 3,600 foot runway capable of accommodating single and multi-engine air craft.

Utility Providers:

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

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

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

School Districts:

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

Higher Education:

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

Healthcare:

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

Quality of Life:

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

Unique:

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

Largest Employers:

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

UTC Aerospace/Delavan

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

Rockland Industries

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

Freudenberg Sealing Technologies

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Phoenix Specialty

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

Black Water Barrels

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



**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**



Bamberg Barnwell Emergency Care Center

Perhaps the most significant community development achievement in the region in 2018 was the construction of the new Bamberg Barnwell Emergency Care Center in Denmark, South Carolina. This freestanding, innovative emergency center involved collaboration among Bamberg, Barnwell, Calhoun and Orangeburg Counties, as well as federal, state and legislative partners, to bring 24/7 healthcare back to Bamberg and Barnwell Counties, after their county hospitals closed several years ago. The facility brings a regional solution to healthcare, employs 67 and is currently treating almost 300 patients per week.

Southern Carolina Alliance:

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

Unemployment

According to the S.C. Department of Employment and Workforce (DEW), Bamberg County's unemployment rate was 6.7% in July 2018, and was 6.5% as of July 2019. The state of South Carolina unemployment rate was 3.6% in July of 2018 and 3.4% in July of 2019.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Planning

In order to plan for future years, Bamberg County Council holds planning retreats normally in the spring of each year. This retreat is held annually and affords County Council the opportunity to consider the County’s overall vision and mission. As part of this goal-setting session, the Council prepares objectives for each main area of service.

Following is the County vision and mission as approved by County Council during their most recent retreat, which was held in March 2018.



Vision

Bamberg County will be a community where citizens can feel safe, raise their families, obtain a quality education and employment, and thrive in a community with an exceptional quality of life.

Mission

Bamberg County’s mission is to be a financially-stable and fiscally responsible government that will utilize technology, communication and ingenuity to provide the opportunity for a high quality of life by ensuring that excellent infrastructure is available to its citizens; where Citizens and Public Safety agencies have the resources to work together to provide a safe community to live and do business in; where quality housing and the best available healthcare options are found; where first-class recreation facilities provide a physical outlet for individuals and families; and where there is a favorable business climate that provides job opportunities to present and future generations.



**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

FY 19 Budget Detail

The FY19 budget was developed to align resources (revenues) to Council's goals and overall mission for the county. The County continued to address deferred equipment needs by following its capital replacement plan. It was established that the State continues to not fully fund local governments properly per State law, thus this fact made it very difficult to fully fund all the County's needs with the local tax base. The County experienced increased operating costs such as health insurance, retirement costs, and general inflationary pressures to goods and services.

Many departments requested additional personnel but the Council was not able to approve any new positions.

The value of one mil increased slightly from \$26,520 in FY18 to \$26,732 for FY19, thus there was very little increase in revenues due to the lack of significant growth of the tax base.

The County continued to choose to cover the increases to employee health insurance premiums, as opposed to passing those costs to the employees. The FY19 budget does not contain any across-the-board pay increases.

Below are some additional budget initiatives and challenges, presented on a per fund basis.

General Fund

- Sheriff's Department upgrades: Radios and Communication equipment \$47,415, bullet-proof vests \$17,120 -grant to pay for the vests
- Detention Center: Continuing improvements to bring us in line with minimum standards, 2nd year of in-house medical/drugs program, finger print machine- grant to pay for this. Increasing municipal inmate daily fee from \$16/day to \$26/day.
- Dispatching: Requesting two (2) 800 Radios for constant contact with deputies when they are in areas of the county that regular radios do not cover. Cost \$3,520.00.
- Continue to pay for the Employee Assistance Contract of \$3,500.00, covers up to 120 employees plus dependents
- Codification Project ongoing, budgeting \$10,370 for remainder of the contract
- Health insurance and State Retirement increases - \$384,000 more than previous year. Thus, bulk (57%) of the general fund increase is due to these two items alone
- Property insurance increasing by estimated \$15,000
- Medically Indigent Assistance fund increasing by \$9,700
- Budgeting \$6,640 to be in compliance with GASB75 – enhanced reporting for post-retirement benefits (health insurance)

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Special Revenue Funds

E911

Upgrade to E911 Center, consisting of adding additional dispatch station, furniture & equipment for the additional station, carpet, paint, computer equipment, metal door and canopy

Total Cost of Project is \$120,575.

- Capital Reserve Fund to pay \$43,260
- E911 Tariff Fund to pay \$77,315
- County will get reimbursed 80% of the \$77,315 (\$61,851)
- Thus total net cash outlay for the County is \$58,724

Public Works – Road Maintenance

The FY19 Budget is proposing a one-time levy and future increases to the Road User Fee, so that this fund can be self-sustaining

ROAD MAINTENANCE DEFICIT				
	ACCUM. DEFICIT	CUMULATIVE AMOUNT DUE TO GENERAL FUND		NOTES
FY13	\$ 220,228	\$	208,377	Per audited financial statements
FY14	\$ 205,808	\$	192,607	Per audited financial statements
FY15	\$ 215,180	\$	211,365	Per audited financial statements
FY16	\$ 181,959	\$	169,920	Per audited financial statements
FY17	\$ 250,119	\$	238,080	Based on budgeted figures
FY18	\$ 305,139		303,955	Based on budgeted figures
General Fund is having to contribute around \$75,000 per year to support Road Maintenance.				

The \$30.00 current Road User Fee does not cover all the expenses of this function, and has not for some time. In FY17 the Road User Fee revenue was \$332,550 and Road expenditures was \$413,443, resulting in an \$80,893 operating deficit. This has been happening each year for many years.

As a management team, we feel that the following course of action is prudent and warranted. To not correct this situation would be fiscally irresponsible. We are proposing the following action to correct for the past condition and to rectify the future: Utilize a one-time levy to recover the prior year accumulated deficit and to pay back the General Fund what is owed to it. Then, increase the Road User Fee in future years so that this fund will be self-sustaining.

Public Works Equipment Replacement

- Will continue to follow vehicle replacement plan
- Plan to replace two trucks in FY19
- Caterpillar Motor grader will be purchased in FY19, no payments until FY20
- Will sell existing John Deere motor grader (\$48,000) to help offset costs of new equipment

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Rural Fire

- Proposing to set aside an additional 2 mils for maintenance needs of trucks and equipment
- Value of one mil is \$16,318
- Moving forward with USDA loan/grant for 3 pumper trucks
- Budgeting \$7,000 for repeater replacement

Grants

- Budgeting for Local Emergency Planning Grants (LEMPG) of \$59,890
- Budgeting \$500,000 in estimated "C" funds
- Budgeting \$247,950 for SCDOC grant for improvements to "spec" building
- Budgeting \$87,760 for SCDNR grant
- Other grants may come available during the year, budgeting a place-holder for those in amount of \$1,000,000

Enterprise Fund

- Continuing to replace equipment as needed per plan
- Requesting to replace one truck
- Improvements to building at Landfill of \$50,000 with potential grant to pay for this, fencing needed, estimate of \$10,000, total of these two \$60,000
- Will apply again for various grants: Waste Tire Grant, Used Oil Grant, Solid Waste Reduction and Recycling Grant, Community Pride Grant, Litter Enforcement Grant, KAB Grant. All these total \$245,235. Had huge successes in FY18 with grants and hope to build upon the momentum.
- Health insurance and retirement increases also affects this fund, budgeting additional \$18,700 for these two items
- Household Solid Waste Fee to remain at \$70

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Positions Requested

Additional Positions were requested by Department Heads & Elected Officials

BAMBERG COUNTY NEW POSITION REQUESTS FOR FY19 BUDGET			
DEPARTMENT	# OF POSITIONS	JOB TITLE	REQUESTED SALARY
AUDITOR	1	TAX CLERK I	\$ 25,000
PROBATE JUDGE	1	CLERK I-PART TIME	\$ 14,000
MAGISTRATE	1	SET-OFF DEBT CLERK	\$ 15,000
CODES/PLANNING	1	PERMIT CLERK	\$ 25,000
SHERIFF	3	1 DEPUTY, TWO INVESTIGATORS	\$ 99,000
DISPATCHING	1	ONE PART-TIME DISPATCHER	\$ 9,000
DETENTION CENTER	1	OFFICER	\$ 24,557
PUBLIC WORKS	1	LABORER	\$ 15,787
CORONER	1	PART-TIME DEPUTY CORONER	\$ 10,000
	11		\$ 237,344

Due to the unprecedented increases to health insurance and the continuing increase to retirement contributions, we are not proposing any new positions in the FY19 Budget.

Health Insurance Increasing

The County’s “load factor” increased in January of 2018. Loading is based on the size of the group, age, gender, smoking, occupations, previous health claims, and other factors. A load factor of 1.0 simply means that your employees have the same amount of risk associated with them than the average of the entire group. Our load factor is 1.50, meaning that Bamberg County employees have been deemed to be at a 50% higher risk than the average of all the employees on the State health plan. Plain and simple, our employees are getting older and with age come health problems.

The County normally has regular increase to the premiums, and then also must consider any load factor increase. Below is a table that shows our history of increases.

YEAR	PERCENT INCREASE	LOAD FACTOR
2014	9.0%	1.00
2015	9.0%	1.063
2016	4.5%	1.029
2017	0.6%	1.00
2018	3.75%	1.50
2019	?	1.50

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

In FY18 the County's health insurance is expected to be in the neighborhood of \$737,000. We are budgeting \$1,013,000 for FY19. This is a \$276,000 increase. In past years, the County has absorbed all (100%) of the premium increases, meaning that the employees have not had any insurance premium increases for many years. This budget proposal will continue to ask Council to pay the insurance increases and shield the employee from any increase.

Retirement Contributions Continue to Increase

Retirement reform from last year continues to impact our budget. H.3726/S.394 made major changes to the SCRS and PORs. Below is a table that provides historical and future contribution rates for the employees and for the employer.

RETIREMENT CONTRIBUTION RATES					
	REGULAR			POLICE OFFICERS	
	EMPLOYEE	EMPLOYER		EMPLOYEE	EMPLOYER
FY12	7.0%	10.6%		7.0%	12.3%
FY13	7.0%	10.6%		7.50%	12.50%
FY14	7.5%	10.6%		7.84%	12.84%
FY15	8.0%	10.9%		8.41%	13.41%
FY16	8.16%	11.06%		8.41%	13.74%
FY17	8.66%	11.56%		8.91%	14.24%
FY18	9.00%	13.56%		9.75%	16.24%
FY19	9.00%	14.56%		9.75%	17.24%
FY20	9.00%	15.56%		9.75%	18.24%
FY21	9.00%	16.56%		9.75%	19.24%
FY22	9.00%	17.56%		9.75%	20.24%
FY23 and after	9.00%	18.56%		9.75%	21.24%

The cost to the County in FY19 is an additional \$90,350. Total retirement cost to the County in FY19 will be \$505,000.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Capital Requested by Department Heads/Elected Officials

BAMBERG COUNTY		
EQUIPMENT, MACHINERY, AND OTHER CAPITAL REQUESTED FOR FY19 BUDGET		
DEPARTMENT	DESCRIPTION	PROJECTED COST
1 DISPATCH	800 RADIOS/RADIO EQUIPMENT	\$ 3,517
2 ASSESSOR	COMPUTER FOR OFFICE-TO REPLACE OLD ONE	\$ 1,150
3 VOTER REGISTRATION	DESIRES TO IMPROVE SECURITY AT AG BLDG	\$ -
4 PROBATE JUDGE	COMPUTER & MONITOR, DESKTOP SCANNER, TELEPHONE	\$ 1,000
5 KBCB	LAPTOP	\$ 1,000
6 PUBLIC WORKS	2 F-250 Trucks	\$ 60,000
	1 CAT MOTOR GRADER	\$ 257,000
	1 NEW HOLLAND TRACTOR	\$ 56,700
	Subtotal Public Works	\$ 373,700
7 LANDFILL/SOLID WASTE	1 F-250 Truck	\$ 30,000
	TIRE PROCESSING BUILDING-GRANT	\$ 50,000
	FENCING AT LANDFILL	\$ 10,000
		\$ 90,000
8 KEEP BAMBERG COUNTY BEAUTIFUL	Furniture & technology (copier/scanner) for new office	\$ 4,000
	Laptop	\$ 1,500
		\$ 5,500
9 INFORMATION TECHNOLOGY	VARIOUS EQUIPMENT, P.C.'S, CABLE, PRINTERS	\$ 22,500
	3rd SERVER	\$ 15,155
	Subtotal Information Technology	\$ 37,655
10 DETENTION CENTER	FINGER PRINT MACHINE	\$ 16,000
	Subtotal Detention Center	\$ 16,000
11 RURAL FIRE	3 PUMPER TRUCKS, \$280K each. Grant portion \$150,000.	\$ 840,000
	REPEATER	\$ 7,500
		\$ 847,500
12 SHERIFF	15 PAL800 RADIOS	\$ 47,415
	2 NEW FORD EXPLORERS	\$ 85,540
	14 BULLET PROOF VESTS	\$ 17,120
	METAL EVIDENCE STORAGE BUILDING	\$ 20,000
		\$ 170,075
13 THE WILSON HOUSE	PHASE 3	\$ 60,000
14 THE MEETING HOUSE	IMPROVEMENTS	\$ 50,000
15 SIGNAGE	BOBCAT LANDING, ANIMAL CONTROL, ANNEX CAMPUS & STREET	\$ 30,000
16 E911/EMERGENCY SERVICES	UPGRADE TO 911CENTER	\$ 120,575
17 CORONER	MORTUARY STRETCHER	\$ 1,620
	GRAND TOTAL	\$ 1,809,292

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Capital Reserve Fund

Capital Recommendations:

Capital Reserve Fund Budget-Grouped by Categories	
<u>Heavy Equipment and Vehicle Lease Payments</u>	
1 CAT Financial	263,030
2 South State Bank	134,190
3 Enterprise Fleet Management	21,075
4 USDA-Sheriff's vehicles	41,715
	460,010
<u>Technology</u>	
1 Computers, server	40,305
<u>Buildings and Infrastructure</u>	
1 Communications Tower	11,085
2 HVAC	20,000
3 General Maint/Repairs	50,000
4 County Buildings	206,420
5 Landfill/Solid Waste	60,000
	347,505
<u>Public Safety</u>	
1 Ehrhardt EMS Station	53,500
2 800 Radios/Radio Equipment-Dispatch	3,520
3 15 PAL/800 Radios-Sheriff's Office	47,415
4 Metal Evidence/Forensics Building	20,000
5 Upgrade to E911 Center	43,260
6 Mortuary Stretcher-Coroner	1,620
7 Coax cable-Law Enforcement antenna	11,100
	180,415
<u>Other</u>	
1 Uni-Health settlement payment	30,000
2 Deficit in Hospital Cap Projects Fund	13,000
	43,000
Grand Total	1,071,235

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

Overall Comments

Due to the unprecedented increases to health insurance and retirement, this budget was a very difficult one to “balance”. Many departments have asked for increases to operating expenses but we have to hold them to last years’ amounts.



**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

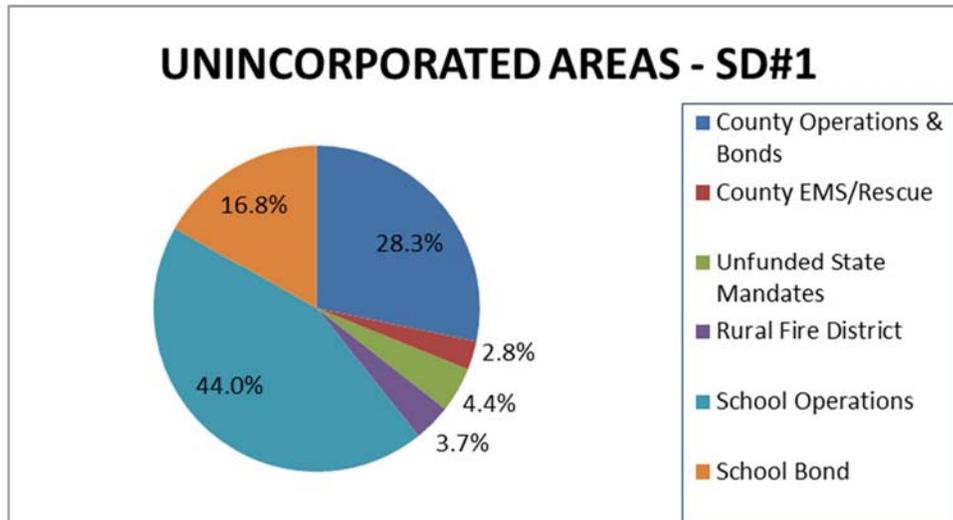
FY19 Budget Totals

	FY18	FY19	FY18 TO FY19 VARIANCE
GENERAL FUND	7,227,010	7,902,805	675,795
SPECIAL REVENUE	2,976,850	3,390,820	413,970
ENTERPRISE FUND	1,538,790	1,501,530	(37,260)
DEBT SERVICE FUND	334,680	368,515	33,835
CAPITAL PROJECTS FUND	2,201,445	2,735,605	534,160
GRAND TOTAL COUNTY BUDGET	14,278,775	15,899,275	1,620,500

Tax Levies for the FY19 Budget

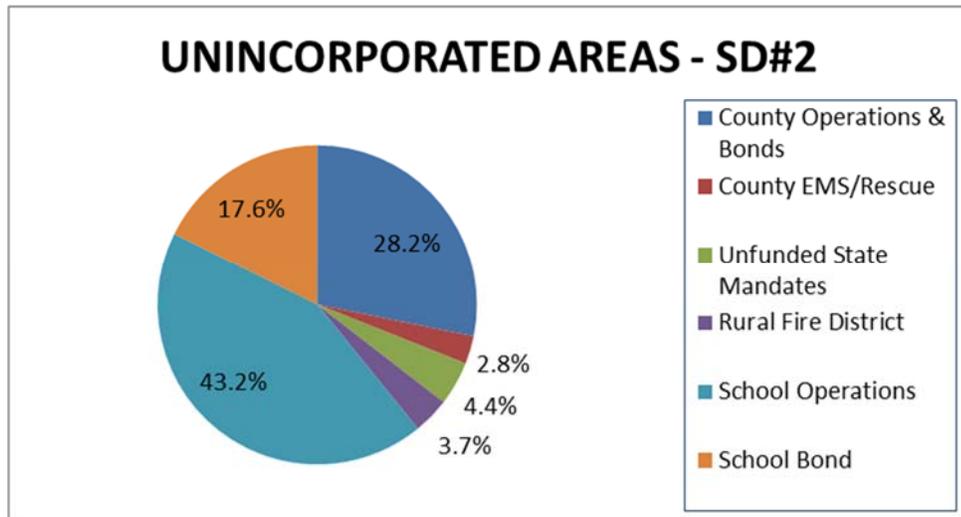
Below are the tax levies for the County and each school district in the County.

UNINCORPORATED AREAS - SCHOOL DISTRICT ONE		
		LEVY
County Operations & Bonds	28.3%	183.7
County EMS/Rescue	2.8%	18.5
Unfunded State Mandates	4.4%	28.9
Rural Fire District	3.7%	24.0
School Operations	44.0%	285.76
School Bond	16.8%	109.0
Total Millage	100.0%	649.86



**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2018**

UNINCORPORATED AREAS - SCHOOL DISTRICT TWO		
		LEVY
County Operations & Bonds	28.2%	183.7
County EMS/ Rescue	2.8%	18.5
Unfunded State Mandates	4.4%	28.9
Rural Fire District	3.7%	24.0
School Operations	43.2%	281.61
School Bond	17.6%	115.0
Total Millage	100.0%	651.71



Requests for Information

This financial report is designed to provide a general overview of Bamberg County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Administrator, Bamberg County Annex, 1234 North Street, Bamberg, South Carolina 29003.

BAMBERG COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 692,710	\$ 51,805	\$ 744,515
Restricted cash and cash equivalents	6,754,946	-	6,754,946
Receivables			
Property taxes	903,760	-	903,760
Other receivables	10,635	186,732	197,367
Due from other governments	1,430,692	8,755	1,439,447
Due from Agency Funds	6,314	-	6,314
Internal balances	165,085	(165,085)	-
Non-current assets:			
Capital assets -			
Non-depreciable - Note 7	706,951	36,000	742,951
Depreciable - net - Note 7	12,153,338	826,693	12,980,031
TOTAL ASSETS	22,824,431	944,900	23,769,331
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on bond refunding	1,518,545	-	1,518,545
Related to OPEB	10,719	785	11,504
Related to pensions	1,083,161	57,141	1,140,302
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,612,425	57,926	2,670,351
LIABILITIES			
Current liabilities:			
Accounts payable	619,122	105,150	724,272
Accrued expenses	167,913	12,700	180,613
Accrued interest payable	138,841	1,789	140,630
Due to other governments	46,337	-	46,337
Due to Agency Funds	178	-	178
Bond deposits and prepayments	12,996	-	12,996
Unearned grant revenue	-	18,514	18,514
Accrued claims	25,000	-	25,000
Current portion of accrued compensated absences	50,187	2,545	52,732
Current portion of long-term liabilities	1,236,284	116,670	1,352,954
Noncurrent liabilities:			
Accrued compensated absences, net of current portion	162,960	1,547	164,507
Long-term liabilities, net of current portion	11,896,837	790,860	12,687,697
Net pension liability	5,445,765	287,284	5,733,049
Net OPEB obligation	198,908	14,558	213,466
TOTAL LIABILITIES	20,001,328	1,351,617	21,352,945
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	11,347	830	12,177
Related to pensions	158,616	8,368	166,984
TOTAL DEFERRED INFLOWS OF RESOURCES	169,963	9,198	179,161
NET POSITION			
Invested in capital assets, net of related debt	812,168	467,600	1,279,768
Restricted	6,507,623	-	6,507,623
Unrestricted (deficit)	(2,054,226)	(825,589)	(2,879,815)
TOTAL NET POSITION	\$ 5,265,565	\$ (357,989)	\$ 4,907,576

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

FUNCTIONS AND PROGRAMS	PROGRAM REVENUES						NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING		CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT BUSINESS-TYPE ACTIVITIES		TOTAL
			GRANTS AND CONTRIBUTIONS	GRANTS AND CONTRIBUTIONS			ACTIVITIES	ACTIVITIES	
GOVERNMENTAL ACTIVITIES									
General government	\$ 3,369,218	\$ 83,846	\$ 16,746	\$ -	\$ -	\$ (3,268,626)	\$ -	\$ (3,268,626)	\$ (3,268,626)
Judicial	785,340	246,476	112,834	-	-	(426,030)	-	(426,030)	(426,030)
Public safety	3,332,701	120,830	212,710	-	-	(2,999,161)	-	(2,999,161)	(2,999,161)
Public works	697,376	334,830	64,444	81,666	81,666	(216,436)	-	(216,436)	(216,436)
Economic development	504,781	-	-	433,950	433,950	(50,831)	-	(50,831)	(50,831)
Culture and recreation	209,482	-	-	-	-	(209,482)	-	(209,482)	(209,482)
Miscellaneous	186,192	-	-	-	-	(186,192)	-	(186,192)	(186,192)
Health and welfare	555,845	-	-	-	-	(555,845)	-	(555,845)	(555,845)
Interest	660,633	-	-	-	-	(660,633)	-	(660,633)	(660,633)
TOTAL GOVERNMENTAL ACTIVITIES	10,301,568	785,982	406,734	535,616	535,616	(8,573,236)	-	(8,573,236)	(8,573,236)
BUSINESS-TYPE ACTIVITY									
Landfill and solid waste and litter control	1,325,892	998,548	285,294	-	-	-	\$ -	(42,050)	(42,050)
TOTAL BUSINESS-TYPE ACTIVITY	1,325,892	998,548	285,294	-	-	-	-	(42,050)	(42,050)
TOTAL PRIMARY GOVERNMENT	\$ 11,627,460	\$ 1,784,530	\$ 692,028	\$ 535,616	\$ 535,616	(8,573,236)	(42,050)	(8,615,286)	(8,615,286)
GENERAL REVENUES:									
Property taxes						7,288,913	-	7,288,913	7,288,913
Sales tax						960,866	-	960,866	960,866
State shared revenues						658,085	-	658,085	658,085
Interest earnings						34,548	198	34,746	34,746
Miscellaneous						82,157	-	82,157	82,157
Gain on disposal of assets						28,194	11,774	39,968	39,968
CAPITAL CONTRIBUTIONS						4,500	-	4,500	4,500
TRANSFERS						(83,521)	83,521	-	-
TOTAL GENERAL REVENUES, CAPITAL CONTRIBUTIONS, AND TRANSFERS						8,973,742	95,493	9,069,235	9,069,235
CHANGE IN NET POSITION						400,506	53,443	453,949	453,949
NET POSITION, AS RESTATED, JULY 1, 2017						4,865,059	(411,432)	4,453,627	4,453,627
NET POSITION, JUNE 30, 2018						\$ 5,265,565	\$ (357,989)	\$ 4,907,576	\$ 4,907,576

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	GENERAL FUND	SPECIAL REVENUE PUBLIC WORKS ROAD MAINTENANCE FUND	SALES TAX AND OTHER CAPITAL PROJECTS FUND	CAPITAL RESERVE CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents:						
Unrestricted	\$ 692,710	\$ -	\$ -	\$ -	\$ -	\$ 692,710
Restricted	1,258,419	763	4,338,193	577,368	580,203	6,754,946
Receivables						
Property taxes	739,700	-	-	64,672	99,388	903,760
Other receivables	10,635	-	-	-	-	10,635
Due from other governments	827,371	15,300	465,981	234	121,806	1,430,692
Due from other funds	909,895	7,706	957	-	166,860	1,085,418
Due from Agency Funds	6,314	-	-	-	-	6,314
TOTAL ASSETS	\$ 4,445,044	\$ 23,769	\$ 4,805,131	\$ 642,274	\$ 968,257	\$ 10,884,475

LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ 430,340	\$ 10,137	\$ 54,925	\$ 5,877	\$ 117,843	\$ 619,122
Accrued expenses	154,517	13,396	-	-	-	167,913
Bond deposits and prepayments	12,996	-	-	-	-	12,996
Due to other governments	46,337	-	-	-	-	46,337
Due to other funds	159,965	349,683	11,348	201,599	197,738	920,333
Due to Agency Funds	178	-	-	-	-	178
Accrued claims	25,000	-	-	-	-	25,000
Total Liabilities	829,333	373,216	66,273	207,476	315,581	1,791,879
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	717,509	-	-	62,732	96,406	876,647
Property Taxes						
Total Deferred Inflows of Resources	717,509	-	-	62,732	96,406	876,647
FUND BALANCES						
Restricted	828,161	-	4,738,858	156,281	481,838	6,205,138
Assigned	253,650	-	-	215,785	136,333	605,768
Unassigned (deficit)	1,816,391	(349,447)	-	-	(61,901)	1,405,043
Total Fund Balances	2,898,202	(349,447)	4,738,858	372,066	556,270	8,215,949
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 4,445,044	\$ 23,769	\$ 4,805,131	\$ 642,274	\$ 968,257	\$ 10,884,475

BAMBERG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total fund balance - total governmental funds		\$ 8,215,949
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Some receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and deferred outflows in the funds.		
Delinquent taxes receivable		876,647
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
		12,860,289
Long-term liabilities, related deferred charges on bond refunding, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:		
Deferred charges on bond refunding	\$ 1,518,545	
Interest payable	(138,841)	
Accrued compensated absences	(213,147)	
Due within a year	(1,236,284)	
Due in more than one year	<u>(11,896,837)</u>	(11,966,564)
Other Post Employment Benefits (OPEB) liability, net of related deferred inflows and outflows, represents the future unfunded costs associated with current benefits.		
		(199,536)
Pension liability, net of related deferred inflows and outflows, represents the proportionate share of the future unfunded costs associated with the County's participation in the South Carolina Retirement System.		
		<u>(4,521,220)</u>
Total net position - total governmental activities		<u><u>\$ 5,265,565</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, 2018

	GENERAL FUND	SPECIAL REVENUE PUBLIC WORKS ROAD MAINTENANCE FUND	SALES TAX AND OTHER CAPITAL PROJECTS FUND	CAPITAL RESERVE CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE						
Property taxes	\$ 5,200,657	\$ -	\$ 737,456	\$ 505,318	\$ 715,093	\$ 7,158,524
Sales tax	-	-	852,380	-	-	852,380
Intergovernmental revenue	1,553,568	64,444	-	-	291,109	1,708,921
Licenses and permits	83,846	-	-	-	-	83,846
Charges for services	103,650	334,830	-	-	37,684	476,164
Fines, fees and forfeitures	225,972	-	-	-	-	225,972
Investment income	3,195	\$ -	30,511	361	473	34,548
Other	77,657	-	-	-	4,500	82,157
TOTAL REVENUES	7,048,345	399,282	1,620,347	505,679	1,048,859	10,622,512
EXPENDITURES						
Current						
General government	2,985,583	-	-	-	24,563	3,010,146
Judicial	750,811	-	-	-	-	750,811
Public safety	2,343,459	-	-	-	546,284	2,889,743
Public works	-	492,694	-	-	-	492,694
Economic development	504,200	-	-	-	-	504,200
Culture and recreation	150,253	-	-	-	-	150,253
Miscellaneous	186,192	-	-	-	-	186,192
Health and welfare	475,000	-	-	-	-	475,000
Capital outlay	57,965	203,110	90,757	287,199	121,200	760,231
Debt service:						
Principal	38,605	-	520,000	238,772	269,102	1,066,479
Interest and fiscal charges	2,843	-	396,720	39,749	72,672	511,984
TOTAL EXPENDITURES	7,494,911	695,804	1,007,477	565,720	1,033,821	10,797,733
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(446,566)	(296,522)	612,870	(60,041)	15,038	(175,221)
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of assets	27,589	-	-	-	-	27,589
Proceeds from issuance of debt	-	203,110	162,500	14,500	-	380,110
Insurance recoveries	-	1,157	-	-	-	1,157
Transfers in (out)	8,856	-	-	(140,819)	48,442	(83,521)
TOTAL OTHER FINANCING SOURCES (USES)	36,445	204,267	162,500	(126,319)	48,442	325,335
NET CHANGE IN FUND BALANCES	(410,121)	(92,255)	775,370	(186,360)	63,480	150,114
FUND BALANCE, JULY 1, 2017	3,308,323	(257,192)	3,963,488	558,426	492,790	8,065,835
FUND BALANCE, JUNE 30, 2018	\$ 2,898,202	\$ (349,447)	\$ 4,738,858	\$ 372,066	\$ 556,270	\$ 8,215,949

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, 2018**

Net changes in fund balances - total governmental funds \$ 150,114

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

Governmental funds report capital outlay as expenditures.

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

Expenditures for capital assets	\$ 533,924	
Contribution of capital assets	4,500	
Less, current year depreciation	<u>(692,119)</u>	(153,695)

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

Proceeds from disposal	(27,589)	
Gain on disposal	<u>28,194</u>	605

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

Debt proceeds	(380,110)	
Capital lease obligation principal payments	302,038	
Note payable principal payments	44,710	
Bond principal payment	719,731	
Deferred charges on bond refunding	(169,437)	
Bond premium/discount	<u>20,825</u>	537,757

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	(37)	
Change in compensated absences	(26,035)	
Change in OPEB liability	4,657	
Change in Pension liability and related deferred inflows/outflows	<u>(243,249)</u>	(264,664)

Some receivables will not be collected for several months after the
County's fiscal year-end; they are not considered "available"
revenues in the governmental funds. Change in -
Property taxes 130,389

Change in net position of governmental activities \$ 400,506

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 5,377,385	\$ 5,377,385	\$ 5,200,657	\$ (176,728)
Intergovernmental revenue	938,715	938,715	1,353,368	414,653
Licenses and permits	49,250	49,250	83,846	34,596
Charges for services	100,850	100,850	103,650	2,800
Fines, fees and forfeitures	257,100	257,100	225,972	(31,128)
Investment income	2,340	2,340	3,195	855
Other	86,500	86,500	77,657	(8,843)
Total revenues	<u>6,812,140</u>	<u>6,812,140</u>	<u>7,048,345</u>	<u>236,205</u>
EXPENDITURES				
Current:				
General government	2,976,250	2,976,250	3,010,031	(33,781)
Judicial	736,450	736,450	751,395	(14,945)
Public safety	2,531,990	2,531,990	2,417,840	114,150
Economic development	50,000	50,000	504,200	(454,200)
Culture and recreation	150,800	150,800	150,253	547
Miscellaneous	222,355	222,355	186,192	36,163
Health and welfare	475,000	475,000	475,000	-
Total expenditures	<u>7,142,845</u>	<u>7,142,845</u>	<u>7,494,911</u>	<u>(352,066)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(330,705)</u>	<u>(330,705)</u>	<u>(446,566)</u>	<u>(115,861)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	50,000	50,000	27,589	(22,411)
Transfers in (out)	(61,110)	(61,110)	8,856	69,966
Total other financing sources (uses)	<u>(11,110)</u>	<u>(11,110)</u>	<u>36,445</u>	<u>47,555</u>
Net change in fund balance	<u>\$ (341,815)</u>	<u>\$ (341,815)</u>	<u>(410,121)</u>	<u>\$ (68,306)</u>
Fund balances, beginning of year			<u>3,308,323</u>	
Fund balances, end of year			<u>\$ 2,898,202</u>	

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
MAJOR SPECIAL REVENUE PUBLIC WORKS ROAD MAINTENANCE FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 338,970	\$ 338,970	\$ 334,830	\$ (4,140)
Intergovernmental - Federal	-	-	64,444	64,444
Interest income	-	-	8	8
TOTAL REVENUES	338,970	338,970	399,282	60,312
EXPENDITURES				
Current:				
Public works:				
Salaries	159,243	159,243	161,535	(2,292)
Overtime	7,500	7,500	17,054	(9,554)
State retirement	22,610	22,610	24,062	(1,452)
FICA and Medicare	12,756	12,756	13,383	(627)
Health insurance	46,263	46,263	48,109	(1,846)
Unemployment comp insurance	1,016	1,016	402	614
Workers comp insurance	3,747	3,747	3,518	229
Operations	1,000	1,000	462	538
Repair equipment	35,000	35,000	41,237	(6,237)
Roads	35,000	35,000	36,916	(1,916)
Gas and fuel	55,000	55,000	48,123	6,877
Uniforms	12,000	12,000	8,995	3,005
IT consulting	1,500	1,500	469	1,031
Contractual services	10,500	10,500	3,632	6,868
Airport grant expenditures	-	-	48,367	(48,367)
Airport operations	35,000	35,000	36,430	(1,430)
Capital outlay:				
Roads equipment	-	-	203,110	(203,110)
TOTAL EXPENDITURES	438,135	438,135	695,804	(257,669)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	35,000 (99,165)	3,500 (99,165)	(296,522)	(3,500) (197,357)
OTHER FINANCING SOURCES (USES)				
Insurance recoveries	-	-	1,157	1,157
Proceeds from issuance of debt	-	-	203,110	203,110
Sale of assets	35,000	35,000	-	(35,000)
Transfers in (out)	64,165	64,165	-	(64,165)
TOTAL OTHER FINANCING SOURCES (USES)	99,165	99,165	204,267	105,102
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	(92,255)	\$ (92,255)
Fund Balance at Beginning of Year			(257,192)	
Fund Balance at End of Year			\$ (349,447)	

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	Enterprise Fund
ASSETS	
Current Assets	
Cash	\$ 51,805
Accounts receivable, net of allowance for doubtful accounts	186,732
Due from other funds	21,637
Due from other governments	8,755
Total Current Assets	268,929
Noncurrent Assets	
Non-depreciable - Note 7	36,000
Depreciable - net - Note 7	826,693
Total Noncurrent Assets	862,693
TOTAL ASSETS	1,131,622
DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	57,141
Related to other post employment benefits (OPEB)	785
TOTAL DEFERRED OUTFLOWS OF RESOURCES	57,926
LIABILITIES	
Current Liabilities	
Accounts payable	105,150
Accrued expenses	12,700
Accrued interest	1,789
Due to other funds	186,722
Unearned revenue	18,514
Current portion of capital lease payable	81,909
Current portion of note payable	10,604
Current portion of accrued compensated absences	2,545
Current portion of landfill closure and postclosure costs	24,157
Total Current Liabilities	444,090
Noncurrent Liabilities	
Capital lease payable, net of current portion	255,039
Note payable, net of current portion	47,541
Net pension liability	287,284
Net OPEB obligation	14,558
Accrued compensated absences, net of current portion	1,547
Landfill closure/postclosure costs, net of current portion	488,280
Total Noncurrent Liabilities	1,094,249
TOTAL LIABILITIES	1,538,339
DEFERRED INFLOWS OF RESOURCES	
Related to pensions	8,368
Related to other post employment benefits (OPEB)	830
TOTAL DEFERRED INFLOWS OF RESOURCES	9,198
NET POSITION	
Invested in capital assets, net of related debt	467,600
Unrestricted	(825,589)
TOTAL NET POSITION	\$ (357,989)

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Fund Landfill and Solid Waste
Operating Revenues	
Landfill and solid waste fees	\$ 998,548
Operating grants - landfill and solid waste	263,258
Operating grants and revenues - litter control	4,275
Operating grants and revenues - Keep America Beautiful	17,761
Total Operating Revenues	1,283,842
 Operating Expenses	
Landfill and Solid Waste	
Salaries and benefits	221,751
Workers compensation insurance	7,735
Operations and supplies	2,502
Landfill	175,246
Gas and fuel	9,121
Solid waste contracts	410,174
LADS operation and contracts	112,449
Landfill engineer services	66,955
Grant expenses	92,366
Consulting services	1,042
Depreciation expense	57,376
Landfill and Solid Waste	1,156,717
 Litter Control	
Salaries and benefits	47,315
Meals	183
Training	622
Registration	320
Grant expenses	4,275
Operations and supplies	578
Gas and fuel	3,813
Uniforms	1,156
Radio communication and maintenance	1,380
Auto maintenance	1,540
Telephone	1,109
Litter Control	62,291

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Enterprise Fund Landfill and Solid Waste
Operating Expenses (continued)	
Keep America Beautiful	
Salaries and benefits	62,462
Meals	576
Training	1,094
Travel	728
Registration fees	445
Grant expenses	14,654
Operations and supplies	5,943
Equipment replacement	999
Green business programs	25
Gas and fuel	749
Auto maintenance	17
Consulting services	657
Contractual services	1,194
Advertising and legal notices	1,400
Telephone	1,249
Keep America Beautiful	92,192
Total Operating Expenses	1,311,200
Operating Income (Loss)	(27,358)
Non-Operating Revenues (Expenses)	
Interest income	198
Gain on sale of assets	11,774
Interest expense	(14,692)
Net Non-Operating Revenues (Expenses)	(2,720)
Net Income before Transfers	(30,078)
Transfers in (out)	83,521
Change in net position	53,443
Net Position - Beginning of Year, as Restated	(411,432)
Net Position - End of Year	\$ (357,989)

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Enterprise Fund
OPERATING ACTIVITIES	
Receipts from customers	\$ 996,634
Payments to suppliers	(783,214)
Payments to employees	(371,555)
Receipts from operating grants and revenues	292,966
Internal activity-payments to other funds	(110,535)
Net cash provided by (used for) operations	24,296
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(229,165)
Proceeds from sale of capital assets	15,000
Interest paid on debt	(12,903)
Proceeds from capital lease	58,145
Principal payments on capital leases	(78,992)
Net cash provided by (used for) capital and related financing activities	(247,915)
INVESTING ACTIVITIES	
Investment income	198
Net cash provided by (used for) investing activities	198
Net increase (decrease) in cash and cash equivalents	(223,421)
Cash and cash equivalents - beginning of year	275,226
Cash and cash equivalents - end of year	\$ 51,805
Reconciliation of operating income (loss) to cash flows from operating activities:	
Operating income (loss)	\$ (27,358)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:	
Depreciation and amortization	57,376
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(8,737)
Increase (decrease) in accounts payable	39,877
Increase (decrease) in due to other funds	(110,535)
Increase (decrease) in unearned revenue	14,495
Increase (decrease) in landfill closure/postclosure costs	99,205
Increase (decrease) in accrued compensated absences	(18,127)
Increase (decrease) in OPEB liability	(342)
Increase (decrease) in net pension liability	(21,558)
Net cash provided by (used for) operations	\$ 24,296

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

ASSETS

Cash and cash equivalents	\$	3,617,711
Receivable from misappropriation		39,311
Delinquent property taxes		1,847,651
Unknown funds (overage) deficit - Note 4		3,563
Due from General Fund		<u>178</u>
 Total assets	 \$	 <u><u>5,508,414</u></u>

LIABILITIES

Amounts due to others	\$	5,502,100
Due to General Fund		<u>6,314</u>
 Total liabilities	 \$	 <u><u>5,508,414</u></u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

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

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

B. Measurement Focus and Basis of Accounting

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

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

Government-wide Financial Statements

Government-wide financial statements, consisting of a Statement of Net Position and a Statement of Activities, display information about the primary government except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Net Position presents the financial condition of the Governmental Activities and Business-type Activities for the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function and are offset by program revenues to reflect “net (expenses) revenue” of the County’s individual functions before applying “general” revenue.

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

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

Governmental Major Funds:

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

Special Revenue Public Works Road Maintenance Fund – This fund accounts for fees assessed for County maintenance of roads.

Sales Tax and Other Capital Projects Fund – The Sales Tax and Other Capital Projects Fund is used to account for sales tax revenues and Fees in Lieu that are restricted to improve, repair, and construct capital assets within the County along with the related debt proceeds and activity incurred to finance the projects.

Capital Reserve Capital Projects Fund – The Capital Reserve Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities and equipment acquisitions to serve the County’s operations and services it provides to citizens.

Other Non-major Governmental Funds

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

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

Capital Project Hospital Fund – The Hospital Capital Project Fund was used in the past to account for all financial resources to be used for the construction and renovation of the County hospital. The fund has no current activity.

Proprietary Fund Types

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements (continued)

Proprietary Fund Types (continued)

control, accountability, or other purposes. Council has established one enterprise fund for the landfill and solid waste and litter control operations funded through fees.

Fiduciary Fund Types

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

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

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

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

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

- 1. Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date, and reported amounts of revenues and expenses during the reporting period. Estimates are used to determine depreciation expense, the allowance for doubtful accounts, actuarial amounts for OPEB and net pension liability and expense, and certain claims and judgment liabilities among other accounts. Actual results could differ from those estimates.

Cash and Investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments. All short-term highly liquid investments, including restricted assets, with original maturities of three months or less from the date of acquisition are considered to be cash equivalents. The County invests in money market funds and certificates of deposit which are considered Level 1 investments, as discussed below.

Investments with a readily determinable fair value are stated at fair value in accordance with GASB Statements 31 and 72. All other investments are stated at cost. The County's current policy does not utilize amortized cost for any applicable investments. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1 — inputs are quoted prices (unadjusted) in active markets for assets or liabilities identical to the ones being measured. Level 1 inputs receive the highest priority.
- Level 2 — inputs are observable for similar assets or liabilities, either directly (quoted market prices for similar assets or liabilities) or indirectly (corroborated from observable market information).
- Level 3 — inputs are unobservable (for example: management's assumption of the default rate among underlying mortgages of a mortgage-backed security). Level 3 inputs receive the lowest priority.

The County has not formally adopted deposit and investment policies that limit the County's allowable deposits or investments and address the specific types of risk to which the County is exposed, but instead, adhere to state statutes regarding allowable investments. State statutes authorize the County to invest in (a) obligations of the United States and agencies thereof, (b) general obligations of the State of South Carolina or any of its political units, (c) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government, (d) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured of the type described in (a) and (b) above held by a third party as escrow agent, (e) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

third party as escrow agent or custodian, and (f) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in (a), (b), and (c) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

2. **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.”
3. **Receivables and Allowance for Doubtful Accounts** – Receivable balances have been disaggregated by type and are presented separately in the financial statements. Other receivables in the proprietary fund include amounts due from landfill and solid waste fees and are stated net of an allowance for uncollectibles based on management’s judgment and historical collection ratios and trends.
4. **Restricted Assets** – Restricted accounts include money or other resources, the use of which is restricted by legal or contractual requirements.
5. **Prepaid Expenses** – Certain payments to vendors reflect costs applicable to future accounting periods and are recognized as prepaid items.
6. **Revenues Received in Advance/Unearned Revenue** – The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both government-wide and fund financial statements, unearned revenue consists of revenue received for which purpose restrictions have not yet been met.
7. **Deferred Outflows/Inflows of Resources** – In addition to assets, the Statement of Net Position and/or the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The County reports the following items as deferred outflows:

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

7. Deferred Outflows/Inflows of Resources (continued)

Pension and OPEB Items: Deferred pension and OPEB charges arise in connection with the County’s participation in the State Retirement Plan and other post employment benefits provided by the County. These deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes pension contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

The County reports the following items as deferred inflows:

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

Pension and OPEB Items: Deferred pension credits arise in connection with the County’s participation in the State Retirement Plan and other post employment benefits provided by the County. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension or health insurance benefits expense in future periods in accordance with GAAP.

8. 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.

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

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

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

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

9. 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.

10. Pensions

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

11. Other Post Employment Benefits

The County implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during the year ended June 30, 2018.

The primary objective of the Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

12. 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.

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

13. Fund Equity

Fund Balances

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

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

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

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

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

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

Net Position/Fund Equity

Net position in government-wide financial statements is classified as invested in capital assets, net of related debt; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through state statute. The County first utilizes restricted resources to finance qualifying activities. The government-wide statement of net position reports \$4,907,576 of which \$6,507,623 is restricted. Restricted resources are used first to fund appropriations.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

14. Property Taxes

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

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

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

Property taxes at the fund level are recorded as receivables and unavailable revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with generally accepted accounting principles have been recognized as revenue. The County considers all levied taxes to be ultimately fully collectible, since collection can be enforced upon the death of the owner through the estate or upon the sale of the property to a new owner. Therefore, no allowance for doubtful accounts is provided.

15. Program and General Revenue

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

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Assets, Liabilities, Deferred Inflows/Outflows, and Equity (continued)

16. Budgets and Budgetary Accounting

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

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

Budget to Actual Deficits

For the year ended June 30, 2018, expenditures in the following general fund divisions exceeded appropriations:

General Government	\$ 33,781
Judicial	14,945
Economic Development	454,200

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

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

NOTE 2 – DEPOSITS AND INVESTMENTS

As of June 30, 2018, the County’s cash and cash equivalents consisted of demand deposits. The amount of the County’s cash deposits was \$6,042,428 and the bank balance was \$6,833,980.

Custodial Credit Risk for Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County’s deposits may not be recovered. The County does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. State law requires that all of the County’s deposits be covered by FDIC insurance or by collateral held in the pledging financial institutions’ trust departments in the County’s name. At June 30, 2018, the carrying amount of the County’s deposits was \$2,581,859 for the primary government and \$3,460,569 for Agency Funds. The bank balances for these funds total \$6,833,980. Of the bank balance of \$6,833,980, \$751,327 is secured by FDIC insurance and \$6,082,653 is secured by collateral pledged in the County’s name.

Investments

As of June 30, 2018, the County had the following investments:

Investment Type	Fair Value Level	Credit Rating*	Investment Maturity (in Years)				
			Fair Value	Less than 1	1 - 3	3 - 5	Over 5
Money Market Funds	Level 1	AAAmmf/	\$ 4,338,193	\$ 4,338,193	\$ -	\$ -	\$ -
Certificate of Deposit	Level 1	-	495,000	495,000	-	-	-
Total			<u>\$ 4,833,193</u>	<u>\$ 4,833,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Credit ratings for Standard & Poor, Moody’s, Fitch, respectively.

Investment Policy, Risk, and Concentration Information

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2018, none of the County’s investments were exposed to custodial credit risk. The County has no investment policy that would further limit its investment choices other than state law. The County invests in money market mutual funds that invest in U.S. Treasury Obligations and certificates of deposits which are secured by FDIC and collateral pledged in the County’s name. The County places no limit on the amount the County may invest in any one issuer. As of June 30, 2018, the County had \$4,338,193 invested in securities backed by the U.S. government.

To reconcile this information to the financial statements, we include the following:

Carrying amount of deposits	\$ 6,042,428
Cash on hand	241,551
Fair value of investments	<u>4,833,193</u>
	<u>\$ 11,117,172</u>

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

NOTE 2 – DEPOSITS AND INVESTMENTS (continued)

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

Statement of Net Position:	
Cash and investments	\$ 744,515
Cash and investments – restricted	6,754,946
Statement of Fiduciary Assets and Liabilities:	
Cash	<u>3,617,711</u>
	<u>\$ 11,117,172</u>

NOTE 3 – RECEIVABLES

Other receivables at June 30, 2018, are shown below less an estimated allowance for uncollectible accounts, as follows:

	Governmental Activities	Business-type Activities
Other receivables	\$ 10,635	\$ -
Landfill fees	-	46,642
Solid waste fees	<u>-</u>	<u>175,112</u>
Total receivables	10,635	221,754
Less, allowance for uncollectible accounts		
Solid waste fees	<u>-</u>	<u>(35,022)</u>
Receivables, net	<u>\$ 10,635</u>	<u>\$ 186,732</u>

NOTE 4 – BONDS HELD AND UNIDENTIFIABLE OVERAGES AND DEFICITS

As of June 30, 2018, excess funds were on deposit in the checking accounts of several court-related funds and deficits occurred in three of these accounts. The overages represent the amount of cash on deposit that exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.) These funds are reflected in the financials as follows:

	General Fund
Included in bond deposits and prepayments:	
Bonds held:	
Magistrate	\$ 6,983
Clerk of Court	<u>2,583</u>
Bonds held	<u>9,566</u>
Overage (deficit) of funds held:	
Magistrate (Criminal) and Civil	2,293
Clerk of Court (Fines and General)	1,113
Sheriff (execution and fees)	<u>24</u>
Overage (deficit) of funds held	<u>3,430</u>
	<u>\$ 12,996</u>

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

NOTE 4 – BONDS HELD AND UNIDENTIFIABLE OVERAGES AND DEFICITS (continued)

The Clerk of Court Agency Fund had a net deficit of \$3,563 at June 30, 2018. This is comprised of an unidentified overage in the Special Referee account of \$556 and an unidentified deficit of \$4,119 in the Family Court account involving cash on deposit not reconciling to the identifiable liabilities held for these accounts.

The Clerk of Court’s Family Court was investigated by the South Carolina Law Enforcement Division and the South Carolina Department of Social Services involving misappropriation of child support collections. The County was able to recoup \$39,311 that was received in the subsequent year so it is recorded as a receivable in the Agency Fund. In addition, the County also absorbed \$27,368 of the misappropriation which is reflected as such in the General Fund’s Clerk of Court department expenditures.

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

The Governmental Funds short-term interfund receivables and payables at June 30, 2018, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Funds		
General Fund	\$ 916,209	\$ 160,143
Road Maintenance	7,706	349,683
Sales Tax and Other Capital Projects Fund	957	11,348
Capital Needs Equipment Replacement Fund	-	201,599
Other Governmental Funds:		
Special Revenue Funds	29,059	-
E-911 Fund	-	112,047
Fire Service Fund	-	73,423
Hospital Capital Projects Fund	-	12,268
Debt Service Fund	137,801	
Enterprise Funds	-	165,085
Agency Funds	<u>178</u>	<u>6,314</u>
Total	<u>\$1,091,910</u>	<u>\$ 1,091,910</u>

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

NOTE 6 – TRANSFERS TO/FROM OTHER FUNDS

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 8,856	\$ -
Capital Needs Equipment Replacement Fund	-	140,819
Other Governmental Funds:		
Special Revenue Fund	-	20,109
E-911	11,253	-
Hospital Capital Projects Fund	13,000	-
Debt Service Fund	44,298	-
Enterprise Fund	<u>83,521</u>	<u>-</u>
	<u>\$ 160,928</u>	<u>\$ 160,928</u>

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

NOTE 6 – TRANSFERS TO/FROM OTHER FUNDS (continued)

Transfers between the funds were to repay payments made by the General Fund to support the operations of the other funds, lease payments paid by Capital Needs Fund for Enterprise Fund, and lease proceeds in Debt Service Fund to purchase General Fund assets.

NOTE 7 – CAPITAL ASSETS

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

	<u>July 1, 2017</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers/ Adjustments</u>	<u>Deletions</u>	<u>June 30, 2018</u> <u>Balance</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 387,920	\$ 4,500	\$ -	\$ -	\$ 392,420
Construction in progress	<u>267,563</u>	<u>195,218</u>	<u>(148,250)</u>	<u>-</u>	<u>314,531</u>
Total capital assets, not being depreciated	<u>655,483</u>	<u>199,718</u>	<u>(148,250)</u>	<u>-</u>	<u>706,951</u>
Capital assets, being depreciated					
Building & improvements	12,490,905	-	148,250	-	12,639,155
Vehicles	2,273,008	98,288	-	(192,378)	2,178,918
Machinery & equipment	2,807,486	240,418	(67,800)	(34,843)	2,945,261
Infrastructure	<u>4,081,936</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,081,936</u>
Total capital assets, being depreciated	<u>21,653,335</u>	<u>338,706</u>	<u>80,450</u>	<u>(227,221)</u>	<u>21,845,270</u>
Less accumulated depreciation					
Building & improvements	4,555,911	232,250	-	-	4,788,161
Vehicles	1,211,034	225,648	-	(192,378)	1,244,304
Machinery & equipment	821,525	204,911	(67,800)	(35,448)	923,188
Infrastructure	<u>2,706,969</u>	<u>29,310</u>	<u>-</u>	<u>-</u>	<u>2,736,279</u>
Total accumulated depreciation	<u>9,295,439</u>	<u>692,119</u>	<u>(67,800)</u>	<u>(227,826)</u>	<u>9,691,932</u>
Total capital assets being depreciated, net	<u>12,357,896</u>	<u>(353,413)</u>	<u>148,250</u>	<u>605</u>	<u>12,153,338</u>
Governmental activities capital assets, net	<u>\$ 13,013,379</u>	<u>\$ (153,695)</u>	<u>\$ -</u>	<u>\$ 605</u>	<u>\$ 12,860,289</u>

During the fiscal year, the County accepted a donation of property consisting of \$4,500 in land included in the additions above. This was also recorded as a contribution of \$4,500 in the statement of activities for the governmental activities.

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

Governmental Activities:	
General government	\$ 193,828
Judicial	1,350
Public safety	252,345
Public works	141,150
Economic development	581
Culture and recreation	22,197
Health and welfare	<u>80,668</u>
Total depreciation expense – governmental activities	<u>\$ 692,119</u>

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

NOTE 7 – CAPITAL ASSETS (continued)

Certain real property and vehicles owned by the County are not in use. The cost is included on the depreciation schedule since the property is still owned but no depreciation has been taken since the time the property was taken out of service. The land and building housing the former hospital are owned by the County, but the hospital is no longer in operation. The building is vacant. The net cost basis of the hospital idle property is \$23,850 (original cost of \$1,273,850 less accumulated depreciation of \$1,250,000).

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

	<u>July 1, 2017</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers/ Adjustments</u>	<u>Deletions</u>	<u>June 30, 2018</u> <u>Balance</u>
Business-type Activities					
Capital assets, not being depreciated					
Land	\$ 36,000	\$ -	\$ -	\$ -	\$ 36,000
Total capital assets, not being depreciated	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,000</u>
Capital assets, being depreciated					
Building & improvements	233,663	-	-	-	233,663
Vehicles	-	229,165	-	-	229,165
Machinery & equipment	<u>682,868</u>	<u>-</u>	<u>-</u>	<u>(50,300)</u>	<u>632,568</u>
Total capital assets, being depreciated	<u>916,531</u>	<u>229,165</u>	<u>-</u>	<u>(50,300)</u>	<u>1,095,396</u>
Less accumulated depreciation					
Building & improvements	79,957	7,293	-	-	87,250
Vehicles	-	13,366	-	-	13,366
Machinery & equipment	<u>178,444</u>	<u>36,717</u>	<u>-</u>	<u>(47,074)</u>	<u>168,087</u>
Total accumulated depreciation	<u>258,401</u>	<u>57,376</u>	<u>-</u>	<u>(47,074)</u>	<u>268,703</u>
Total capital assets being depreciated, net	<u>658,130</u>	<u>(171,789)</u>	<u>-</u>	<u>(3,226)</u>	<u>826,693</u>
Business-type activities capital assets, net	<u>\$ 694,130</u>	<u>\$ (171,789)</u>	<u>\$ -</u>	<u>\$ (3,226)</u>	<u>\$ 862,693</u>

NOTE 8 – MASONITE LEASE

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

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

NOTE 9 – OPERATING LEASES

The County has entered into operating leases for various equipment as follows:

Copier/printer equipment for use at the Judge of Probate’s Office. The 60-month lease term began July 19, 2013. Monthly lease payments are \$105.75.

Copier/printer equipment for use at the Detention Center. The 60-month lease term began May 24, 2016. Monthly lease payments are \$124.20.

Copier/printer equipment for use at the Voter’s Registration Office. The 48-month lease term began November 2016. Monthly lease payments are \$45.40.

Copier/printer equipment for use at the Administration Office. The 60-month lease term began February 2014. Monthly lease payments are \$280.80.

Copier/printer equipment for use at the Finance Office. The 60-month lease term began April 2014. Monthly lease payments are \$132.84.

Copier/printer equipment for use in various Annex Offices. The 60-month lease term began August 3, 2016. Monthly lease payments are \$797.45.

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

On March 9, 2018, the County entered into operating lease agreements for five vehicles each with a 60-month lease term. The vehicles’ designated use and monthly lease payments are as follows:

- Finance Office – monthly lease payment of \$478.27
- Detention Center – monthly lease payment of \$427.02
- Assessor’s Office – monthly lease payment of \$361.08
- Maintenance – monthly lease payment of \$392.57
- Pooled County use – monthly lease payment of \$501.21

The future minimum rental payments at each June 30th are as follows:

	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2019	\$ 72,596	\$ 25,922	\$ 98,518
2020	3,841	25,922	29,763
2021	1,639	25,922	27,561
2022	-	25,922	25,922
2023	<u>-</u>	<u>21,602</u>	<u>21,602</u>
	<u>\$ 78,076</u>	<u>\$ 125,290</u>	<u>\$ 203,366</u>

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

NOTE 10 – CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2018, as follows:

	<u>Contracted Price</u>	<u>Costs Incurred Through June 30, 2018</u>	<u>Balance to Complete</u>
Paving and road projects	\$ 388,630	\$ 188,200	\$ 500,430
Re-purposing former hospital site	26,700	7,825	18,875
Veteran’s Memorial	<u>250,000</u>	<u>20,000</u>	<u>230,000</u>
	<u>\$ 965,330</u>	<u>\$ 216,025</u>	<u>\$ 749,305</u>

NOTE 11 – LONG-TERM DEBT

Governmental Activities

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

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2018</u>	<u>Due within One Year</u>
General Obligation Bonds	\$ 1,639,146	\$ 162,500	\$ 199,731	\$ 1,601,915	\$ 217,908
Revenue Bonds	10,390,000	-	520,000	9,870,000	530,000
Notes Payable	316,020	72,134	44,710	343,444	182,731
Capitalized Leases	<u>1,287,687</u>	<u>145,476</u>	<u>302,038</u>	<u>1,131,125</u>	<u>285,445</u>
	13,632,853	380,110	1,066,479	12,946,484	1,216,084
Unamortized Premium (Discount) for Bonds	<u>207,462</u>	<u>-</u>	<u>20,825</u>	<u>186,637</u>	<u>20,200</u>
Total Bonds, Notes Payable, and Capitalized Leases	13,840,315	380,110	1,087,304	13,133,121	1,236,284
Accrued Compensated Absences	<u>187,112</u>	<u>100,373</u>	<u>74,338</u>	<u>213,147</u>	<u>50,187</u>
	<u>\$ 14,027,427</u>	<u>\$ 480,483</u>	<u>\$ 1,161,642</u>	<u>\$ 13,346,268</u>	<u>\$ 1,286,471</u>

This space intentionally left blank.

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

General Obligation Bonds:

For hospital revitalization:

Bamberg County General Obligation Bonds, \$1,500,000 Series 2008 due in annual installments of \$20,000 to \$145,000 through April 1, 2028, interest at 4%.

\$ 1,085,000

For support of installment purchase revenue bonds:

Bamberg County General Obligation Bond, \$90,000 Taxable Series 2014A due in annual principal installments ranging from \$16,288 to \$19,798 through March 1, 2019, interest at 3.9% due semiannually.

19,798

Bamberg County General Obligation Bond, \$125,000 Taxable Series 2014B due in annual principal installments ranging from \$10,924 to \$30,432 through March 1, 2019, interest at 4.5% due semiannually.

16,344

Bamberg County General Obligation Bond, \$70,500 Taxable Series 2015A due in annual principal installments ranging from \$12,759 to \$15,508 through March 1, 2020, interest at 4.25% due semiannually.

30,278

Bamberg County General Obligation Bond, \$145,000 Taxable Series 2015B due in annual principal installments ranging from \$16,233 to \$34,226 through March 1, 2020, interest at 4.25% due semiannually.

67,060

Bamberg County General Obligation Bond, \$120,000 Taxable Series 2016 due in annual principal installments ranging from \$21,552 to \$26,443 through March 1, 2021, interest at 2.85% due semiannually.

75,605

Bamberg County General Obligation Bond, \$176,000 Taxable Series 2016B due in annual principal installments ranging from \$30,670 to \$39,037 through March 1, 2021, interest at 3.74% due semiannually.

145,330

Bamberg County General Obligation Bond, \$162,500 Taxable Series 2018 due in annual principal installments ranging from \$21,455 to \$37,956 through March 1, 2023, interest at 4.4% due semiannually.

162,500

\$ 1,601,915

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

The following schedule lists the principal and interest outstanding for general obligation bonds at June 30, 2018:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2019	\$ 66,389	\$ 217,908
2020	56,769	232,956
2021	47,394	192,956
2022	39,786	175,139
2023	32,588	157,956
2024-2028	<u>79,057</u>	<u>625,000</u>
Total	<u>\$ 321,983</u>	<u>\$1,601,915</u>

Revenue Bonds:

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

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

The reacquisition price exceeded the net carrying amount of the old debt by \$1,861,850; this amount is being amortized over the life of the new debt. Bond premium, discount, and deferred loss on refunding are amortized using the effective interest method over the life of the debt. The deferred loss on refunding at June 30, 2018 was \$1,518,545.

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

The following schedule lists the principal and interest outstanding for revenue bonds at June 30, 2018:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2019	\$ 343,139	\$ 530,000
2020	331,528	550,000
2021	318,650	555,000
2022	304,806	570,000
2023	289,698	580,000
2024 – 2028	1,149,388	3,195,000
2029 – 2033	<u>433,160</u>	<u>3,890,000</u>
Total	<u>\$ 3,170,369</u>	<u>\$ 9,870,000</u>

Notes Payable:

<p>\$30,938 note payable to finance a vehicle (carrying value of \$25,150) for Coroner’s office dated June 28, 2017, due in six annual installments of \$6,059.92 through June 28, 2023, including interest at 4.75%.</p>	\$ 26,368
<p>\$170,650 note payable to finance various capital projects (carrying value of \$169,472) in the County dated June 2017, due in sixteen quarterly installments of \$8,440.68 through April 2021, including interest at 6%, and one additional payment of \$50,650 due July 10, 2018. (Classified as due within one year based on subsequent lawsuit requiring payment by June 30, 2019. See Note 23)</p>	150,286
<p>\$63,000 USDA Rural Community Facilities direct loan for the purchase of three new Sheriff’s Department vehicles (carrying value of \$92,327), dated June 28, 2017, due in seven annual installments of \$9,876 through June 28, 2024, including interest at 2.375%.</p>	54,621
<p>\$62,900 USDA Rural Community Facilities direct loan for the purchase of three new Sheriff’s Department vehicles (carrying value of \$82,954), dated June 28, 2017, due in seven annual installments of \$9,860 through June 28, 2024, including interest at 2.375%.</p>	54,535
<p>\$57,634 note payable to finance two public works vehicles (carrying value of \$51,179), dated October 31, 2017, due in five annual installments of \$13,170.89 through October 21, 2022, including interest at 4.55%.</p>	<u>57,634</u>
	<u>\$ 343,444</u>

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

The following schedule lists the principal and interest outstanding for the notes payable at June 30, 2018:

	<u>Annual Interest</u>	<u>Annual Principal</u>
2019	\$ 11,236	\$ 182,731
2020	5,402	33,565
2021	4,233	34,734
2022	3,022	35,945
2023	1,766	37,201
2024	469	19,268
	\$ 26,128	\$ 343,444

Capital Leases:

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

The following is an analysis of equipment leased under capital leases as of June 30, 2018:

Furniture, fixtures and equipment	\$ 1,777,411
Less: accumulated depreciation	(467,180)
Carrying value	\$ 1,310,231

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2018 were as follows:

2019	\$ 320,129
2020	268,462
2021	404,623
2022	170,455
2023	56,216
Total minimum lease payments	1,219,885
Less, amount representing interest	(88,760)
Present value of minimum lease payments	\$ 1,131,125

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

Capital leases payable at June 30, 2018 are comprised of the following individual leases:

Installment purchase contract (E911 radio console), dated December 5, 2013, interest at 3.45% payable in annual installments of \$37,631, due on or before November 1, 2018.	\$ 36,376
Installment purchase contract (Sheriff’s Office copier), dated September 6, 2013, interest at 3.83% payable in monthly installments of \$166.15, due on or before October 6, 2018.	659
Installment purchase contract (radio communication equipment), dated September 1, 2014, interest at 5.641%, payable in annual installments of \$11,085.23, due on or before September 1, 2018.	10,494
Installment purchase contract (13 vehicles for departments including Sheriff, Detention Center, and general County use), dated May 8, 2015, interest at 2.48%, payable in annual principal payments of \$85,140.40, with semi-annual interest payments due each October 1 and April 1, due on or before April 1, 2020.	170,281
Installment purchase contract (E911 copier), dated April 29, 2015, interest at 7.617%, payable in monthly installments of \$152.00, due on or before May 1, 2020.	3,243
Installment purchase contracts (five pieces of heavy equipment), dated April 29, 2016, interest on each contract at 2.95%; each payable in annual installments totaling \$112,968; final payment due on or before April 29, 2021.	526,204
Installment purchase contract (heavy equipment), dated September 9, 2016, interest at 2.95%, payable in annual installments of \$39,198.85 and a final payment of \$143,118.85 due on or before September 9, 2021.	238,392
Installment purchase contract (heavy equipment), dated September 28, 2017, interest at 3.99%, payable in four annual installments of \$25,335.67 and a final payment of \$56,215.67 due on or before September 28, 2022.	<u>145,476</u>
Total	<u>\$ 1,131,125</u>

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

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

NOTE 11 – LONG-TERM DEBT (continued)

Governmental Activities (continued)

Additions to the County’s governmental activities long-term debt during the fiscal year 2018 were as follows:

- On February 6, 2018, the County issued \$162,500 general obligation bond, taxable series 2018 GO Bond in support of the installment purchase revenue bond debt outstanding.
- On September 28, 2017, the County executed an installment purchase contract for \$145,476 for heavy equipment.
- On October 31, 2017, the County financed the purchase of two trucks for the Public Works office with a note payable of \$57,634.
- In February 2018, the County incurred the balance of \$14,500 note payable proceeds of the total \$170,650 which financed various capital projects of the County.

Business-type Activities

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

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Due</u> <u>within</u> <u>One Year</u>
Accrued Compensated Absences	\$ 22,219	\$ 5,090	\$ 23,217	\$ 4,092	\$ 2,545
Closure and Post-closure Cost	413,232	126,335	27,130	512,437	24,157
Note payable	-	58,145	-	58,145	10,604
Capital leases	<u>415,940</u>	<u>-</u>	<u>78,992</u>	<u>336,948</u>	<u>81,909</u>
	<u>\$ 851,391</u>	<u>\$ 189,570</u>	<u>\$ 129,339</u>	<u>\$ 911,622</u>	<u>\$ 119,215</u>

Note Payable:

\$58,145 note payable to finance two vehicles (carrying value of \$51,164) dated October 31, 2017, due in five annual payments of \$13,287.67 through October 21, 2022, including interest at 4.55%.

\$ 58,145

The following schedule lists the principal and interest outstanding for the note payable at June 30, 2018:

	<u>Annual</u> <u>Interest</u>	<u>Annual</u> <u>Principal</u>
2019	\$ 2,683	\$ 10,604
2020	2,194	11,094
2021	1,682	11,606
2022	1,146	12,141
2023	<u>588</u>	<u>12,700</u>
	<u>\$ 8,293</u>	<u>\$ 58,145</u>

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 11 – LONG-TERM DEBT (continued)

Business-type Activities (continued)

Capital Lease:

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

The following is an analysis of equipment leased under capital leases as of June 30, 2018:

Furniture, fixtures and equipment	\$ 550,047
Less: accumulated depreciation	<u>(103,359)</u>
Carrying value	<u>\$ 446,688</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2018 were as follows:

2019	\$ 91,895
2020	123,148
2021	<u>141,796</u>
Total minimum lease payments	356,839
Less, amount representing interest	<u>(19,891)</u>
Present value of minimum lease payments	<u>\$ 336,948</u>

Capital lease payables at June 30, 2018, are comprised of the following individual leases:

Installment purchase contract (excavator), dated August 6, 2014, interest at 3.2% payable in annual monthly installments of \$2,583.76, due on or before August 14, 2019.	\$ 95,926
Installment purchase contract (modular office building), dated September 9, 2014, interest at 8.647% payable in monthly installments of \$697.83, due on or before October 14, 2019.	10,510
Installment purchase contract (heavy equipment), dated April 29, 2016, interest at 2.95%; payable in annual installments of \$52,516; final payment due on or before April 29, 2021.	<u>230,512</u>
Total	<u>\$ 336,948</u>

Additions to the County's business-type activities long-term debt during the fiscal year 2018 were as follows:

- On October 31, 2017, the County financed the purchase of two trucks, one for the Keep America Beautiful department and one for the Solid Waste department, with a note payable of \$58,145.

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

NOTE 12 – FUND BALANCE REPORTING AND NET POSITION

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Invested in Capital Assets, Net of Related Debt		
Net capital assets	\$12,860,289	\$ 862,693
Less, general obligation bonds, TAN's and revenue bonds	(10,573,552)	-
Less, installment purchase contracts and notes payable	<u>(1,474,569)</u>	<u>(395,093)</u>
 Total invested in capital assets, net of related debt	 <u>\$ 812,168</u>	 <u>\$ 467,600</u>

	<u>Governmental Activities</u>
Restricted	
Debt service	\$ 195,490
Sales Tax and Other Capital Projects Fund	4,738,858
Capital projects Capital Needs Equipment	
Replacement Fund – includes \$1,974 for USDA	
required reserve	372,066
E-911 services	51,450
Fire services	321,598
Tourism and community development	111,479
Property tax rollback program	663,942
Child support enforcement	<u>52,740</u>
 Total restricted net position	 <u>\$ 6,507,623</u>

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

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

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

The County’s fund balances as of June 30, 2018 were classified as follows:

Description	General Fund	Public Works Road Maintenance Fund	Sales Tax and Other Capital Projects Fund	Capital Needs Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
Restricted:						
Capital Projects						
Sales Tax Fund	\$ -	\$ -	\$ 4,738,858	\$ -	\$ -	\$ 4,738,858
Capital Needs Equipment						
Replacement Fund	-	-	-	156,281	-	156,281
Debt Service	-	-	-	-	195,490	195,490
Fire Services	-	-	-	-	286,348	286,348
Tourism and						
Community Development	111,479	-	-	-	-	111,479
Property Tax Rollbacks	663,942	-	-	-	-	663,942
Child Support Funds	52,740	-	-	-	-	52,740
Assigned:						
2018-2019 fiscal						
year stabilization	253,650	-	-	215,785	136,333	605,768
Unassigned	<u>1,816,391</u>	<u>(349,447)</u>	<u>-</u>	<u>-</u>	<u>(61,901)</u>	<u>1,405,043</u>
Total Fund Balances	<u>\$ 2,898,202</u>	<u>\$ (349,447)</u>	<u>\$ 4,738,858</u>	<u>\$ 372,066</u>	<u>\$ 556,270</u>	<u>\$ 8,215,949</u>

The major fund Road Maintenance Special Revenue Fund had a deficit fund balance at June 30, 2018, of \$349,447. The nonmajor Hospital Capital Projects Fund had a deficit fund balance at June 30, 2018, of \$12,268.

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION

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

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

Because the original landfill is closed, 100% of the liability for the above costs has been recognized as a long-term liability. The estimated liability for postclosure care costs is \$27,130 annually, or approximately \$162,780 as of June 30, 2018, for the remaining monitoring period of 6 years. This includes an adjustment of annual costs from \$11,143 to \$27,130.

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

NOTE 13 – LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION (continued)

The County also operated a Construction Demolition and Land Clearing Debris (C & D) landfill which was converted and expanded to a Class II Landfill. Based on the County’s engineering firm’s assessment in prior years, the site would remain open 32 more years. During the FY 2018 fiscal year, the tonnage accepted drastically increased due to accepting the waster of a neighboring county for a short-term period and issues with not chipping. The County deemed this to be an anomaly and had another engineering evaluation performed which projected the site to remain open until June 2043 or 25 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 275,000 tons. At June 30, 2018, it is estimated that 20 years of post-closure monitoring will cost \$9,837 per year during the monitoring period.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The County estimates the total costs for closure and post closure monitoring for the Class II landfill to be \$430,791. At June 30, 2018, the costs to be recognized as a liability based on engineering estimates of filled capacity of the Class II landfill is \$349,657.

Estimated total closure and post-closure care costs as of June 30, 2018, for the County’s landfill follows:

	<u>Closed Landfill</u>	<u>C & D Class II Landfill</u>	<u>Total</u>
Balance, June 30, 2017	\$ 78,001	\$ 335,231	\$ 413,232
Adjustment in annual cost estimate	111,909	-	111,909
Recognized current year costs	<u>(27,130)</u>	<u>14,426</u>	<u>(12,704)</u>
Balance, June 30, 2018	<u>\$ 162,780</u>	<u>\$ 349,657</u>	<u>\$ 512,437</u>

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2018. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Bamberg County has not accumulated or segregated funds to meet this additional liability.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 – RETIREMENT PLAN

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 – RETIREMENT PLAN (continued)

Membership

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

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

Benefits

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

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

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

NOTE 14 – RETIREMENT PLAN (continued)

Benefits (continued)

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

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

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

Contributions

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

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 and 5 percent differentials between the SCRS and PORS employer and employee contribution rates respectively. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 – RETIREMENT PLAN (continued)

Contributions (continued)

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation’s ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization schedule. The recent pension reform legislation also changes the long term funded ratio requirement from ninety to eighty-five.

Required **employee** contribution rates¹ for fiscal year 2017-2018 are as follows:

<u>SCRS</u>	
Employee Class Two	9.00%
Employee Class Three	9.00%
<u>PORS</u>	
Employee Class Two	9.75%
Employee Class Three	9.75%

Required **employer** contribution rates¹ are as follows:

<u>SCRS</u>	
Employer Class Two	13.41%
Employer Class Three	13.41%
Employer Incidental Death Benefit	0.15%
<u>PORS</u>	
Employer Class Two	15.84%
Employer Class Three	15.84%
Employer Incidental Death Benefit	0.20%
Employer Accidental Death Program	0.20%

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

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

NOTE 14 – RETIREMENT PLAN (continued)

Contributions (continued)

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>SCRS</u>			
Employee Contributions	\$ 160,484	\$ 141,412	\$ 127,958
Employer Contributions	239,121	186,318	170,883
Employer Group Life Contributions	<u>2,672</u>	<u>2,449</u>	<u>2,354</u>
Total	<u>\$ 402,277</u>	<u>\$ 330,179</u>	<u>\$ 301,195</u>
<u>PORS</u>			
Employee Contributions	\$ 106,583	\$ 92,721	\$ 92,122
Employer Contributions	173,156	138,881	140,607
Employer Group Life Contributions	<u>4,373</u>	<u>4,114</u>	<u>4,216</u>
Total	<u>\$ 284,112</u>	<u>\$ 235,716</u>	<u>\$ 236,945</u>

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

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

At June 30, 2018, the County reported a liability of \$3,677,721 for its proportionate share of the net pension liability for SCRS and a liability of \$2,055,328 for its proportionate share of the net pension liability for PORS. The net pension liability of the defined benefit plan was determined based on the most recent actuarial valuation as of July 1, 2016, using membership as of that date projected forward to the end of the retirement plan’s fiscal year, and financial information of the pension trust funds as of June 30, 2017. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined.

At the retirement plan’s year end of June 30, 2017, the County’s proportion was .016337% and .07502% for SCRS and PORS, respectively.

For the year ended June 30, 2018, the County recognized pension expense of \$641,013, including \$369,626 for SCRS and \$271,387 for PORS, respectively.

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

NOTE 14 – RETIREMENT PLAN (continued)

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

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>SCRS</u>		
Differences between expected and actual experience	\$ 16,395	\$ 2,038
Assumption changes	215,291	-
Net difference between projected and actual earnings on pension plan investments	102,665	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	52,986	24,743
County contributions subsequent to the measurement date	241,793	-
Totals	\$ 629,130	\$ 26,781
<u>PORS</u>		
Differences between expected and actual experience	\$ 18,328	\$ -
Assumption changes	195,070	-
Net difference between projected and actual earnings on pension plan investments	73,240	-
Deferred amounts from changes in proportionate share and differences between County contributions and proportionate share of contributions	47,005	140,203
County contributions subsequent to the measurement date	177,529	-
Totals	\$ 511,172	\$ 140,203

The amount of \$241,793 for SCRS and \$177,529 for PORS reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

NOTE 14 – RETIREMENT PLAN (continued)

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

As discussed in GASB 68, collective deferred outflows/inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow or inflow of resources related to pensions. The following schedules reflect the County's proportionate share of amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2017.

	<u>Difference between expected and actual experience¹</u>	
	<u>SCRS</u> June 30, 2017	<u>PORS</u> June 30, 2017
Initial Balance	\$ 113,609	\$ 65,817
Amortized ² period ending June 30,		
2014	\$ (24,652)	\$ (9,939)
2015	(22,901)	(10,998)
2016	(24,755)	(12,861)
2017	(26,944)	(13,691)
2018	(8,036)	(12,261)
2019	(3,756)	(3,537)
2020	(2,404)	(2,070)
2021	(161)	(460)

	<u>Assumption Changes</u>	
	<u>SCRS</u> June 30, 2017	<u>PORS</u> June 30, 2017
Initial Balance	\$ 285,350	\$ 249,960
2017	\$ (70,059)	\$ (54,890)
2018	(70,059)	(54,890)
2019	(70,059)	(54,890)
2020	(70,059)	(54,890)
2021	(5,114)	(30,400)

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

NOTE 14 – RETIREMENT PLAN (continued)

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

<u>Difference between projected and actual investment earnings³</u>		
	<u>SCRS</u>	<u>PORS</u>
	<u>June 30, 2017</u>	<u>June 30, 2017</u>
Initial Balance	\$ 112,391	\$ 84,819
Amortized ² period ending June 30,		
2014	\$ 59,283	\$ 41,545
2015	9,636	5,917
2016	(56,166)	(42,077)
2017	(22,479)	(16,964)
2018	(22,479)	(16,964)
2019	(81,760)	(58,509)
2020	(32,114)	(22,877)
2021	33,688	25,110

¹ In accordance with GASB 68, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30. The service periods used for amortization periods are 4.233 years for 6/30/14; 4.164 years for 6/30/15; 4.116 years for 6/30/16 and 4.073 years for 6/30/17 for SCRS and are 4.856 for 6/30/14; 4.796 for 6/30/15; 4.665 for 6/30/16 and 4.553 for 6/30/17 for PORS.

² Amount amortized and included in pension expense during measurement period listed.

³ In accordance with GASB 68, the difference between each year's projected and actual investment earnings is required to be amortized over a closed 5 year period.

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued as of July 1, 2015.

The June 30, 2017, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2017, using generally accepted actuarial principles. The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

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

NOTE 14 – RETIREMENT PLAN (continued)

Actuarial Assumptions and Methods (continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2017.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5%(varies by service) ¹	3.50% to 9.5%(varies by service) ¹
Benefit adjustments	Lesser of 1%or \$500 annually	Lesser of 1%or \$500 annually
¹ Includes inflation at 2.75%		

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina Mortality table (2017 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2017, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

This space intentionally left blank.

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

NOTE 14 – RETIREMENT PLAN (continued)

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of June 30, 2017, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers’ Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$48,244,437,494	\$ 25,732,829,268	\$ 22,511,608,226	53.3%
PORS	7,013,684,001	4,274,123,178	2,739,560,823	60.9%

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 30 year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

This space intentionally left blank.

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

NOTE 14 – RETIREMENT PLAN (continued)

Long-term Expected Rate of Return (continued)

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14 – RETIREMENT PLAN (continued)

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 4,740,078	\$ 3,677,721	\$ 3,033,121
PORS	\$ 2,774,936	\$ 2,055,328	\$ 1,488,307

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' separately issued Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for SCRS and PORS. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2017.

Payables to the Pension Plan

As of June 30, 2018, the County had \$53,211 in payables outstanding to the pension plans for its legally required contributions.

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

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Background

Bamberg County follows Governmental Accounting Standards Board (GASB) Statement No. 75 (Implemented July 1, 2017) for other post-employment benefits (OPEB) offered to retirees. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County’s retiree health benefit subsidy. Historically, the County’s subsidy was funded on a pay-as-you-go basis but GASB 75 (previously GASB 45) requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees’ active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension benefits.

Plan Description

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

The County provides continued post-retirement health coverage for full-time employees who meet eligibility requirements upon retirement. Per a special agreement, the County pays a percentage of the premium for one former employee. The County will pay none of the other current or future retirees’ premiums.

Eligibility – To be eligible for retiree health insurance, a person must satisfy the following three criteria:

1. Retirees must be eligible to retire when leaving employment.
2. The last five years of employment must have been served consecutively in a full-time permanent position with an employer that participates in the state insurance program.
3. SCRS and PORS retirement eligibility requirements are described in the following tables. In addition to the requirements below, Class Two employees must have 5 years of earned service and Class Three employees must have 8 years of earned service.

Normal (unreduced) Retirement Requirements		
	Class Two	Class Three
SCRS	Any age with 28 years of service; or at age 65 with at least 5 years of service	Rule of 90; or at age 65 with at least 8 years of service
PORS	Any age with 25 years of service; or at age 55 with at least 5 years of service	Any age with 27 years of service; or at age 55 with at least 8 years of service

Early (reduced) Retirement Requirements		
	Class Two	Class Three
SCRS	Age 60 with at least 5 years of service; or at age 55 with at least 25 years of service	Age 60 with at least 8 years of service

Class Two employees are those employees hired prior to July 1, 2012. Class Three employees are those employees hired on or after July 1, 2012.

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

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Other Plan Provisions

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

Funding Policy and Financial Information

The County has elected not to pre-fund OPEB liabilities and to fund healthcare benefits on a pay-as-you-go basis (no funding of the obligation). No assets are accumulated in a Trust that meets the criteria in paragraph 4 of Statement 75.

Summary of Membership Information

At June 30, 2017 (measurement date), the following table provides a summary of the participants in the plan:

Inactive Plan Members or Beneficiaries Currently receiving Benefits	3
Inactive Plan Members Entitled to but not yet Receiving Benefits	0
Active Plan Members	<u>88</u>
Total Plan Members	<u>91</u>

Changes in Total OPEB Obligation

The County’s total OPEB liability of \$213,466 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

	<u>Total OPEB Liability</u>
Balance at June 30, 2017, restated	\$ <u>216,611</u>
Changes for the Year:	
Service Cost	15,452
Interest on the total OPEB liability	6,387
Changes of assumptions	(13,751)
Benefit Payments	<u>(11,233)</u>
Net Changes	<u>(3,145)</u>
Balance at June 30, 2018	\$ <u>213,466</u>

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017.

The benefit payments during the measurement period were determined as follows:

Explicit benefit payments	\$ 4,468 (provided by the County)
Implicit benefit payments	<u>6,765</u> (Explicit benefit payments *1.514)
Total benefit payments	<u>\$ 11,233</u>

The 1.514 factor equals the ratio of the expected implicit subsidy to the expected explicit costs.

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

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Discount Rate

For the plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. Thus, the rate used for the actuarial’s valuation was the municipal bond rate of 3.65 based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index.” The discount rate 2.92% as of the prior measurement date.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	1.00% Decrease <u>(2.56%)</u>	Discount Rate <u>(3.56%)</u>	1.00% Increase <u>(4.56%)</u>
Total OPEB Liability	\$ 227,942	\$ 213,466	\$ 199,844

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1.00% Decrease <u>(5.75% Decreasing to 3.15%)</u>	Healthcare Cost Trend Rates <u>(6.75% Decreasing to 4.15%)</u>	1.00% Increase <u>(7.75% Decreasing to 5.15%)</u>
Total OPEB Liability	\$ 190,357	\$ 213,466	\$ 240,368

Recognition of Deferred Outflows and Deferred Inflows of Resources Related to OPEB

Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 795 years. Additionally, the total plan membership (active employees and inactive employees) was 91. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows and outflows of resources established in the current measurement period is 8.7337 years.

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

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources Related to OPEB (continued)

For the year ended June 30, 2018, the County recognized OPEB expense of \$20,265. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Assumption changes	-	12,177
County contributions subsequent to the measurement date	11,504	-
Totals	\$ 11,504	\$ 12,177

Employer contributions made subsequent to the measurement date of the total OPEB liability (June 30, 2017) and prior to the end to the County’s reporting period (June 30, 2018) are reported as deferred outflows related to OPEB. The contributions made subsequent to the measurement date were \$11,504 (\$4,576 in explicit benefit payments and \$6,928 in implicit benefit payments) were determined using the same methodology used to determine the benefit payments made during the measurements period.

The following schedule reflects the County’s amortization of the deferred inflows of resources related to OPEB:

Assumption Changes	Deferred Outflows/ (Inflows)
2019	\$ (1,574)
2020	(1,574)
2021	(1,574)
2022	(1,574)
2023	(1,574)
Thereafter	(4,307)
Total	\$ (12,177)

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

NOTE 15 – OTHER POST EMPLOYMENT BENEFITS (OPEB) (continued)

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.56% as of June 30, 2017
Inflation	2.25%
Salary Increases	3.50% to 9.50 % for PORS and 3.00% to 7.00% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2015 as conducted for the South Carolina Retirement System (SCRS)
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.
Healthcare Cost Trend Rates	6.75% decreasing to an ultimate rate of 4.15% over 15 years; ultimate trend rate includes a 0.15% adjustment for the excise tax.
Participation Rates	It was assumed that 20% of retirees would choose to maintain their healthcare benefits through the County's plan. Future retirees and surviving spouses are assumed to discontinue coverage at age 65. Of those assumed to elect coverage, 15% of males and females were assumed to elect two-person coverage. Of those that elect two-person coverage, it was assumed that coverage would not continue to the spouse upon death of the retiree.
Other Information:	
Notes	There were no benefit changes during the year.
2017 monthly premiums for the Standard Pre-65 plan:	\$460.66 retiree only/\$972.34 retiree plus spouse

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study as of June 30, 2017.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 16 – RISK MANAGEMENT

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

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

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

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

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

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

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

The County has not reported a supplemental premium assessment expenditure, and the related liability at June 30, 2018, 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, 2018, and that the amount of the premiums is reasonably estimable, have not been satisfied.

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 17 – CONTINGENCIES

Accrued Claims

Bamberg County was the defendant in a lawsuit regarding contracts the County signed for services to be rendered in prior years to the Bamberg County Hospital. In February, 2015, a settlement was reached whereby the County agreed to pay \$200,000 over six fiscal years. The balance at June 30, 2018, of \$25,000 is payable under this agreement as follows:

For Year Ended <u>June 30,</u>	<u>Amount</u>
2019	\$ -
2020	<u>25,000</u>
	<u>\$ 25,000</u>

Pending Legal Cases

The County currently has three litigated claims with the Insurance Reserve Fund. Two cases involve lawsuits filed against the County with one that is early in the discovery phase and the other still under investigation so unable to predict an outcome in either. For the third pending case, it appears the County will be dismissed.

The County was also a party to a lawsuit but was dismissed from this case in May, 2019, based upon paying the amount of \$179,223 as interpleader. Note 22 provides more information on this case.

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.

NOTE 18 – MULTI-COUNTY AGREEMENTS

Solid Waste Disposal

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

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

NOTE 19 – SALES TAX AND OTHER CAPITAL PROJECTS FUND

On November 6, 2012, the Bamberg County voters passed a referendum to impose a one percent sales tax for not more than eight years to raise the revenues to be applied directly to pay the costs of or to pay the debt service on bonds issued to defray the cost of certain capital projects listed below. In 2013, the County, through their blended component unit the Bamberg Facilities Corporation, issued revenue bonds to commence the projects in anticipation of receiving the sales tax and fees in lieu revenue. These revenue bonds were refunded in November, 2015, with the issuance of Series 2015A and 2015B revenue bonds which included funding for additional capital projects. (See Note 11). The following table provides further detail of the costs incurred from inception for each sales tax project and a total incurred to date for the additional projects which were funded through the debt refunding:

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<u>One Percent Sales Tax Projects:</u>				
General Government				
Bamberg County Courthouse renovation and expansion	\$ 3,541,423	\$ 3,541,423	\$ -	\$ 3,541,423
Culture and Recreation				
Olar: Park shed	6,200	6,000	-	6,000
Olar: Community building renovations	37,000	31,477	4,306	35,783
City of Bamberg: Civic Center renovations	589,000	589,000	-	589,000
Denmark: Dane Theatre renovations	60,000	60,000	-	60,000
Ehrhardt: Downtown beautification and former town hall restoration	60,000	37,666	17,726	55,392
Govan: Park shed and park improvements	15,000	-	15,000	15,000
Bamberg EDC: Veterans memorial construction	<u>82,500</u>	<u>-</u>	<u>33,395</u>	<u>33,395</u>
	<u>849,700</u>	<u>724,143</u>	<u>70,427</u>	<u>794,570</u>
Health and Welfare				
Olar/Govan: Regional water system back-up pump and chlorination	<u>14,604</u>	<u>14,604</u>	<u>-</u>	<u>14,604</u>
Total One Percent Sales Tax Projects	<u>\$ 4,405,727</u>	<u>\$ 4,280,170</u>	<u>70,427</u>	<u>\$ 4,350,597</u>
<u>Refunding Bond Funding Projects:</u>				
General Government				
Bamberg County Courthouse renovation and expansion	<u>\$ -</u>	<u>\$ 438,838</u>	<u>\$ 20,330</u>	<u>\$ 459,168</u>

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

NOTE 20 – TAX ABATEMENTS

The County has two tax abatement programs pursuant to which the County reduces certain taxpayers' property tax liability.

FEE-IN-LIEU OF *AD VALOREM* PROPERTY TAX PROGRAM

One of the County's tax abatement programs is the "Fee-in-Lieu of *Ad Valorem* Property Tax" ("FILOT") program. The FILOT program is authorized by South Carolina state law, specifically, Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina.¹

A taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment of \$2,500,000 in a project located in the County within a 5-year period.² Additionally, before a taxpayer's project is eligible for benefits under the FILOT program, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than the costs.³

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the project is calculated using (i) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investments as defined by state law), and (ii) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year),⁴ for a term of not more than 30 years (or 40 years in the case of certain enhanced investments as defined by state law).⁵

If the taxpayer does not make the minimum investment in a project within the 5-year period as described above, then the agreement is automatically terminated and the taxpayer is no longer entitled to any benefit under the FILOT program. On termination of an agreement, the taxpayer is obligated to pay to the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid by the taxpayer had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer, and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payment made by the taxpayer with respect to the economic development property.⁶

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program as described above, the taxpayer and the County may also negotiate certain other commitments by the taxpayer. For example, the taxpayer may make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than minimum investment, and (ii) create a certain number of new, full-time jobs at a project.

¹ S.C. Code Ann. § 12-44-20

² S.C. Code Ann. §§ 12-44-30(13); 12-44-30(14)

³ S.C. Code Ann. § 12-44-40(l)(i)

⁴ S.C. Code Ann. § 12-44-40(A)

⁵ S.C. Code Ann. § 12-44-30(21)

⁶ S.C. Code Ann. § 12-44-140;

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 20 – TAX ABATEMENTS (continued)

For tax year 2017, County property taxes abated as a result of the FILOT program totaled \$13,219.^{7,8}

SPECIAL SOURCE REVENUE CREDIT PROGRAM

The County also abates property taxes through the “Special Source Revenue Credit” (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County.⁹

A taxpayer is eligible to receive an SSRC, thereby reducing its property taxes, if (i) the taxpayer’s property is located in a multicounty industrial or business park,¹⁰ and (ii) the taxpayer uses the SSRC to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.¹¹

Property taxes are abated under the SSRC program through the County providing a credit (in the form of a percentage or certain dollar amount) against a taxpayer’s property tax liability.¹²

The County uses the SSRC program in connection with the FILOT program. Following the calculation of a taxpayer’s fee-in-lieu of *ad valorem* tax payment under the FILOT program, the County applies an SSRC to further abate the taxpayer’s property tax liability. To receive property tax abatements under the SSRC program and the FILOT program, the taxpayer must meet the eligibility criteria for both programs.

For tax year 2017, County property taxes abated as a result of the SSRC program totaled \$6,406.

For tax year 2017, the County received \$326,999 from taxpayers subject to the County’s tax abatement programs.

NONFINANCIAL COMMITMENTS

The County also made certain commitments other than to reduce property taxes as a part of an agreement the County entered into under the above-referenced tax abatement programs. In consideration of the commitments certain taxpayers made to the County in certain tax abatement agreements, the County is leasing certain real property the County owns to a taxpayer for below-market rent.

⁷ Due to absence of actual appraisal, standard *ad valorem* taxes estimated for taxpayers subject to the FILOT program assumes the appraised value of their real property would have equaled the gross cost value; however, taxpayers’ real property and their real property improvements are generally not appraised at cost.

⁸ Estimated standard *ad valorem* taxes are net of local option sales tax credits and the five-year exemption provided by Section 12-37-220 of the Code of Laws of South Carolina, 1976, as amended, if it were otherwise applicable.

⁹ S.C. Code Ann. § 4-29-68(A)(2)(i)

¹⁰ To locate a taxpayer’s property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties (S.C. Code Ann. § 4-1-172), a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the expenses and revenues from the multicounty industrial or business park (S.C. Const. Art. VIII, Sec. 13). The agreement must further specify how the revenues from the multicounty industrial or business park will be distributed to each taxing entity in the participating counties (S.C. Code Ann. § 4-1-170).

¹¹ S.C. Code Ann. §§ 4-29-68(A)(2)(i)

¹² S.C. Code Ann. § 4-1-175

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

NOTE 21 – RESTATEMENT OF PRIOR YEAR BALANCES

Governmental and business-type activities net positions for June 30, 2017, were restated as follows:

	Governmental Activities <u>Net Position</u>	Enterprise Fund <u>Net Position</u>
Balance, June 30, 2017	\$ 5,010,362	\$ (398,541)
To adjust OPEB obligation for GASB 75	<u>(145,303)</u>	<u>(12,891)</u>
Balance June 30, 2017, restated	<u>\$ 4,865,059</u>	<u>\$ (411,432)</u>

NOTE 22 – RELATED PARTY TRANSACTIONS

The County contracts with Preston Consulting, LLC to provide County Administrator services for the County. During the fiscal year ended June 30, 2018, the owner of this limited liability company became the spouse of the paralegal for the attorneys at the firm of Holder, Padgett, Littlejohn, & Prickett, LLC who directly provide legal counsel to the County.

The County conducted business with Morris Tree Services, LLC for \$4,100.00 of services during the fiscal year ended June 30, 2018. This company is owned by the son-in-law of the County Treasurer.

NOTE 23 – SUBSEQUENT EVENTS

In July, 2018, the County approved posing a referendum which was later passed by the voters in November, 2018 to impose a one percent sales tax for to raise the revenues for an approved list of \$4,844,000 of capital projects within the County. This will be the second round on the Capital Project Sales and Use Tax. The County also approved issuing bonds up to \$5,600,000 for construction of these one percent sales tax projects.

The County was named as a party in a lawsuit involving the consultants and construction contractors for the construction and financing of the Ehrhardt EMS Station renovation, old County Library renovation, and deck around tree at the Annex Building of the County. The original amount of the projects was \$179,223 with an agreed \$8,573 reduction to the cost of one project to arrive at the \$170,650 total cost financed as a note payable of the County held by one of the parties in the case. The County has made payments towards this debt in fiscal year 2018 leaving a balance at June 30, 2018 for this note payable of \$150,286 (See Note 11). The County was dismissed from the case in May, 2019 based upon paying the amount of \$179,223 as interpleader. The entire \$150,286 note payable balance at June 30, 2018 has been classified as payable within a year based on the payment ordered due by June 30, 2019.

The County has issued the following debt subsequent to June 30, 2018 fiscal year end:

- On February 13, 2019, the County issued \$160,500 General Obligation Bond taxable series 2019A with the proceeds used for the debt service payments due for capital sales tax project related outstanding debt. The debt will be repaid in five annual principal installments ranging from \$20,586 to \$37,708 through March 1, 2024, interest at 4.30% due semiannually. Cost of issuance was \$32,500 with net proceeds to the County of \$128,000.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 23 – SUBSEQUENT EVENTS (continued)

- On February 20, 2019, the County issued \$1,600,000 General Obligation Bond Anticipation Note (BAN) with the proceeds being used to begin the capital sales tax projects under the second capital sales tax referendum. One principal payment will be due on February 20, 2020 along with interest of \$41,760 (interest rate is 2.610%).
- On July 31, 2019, the County issued \$225,000 General Obligation Bond taxable series 2019B with the proceeds used for the interpleader payment made regarding the legal suit noted above. The debt will be one principal installment plus interest at 4.95% on March 2, 2020. Cost of issuance was \$30,000 with net proceeds to the County of \$195,000.

The County was awarded three loan/grant financing agreements from USDA Rural Development each for the purchase of a fire pumper tanker truck for use in three specific zones of the County. The trucks are anticipated to be received in August, 2019 at which time the grants/loans will be funded. The following summarizes the terms of each:

- \$280,000 funding consisting of \$230,100 loan and \$49,900 grant to be repaid in annual installment of interest and principal of \$16,745.00 over twenty years
- \$280,000 funding consisting of \$230,000 loan and \$50,000 grant to be repaid in annual installment of interest and principal of \$16,186.00 over twenty years
- \$280,000 funding consisting of \$230,200 loan and \$49,800 grant to be repaid in annual installment of interest and principal of \$16,200.00 over twenty years

Subsequent to the June 30, 2018 fiscal year-end, the County has submitted applications or approved seeking funding for the following projects:

- \$150,000 USDA Rural Development Facilities Program loan for the construction of new fire service substation with the loan term to be 40 years, annual payment of \$7,025.00 at 3.5% interest.
- \$3,000,000 Community Connect Grant from the USDA Rural Utility Service for a broadband system. This grant requires a \$450,000 County match which will be funded by issuing revenue bond should the County be approved to receive the grant.
- An installment plan of finance to renovate or expand certain facilities, including the courthouse and to refurbish the historic caboose. The loan amount for the project is \$6 million with a 3.875 percent interest rate for a 40 year term. Annual payments will be approximately \$298,000 under the proposed financing plan.

REQUIRED SUPPLEMENTARY INFORMATION

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS ENDING JUNE 30

Fiscal Year	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Service Cost	\$ 15,452	N/A *								
Interest	6,387	N/A *								
Changes of Benefit Terms	-	N/A *								
Differences Between Expected and Actual Experience	-	N/A *								
Changes of Assumptions or Other Inputs	(13,751)	N/A *								
Benefit Payments	(11,233)	N/A *								
Net Change in Total OPEB Liability	(3,145)	N/A *								
Total OPEB Liability - Beginning - Restated	216,611	N/A *								
Total OPEB Liability - Ending	\$ 213,466	N/A *								
Covered - Employee Payroll	\$ 2,813,394	N/A *								
Total OPEB Liability as a Percentage of Covered - Employee Payroll	7.59%	N/A *								

NA* - Not Available - This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Notes to Schedule:

Changes of assumptions reflect a change in the discount rate from 2.92% as of June 30, 2016 to 3.56% as of June 30, 2017 (measurement date). There are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)										
County's proportion of the net pension liability (asset)	0.016337%	0.016367%	0.016576%	0.015533%	0.015533%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 3,677,721	\$ 3,495,967	\$ 3,143,718	\$ 2,674,268	\$ 2,786,066	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 1,632,937	\$ 1,569,046	\$ 1,563,111	\$ 1,378,866	\$ 1,478,057	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	22.522%	222.81%	201.12%	193.95%	188.50%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	53.3%	52.9%	57.0%	59.9%	56.4%	NA*	NA*	NA*	NA*	NA*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
POLICE OFFICERS RETIREMENT SYSTEM (PORS)										
County's proportion of the net pension liability (asset)	0.075020%	0.083140%	0.080800%	0.078380%	0.078380%	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 2,055,328	\$ 2,108,850	\$ 1,761,077	\$ 1,500,528	\$ 1,624,817	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	\$ 1,003,475	\$ 1,054,028	\$ 1,012,604	\$ 974,029	\$ 977,213	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	204.82%	200.08%	173.92%	154.05%	166.27%	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	60.90%	60.40%	64.60%	67.50%	63.00%	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

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

Source: Audit reports on the schedules of employer allocations, schedules of pension amounts per employer, and related notes of the South Carolina and Police Officers Retirement Systems, as administered by the SC Public Employee Benefits Authority for the applicable year presented. The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

BAMBERG COUNTY, SOUTH CAROLINA
 SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS (SCRS AND PORS)
 LAST 10 FISCAL YEARS*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)										
Contractually required contribution	\$ 241,793	\$ 188,767	\$ 173,237	\$ 170,377	\$ 146,160	\$ 156,674	\$ 149,493	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(241,793)	(188,767)	(173,237)	(170,377)	(146,160)	(156,674)	(149,493)	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,783,156	\$ 1,632,937	\$ 1,569,046	\$ 1,563,111	\$ 1,378,866	\$ 1,478,057	\$ 1,567,932	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	13.56%	11.56%	11.04%	10.90%	10.60%	10.60%	9.53%	NA*	NA*	NA*

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
POLICE OFFICERS RETIREMENT SYSTEM (PORS)										
Contractually required contribution	\$ 177,529	\$ 142,995	\$ 144,823	\$ 135,790	\$ 125,065	\$ 120,197	\$ 114,705	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(177,529)	(142,995)	(144,823)	(135,790)	(125,065)	(120,197)	(114,705)	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,093,160	\$ 1,003,475	\$ 1,054,028	\$ 1,012,604	\$ 974,029	\$ 977,213	\$ 975,136	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	16.24%	14.25%	13.74%	13.41%	12.84%	12.30%	11.76%	NA*	NA*	NA*

NA* - Not Available

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

Source: County's quarterly retirement contribution reports for each fiscal year ended June 30.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Local Sources				
Taxes				
Real estate taxes	\$ 3,595,805	\$ 3,595,805	\$ 3,791,650	\$ 195,845
Local option sales tax credit	205,000	205,000	117,565	(87,435)
Vehicle taxes	663,535	663,535	492,989	(170,546)
Vehicle decal income	9,200	9,200	9,210	10
Delinquent taxes	325,000	325,000	210,735	(114,265)
Delinquent tax execution cost reimbursement	99,000	99,000	98,499	(501)
Payment in lieu of taxes	24,800	24,800	1,039	(23,761)
Municipal tax collection fees	29,195	29,195	28,332	(863)
State motor carrier	53,700	53,700	70,398	16,698
Manufacturer exemption reimbursement	33,675	33,675	36,851	3,176
Merchant's inventory tax	26,475	26,475	26,475	-
Homestead exemption reimbursement	312,000	312,000	316,914	4,914
Total taxes	5,377,385	5,377,385	5,200,657	(176,728)
Intergovernmental				
State				
Accommodations tax	99,000	99,000	108,486	9,486
Local Government Fund	632,795	632,795	609,516	(23,279)
Salary Assistance	6,300	6,300	6,300	-
State Election Board stipend reimbursement	10,500	10,500	10,500	-
Reimbursement for election costs	30,000	30,000	-	(30,000)
Service Officer Supplement	4,550	4,550	4,704	154
Grants	30,645	30,645	16,746	(13,899)
Rural infrastructure grant	-	-	453,950	453,950
State pension funding allocation	-	-	27,065	27,065
Federal				
DSS filing fees	9,300	9,300	4,500	(4,800)
DSS - Clerk of Court	14,425	14,425	3,003	(11,422)
DSS - Sheriff	3,800	3,800	3,267	(533)
DSS - IV-D Incentives	40,400	40,400	75,395	34,995
DSS - Rent/Utilities reimbursement	57,000	57,000	29,936	(27,064)
Total intergovernmental	938,715	938,715	1,353,368	414,653
Licenses and permits				
Moving and other permits	6,150	6,150	17,732	11,582
Franchise fees	3,600	3,600	3,157	(443)
Building permits	39,500	39,500	62,957	23,457
Total licenses and permits	49,250	49,250	83,846	34,596
Charges for services				
Probate fees	20,000	20,000	24,427	4,427
Municipal inmate housing	30,500	30,500	14,099	(16,401)
Tower rent	50,350	50,350	65,124	14,774
Total charges for services	100,850	100,850	103,650	2,800

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures				
Clerk of court fines and fees	103,000	103,000	108,159	5,159
Magistrate fines and fees	130,400	130,400	100,289	(30,111)
Sex offender registration fees	1,800	1,800	2,075	275
Victim's Advocate funds	19,400	19,400	13,601	(5,799)
Service fees	2,500	2,500	1,848	(652)
Total fines and forfeitures	<u>257,100</u>	<u>257,100</u>	<u>225,972</u>	<u>(31,128)</u>
Investment income	<u>2,340</u>	<u>2,340</u>	<u>3,195</u>	<u>855</u>
Miscellaneous				
Miscellaneous revenue	10,000	10,000	20,545	10,545
Forfeited Land Commission sales & interest	54,500	54,500	22,659	(31,841)
GIS mapping	-	-	1,903	1,903
Reimbursement for Municipal Judge	17,000	17,000	25,905	8,905
Detention Center phone	5,000	5,000	4,396	(604)
Detention Center concessions commissions	-	-	2,249	2,249
Total miscellaneous	<u>86,500</u>	<u>86,500</u>	<u>77,657</u>	<u>(8,843)</u>
TOTAL REVENUES	<u>6,812,140</u>	<u>6,812,140</u>	<u>7,048,345</u>	<u>236,205</u>
EXPENDITURES				
Current:				
General government	2,976,250	2,976,250	3,010,031	(33,781)
Judicial	736,450	736,450	751,395	(14,945)
Public safety	2,531,990	2,531,990	2,417,840	114,150
Economic development	50,000	50,000	504,200	(454,200)
Culture and recreation	150,800	150,800	150,253	547
Miscellaneous	222,355	222,355	186,192	36,163
Health and welfare	475,000	475,000	475,000	-
TOTAL EXPENDITURES	<u>7,142,845</u>	<u>7,142,845</u>	<u>7,494,911</u>	<u>(352,066)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(330,705)</u>	<u>(330,705)</u>	<u>(446,566)</u>	<u>(115,861)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	50,000	50,000	27,589	(22,411)
Transfers in (out)	<u>(61,110)</u>	<u>(61,110)</u>	<u>8,856</u>	<u>69,966</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(11,110)</u>	<u>(11,110)</u>	<u>36,445</u>	<u>47,555</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (341,815)</u>	<u>\$ (341,815)</u>	<u>(410,121)</u>	<u>\$ (68,306)</u>
Fund Balance at Beginning of Year			<u>3,308,323</u>	
Fund Balance at End of Year			<u>\$ 2,898,202</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
GENERAL GOVERNMENT				
Administration:				
Salaries	\$ 40,800	\$ 40,800	\$ 41,195	\$ (395)
State retirement	5,532	5,532	5,591	(59)
FICA and Medicare	3,121	3,121	3,094	27
Health insurance	5,732	5,732	7,102	(1,370)
Unemployment comp insurance	169	169	67	102
Workers comp insurance	960	960	800	160
Travel	2,000	2,000	3,444	(1,444)
Training	2,000	2,000	2,979	(979)
Supplies	7,500	7,500	6,826	674
Capital Improvement	500	500	-	500
Administrator operations	3,000	3,000	2,717	283
Personnel operations	1,000	1,000	609	391
Gas and fuel	900	900	385	515
Temporary contract labor	-	-	356	(356)
Administrator contract	111,656	111,656	130,153	(18,497)
	<u>184,870</u>	<u>184,870</u>	<u>205,318</u>	<u>(20,448)</u>
County Auditor:				
Salaries	70,350	70,350	68,593	1,757
State retirement	9,539	9,539	6,994	2,545
FICA and Medicare	5,382	5,382	5,079	303
Health insurance	18,462	18,462	21,390	(2,928)
Unemployment comp insurance	508	508	201	307
Workers comp insurance	1,349	1,349	1,170	179
Meals	100	100	26	74
Training	450	450	50	400
Travel	350	350	24	326
Photocopy maintenance	745	745	-	745
Lodging	1,300	1,300	872	428
Registration	840	840	425	415
Dues and Publications	500	500	296	204
Supplies	3,500	3,500	2,222	1,278
Software expense	6,480	6,480	6,480	-
Maintenance contracts	2,070	2,070	-	2,070
	<u>121,925</u>	<u>121,925</u>	<u>113,822</u>	<u>8,103</u>
County Treasurer:				
Salaries	94,911	94,911	117,222	(22,311)
State retirement	12,870	12,870	18,569	(5,699)
FICA and Medicare	7,261	7,261	8,606	(1,345)
Health insurance	24,702	24,702	28,923	(4,221)
Unemployment comp insurance	508	508	201	307
Workers comp insurance	2,233	2,233	1,846	387
Meals	400	400	248	152
Travel	1,000	1,000	96	904
Photocopy maintenance	575	575	-	575
Lodging	1,500	1,500	1,652	(152)
Registration	1,250	1,250	825	425
Dues and publications	200	200	197	3
Supplies	2,500	2,500	2,190	310
Insurance - professional liability	1,100	1,100	-	1,100
Photocopy Lease	1,400	1,400	-	1,400
	<u>152,410</u>	<u>152,410</u>	<u>180,576</u>	<u>(28,166)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
County Tax Assessor/GIS/Risk Manager:				
Salaries	137,325	137,325	138,047	(722)
State retirement	18,621	18,621	18,719	(98)
FICA and Medicare	10,505	10,505	10,288	217
Health insurance	25,565	25,565	30,936	(5,371)
Unemployment comp insurance	678	678	271	407
Workers comp insurance	3,231	3,231	2,087	1,144
Meals	300	300	111	189
Training	2,810	2,810	1,781	1,029
Travel	2,000	2,000	711	1,289
Lodging	1,050	1,050	663	387
Registration	300	300	230	70
Dues and publications	1,600	1,532	1,060	472
Supplies	4,500	4,800	5,043	(243)
Service contracts	10,600	9,600	8,500	1,100
Capital improvements	5,400	6,168	6,166	2
Auto Maintenance	1,500	1,500	1,633	(133)
Contract appraisers	40,000	40,000	21,492	18,508
Postage	2,500	2,500	-	2,500
	268,485	268,485	247,738	20,747
Building/Zoning/Code Enforcement:				
Salaries	56,930	56,930	58,175	(1,245)
State retirement	7,720	7,720	7,898	(178)
FICA and Medicare	4,355	4,355	4,381	(26)
Health insurance	5,731	5,731	7,300	(1,569)
Unemployment comp insurance	169	169	67	102
Workers comp insurance	1,340	1,340	980	360
Meals	300	300	244	56
Training	1,000	1,000	-	1,000
Travel	800	800	427	373
Lodging	300	300	253	47
Registration	200	200	-	200
Dues and publications	1,000	-	-	-
Supplies	1,000	1,000	394	606
Gas and fuel	4,000	5,000	4,999	1
Auto maintenance	1,000	1,000	468	532
Software maintenance	2,900	2,900	2,894	6
Telephone	720	720	-	720
	89,465	89,465	88,480	985
Mosquito Control	20,945	20,945	11,223	9,722

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Voter Registration:				
Salaries	63,662	63,662	70,725	(7,063)
State retirement	8,633	8,633	8,953	(320)
FICA and Medicare	4,870	4,870	5,009	(139)
Health insurance	5,733	5,733	7,143	(1,410)
Unemployment comp insurance	339	339	134	205
Workers comp insurance	1,498	1,498	548	950
Training	500	500	200	300
Travel	1,500	1,500	448	1,052
Operations	2,000	2,000	-	2,000
Supplies	4,500	4,500	3,745	755
Capital improvements	6,600	6,600	6,109	491
Board travel	4,500	4,500	4,491	9
Election commission	10,500	10,500	10,500	-
Voting machine maintenance	11,120	11,120	11,120	-
Equipment maintenance	5,000	5,000	341	4,659
Poll worker stipend	4,500	4,500	-	4,500
Reimbursed Election Expenses	30,000	30,000	20,200	9,800
	<u>165,455</u>	<u>165,455</u>	<u>149,666</u>	<u>15,789</u>
Delinquent Tax Collector:				
Salaries	60,969	60,969	61,078	(109)
State retirement	8,267	8,267	8,292	(25)
FICA and Medicare	4,664	4,664	4,338	326
Health insurance	21,261	21,261	24,549	(3,288)
Unemployment comp insurance	339	339	134	205
Workers comp insurance	1,435	1,435	1,272	163
Meals	50	50	-	50
Travel	500	500	521	(21)
Lodging	800	800	747	53
Operations	500	500	365	135
Registration Fee	500	500	455	45
Dues & Publications	50	50	30	20
Supplies	1,000	1,000	818	182
Capital improvements	500	500	-	500
Postage	7,500	4,540	-	4,540
Service Contracts-Title Search for Del Tax Sale	30,000	32,960	32,350	610
Service Contracts-Del Tax Prop Posting	5,000	5,000	5,610	(610)
	<u>143,335</u>	<u>143,335</u>	<u>140,559</u>	<u>2,776</u>
Central Services & Utilities:				
Development and IT	1,500	1,500	1,924	(424)
Miscellaneous	-	-	1,021	(1,021)
Supplies	2,500	2,500	-	2,500
Equipment maintenance contracts	21,200	21,200	1,207	19,993
Telephone	120,000	120,000	199,761	(79,761)
Electricity	185,000	185,000	190,556	(5,556)
Postage	25,000	25,000	22,837	2,163
Photocopy Lease/Maintenance	15,500	15,500	20,099	(4,599)
Bonding	4,500	4,500	7,055	(2,555)
Computer - taxes	122,825	122,825	123,890	(1,065)
Computer - payroll	6,900	6,900	3,214	3,686
Computer - Family Court	4,335	4,335	-	4,335

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Central Services & Utilities: (continued)				
Copy machine	12,000	12,000	10,587	1,413
Insurance	120,000	120,000	109,255	10,745
Meeting Expense	20,000	20,000	24,013	(4,013)
Risk Management	1,000	1,000	2,470	(1,470)
	662,260	662,260	717,889	(55,629)
Contingency & Grant Matches:				
Monument expenditures	5,000	5,000	5,000	-
Contingency	40,000	40,000	-	40,000
	45,000	45,000	5,000	40,000
Unallocated Benefits:				
Retiree Health Insurance	4,360	4,360	-	4,360
Employee assistance contract	2,600	2,600	1,768	832
	6,960	6,960	1,768	5,192
Finance:				
Salaries	188,716	183,416	150,491	32,925
State retirement	25,590	25,590	20,436	5,154
FICA and Medicare	14,437	14,437	11,156	3,281
Health insurance	31,188	31,188	38,074	(6,886)
Unemployment comp insurance	508	508	268	240
Workers comp insurance	4,441	4,441	5,219	(778)
Meals	500	970	470	500
Training	1,000	1,000	70	930
Travel	500	500	508	(8)
Lodging	2,000	2,000	1,803	197
Registration Fee	2,500	911	1,311	(400)
Dues & Publications	1,250	2,210	2,894	(684)
Supplies	4,000	4,929	4,963	(34)
Gas and fuel	250	575	470	105
Supplies	2,500	1,705	1,692	13
Audits	51,500	51,500	25,000	26,500
Management Consulting	80,000	85,000	92,831	(7,831)
	410,880	410,880	357,656	53,224
Buildings and Grounds:				
Salaries	37,969	37,969	38,182	(213)
State Retirement	5,149	5,149	5,168	(19)
FICA & Medicare	2,905	2,905	2,621	284
Health Insurance	11,465	11,465	13,392	(1,927)
Unemployment Comp Insurance	339	339	134	205
Workers Comp Insurance	893	893	836	57
Uniforms	1,500	640	622	18
Maintenance Contracts - Eqpt	2,000	2,860	2,860	-
Building Grounds & Supplies	50,000	50,000	94,958	(44,958)
Maintenance - County Buildings	75,000	75,000	68,206	6,794
Custodial Contract	26,300	26,300	26,268	32
	213,520	213,520	253,247	(39,727)
County Attorney:				
Salaries	42,024	42,024	42,124	(100)
State Retirement	5,698	5,698	5,715	(17)
FICA & Medicare	3,215	3,215	3,223	(8)

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
County Attorney: (continued)				
Health Insurance	10,435	10,435	954	9,481
Unemployment Comp	169	169	67	102
Workers Comp	989	989	925	64
Legal Service Fee	75,000	75,000	61,914	13,086
	<u>137,530</u>	<u>137,530</u>	<u>114,922</u>	<u>22,608</u>
County Council:				
Salaries	100,990	100,990	101,878	(888)
State Retirement	13,694	13,694	9,907	3,787
FICA & Medicare	7,726	7,726	7,203	523
Health Insurance	38,236	38,236	43,962	(5,726)
Unemployment Comp	898	898	356	542
Workers Comp	2,376	2,376	2,104	272
Supplies	-	-	(91)	91
Council Operations	1,500	1,500	2,810	(1,310)
Clerk to Council Operation	2,000	2,000	3,103	(1,103)
Capital improvements	500	500	-	500
Service Contracts	13,500	13,500	2,240	11,260
Advertising & Legal	6,000	6,000	6,875	(875)
Council Special Projects - District 1	14,900	14,900	50,006	(35,106)
District 1	2,500	2,500	992	1,508
District 2	2,500	2,500	4,080	(1,580)
District 3	2,500	2,500	2,971	(471)
District 4	2,500	2,500	654	1,846
District 5	2,500	2,500	2,548	(48)
District 6	2,500	2,500	2,495	5
District 7	4,780	4,780	-	4,780
	<u>222,100</u>	<u>222,100</u>	<u>244,093</u>	<u>(21,993)</u>
Veterans Affairs				
Salaries	22,735	22,735	22,787	(52)
State Retirement	3,083	3,083	3,092	(9)
FICA & Medicare	1,739	1,739	1,743	(4)
Health Insurance	-	-	518	(518)
Unemployment Comp Insurance	169	169	67	102
Workers Comp Insurance	534	534	501	33
Meals	500	500	-	500
Training	750	750	-	750
Travel	750	750	-	750
Photocopy Maintenance	2,000	2,000	454	1,546
Registration fees	500	500	-	500
Supplies	750	750	-	750
Equipment	1,000	1,000	-	1,000
	<u>34,510</u>	<u>34,510</u>	<u>29,162</u>	<u>5,348</u>
Information Technology				
Supplies	1,200	1,200	192	1,008
Software Exp.	15,800	15,800	9,304	6,496
Equipment, Maintenance	5,000	5,000	1,006	3,994
IT Consulting Services	74,600	74,600	138,410	(63,810)
	<u>96,600</u>	<u>96,600</u>	<u>148,912</u>	<u>(52,312)</u>
Total General Government	<u>2,976,250</u>	<u>2,976,250</u>	<u>3,010,031</u>	<u>(33,781)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
JUDICIAL				
Clerk of Court:				
Salaries	144,987	144,987	136,024	8,963
State retirement	19,660	19,660	18,362	1,298
FICA and Medicare	11,091	11,091	10,061	1,030
Health insurance	31,463	31,463	37,514	(6,051)
Unemployment comp insurance	847	847	335	512
Workers comp insurance	3,412	3,412	3,024	388
Operations	1,000	1,000	3,551	(2,551)
Supplies	6,500	6,500	11,340	(4,840)
Misappropriation expense	-	-	27,368	(27,368)
Court expenses	18,000	18,000	14,112	3,888
Equipment replacement	1,800	1,800	-	1,800
Service Contract - Index	20,000	20,000	9,828	10,172
IV-D expenditures	-	-	2,868	(2,868)
Case Management System Expense	18,000	18,000	18,000	-
Equipment Maintenance	400	400	498	(98)
	277,160	277,160	292,885	(15,725)
Probate Judge:				
Salaries	73,286	73,286	75,129	(1,843)
State retirement	11,298	11,298	11,593	(295)
FICA and Medicare	5,606	5,606	5,344	262
Health insurance	18,457	18,457	21,832	(3,375)
Unemployment comp insurance	339	339	134	205
Workers comp insurance	1,724	1,724	1,613	111
Meals	500	500	92	408
Travel	700	700	55	645
Lodging	1,300	1,300	893	407
Dues & Publications	850	850	72	778
Registration	800	800	480	320
Supplies	3,500	3,500	971	2,529
Capital Improvements	1,500	1,500	584	916
Advertising & Legal Notices	2,000	2,000	1,099	901
Maintenance Contract - ChMs	2,400	2,400	2,400	-
Court Expenses	1,360	1,360	455	905
Postage	140	140	-	140
Equipment maintenance contracts	3,405	3,405	2,810	595
Photocopy Lease	1,400	1,400	1,269	131
	130,565	130,565	126,825	3,740
Magistrate:				
Salaries	130,997	130,997	139,578	(8,581)
State retirement	19,522	19,522	17,312	2,210
FICA and Medicare	10,021	10,021	10,424	(403)
Health insurance	17,195	17,195	21,754	(4,559)
Unemployment comp insurance	678	678	269	409
Workers comp insurance	3,082	3,082	2,883	199
Training	2,500	2,500	303	2,197
Lodging	2,500	2,500	228	2,272
Operations	2,000	2,000	2,666	(666)
Registration	600	600	730	(130)
Supplies	2,000	2,000	1,792	208
Case management system	18,000	18,000	18,000	-

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Magistrate: (continued)				
Capital improvements	2,000	2,000	-	2,000
Court expense	2,500	2,500	620	1,880
	213,595	213,595	216,559	(2,964)
Contract Agencies - Judicial:				
Public Defender	32,500	32,500	32,500	-
Solicitor	81,730	81,730	81,726	4
Court Library	900	900	900	-
	115,130	115,130	115,126	4
Total Judicial	736,450	736,450	751,395	(14,945)
PUBLIC SAFETY				
County Sheriff:				
Salaries	549,537	549,537	541,163	8,374
Overtime	46,000	46,000	42,127	3,873
State retirement	96,715	96,715	96,454	261
FICA and Medicare	45,559	45,559	44,765	794
Health insurance	110,918	110,918	134,795	(23,877)
Unemployment comp insurance	2,710	2,710	1,074	1,636
Workers comp insurance	12,931	12,931	12,246	685
Training	5,000	5,000	5,361	(361)
Operations	6,000	6,000	5,479	521
Supplies	6,000	6,000	6,132	(132)
Capital improvements	10,200	10,200	5,656	4,544
Investigations	6,500	6,500	3,657	2,843
Victim's services	32,000	32,000	24,344	7,656
Gasoline	65,000	65,000	49,533	15,467
Auto maintenance	20,000	20,000	16,784	3,216
Uniforms	10,000	10,000	5,127	4,873
Radio maintenance	8,000	8,000	1,689	6,311
Radio Communications	10,200	10,200	1,232	8,968
Software expense	2,800	2,800	2,848	(48)
Maintenance Contracts - Eqpt	19,300	19,300	9,063	10,237
Photocopy Lease	3,000	3,000	3,608	(608)
	1,068,370	1,068,370	1,013,137	55,233
Detention Center:				
Salaries	370,669	370,669	406,777	(36,108)
Overtime	25,000	25,000	22,338	2,662
State retirement	64,257	64,257	74,208	(9,951)
FICA and Medicare	30,269	30,269	32,065	(1,796)
Health insurance	98,339	98,339	116,654	(18,315)
Unemployment comp insurance	2,504	2,504	992	1,512
Workers comp insurance	8,722	8,722	7,874	848
Training	2,000	2,000	443	1,557
Travel	2,500	2,500	425	2,075
Operations	5,000	5,000	1,747	3,253
Supplies	2,500	2,500	914	1,586
Capital improvements	21,000	21,000	10,549	10,451

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Detention Center: (continued)				
Gas and fuel	4,000	4,000	1,724	2,276
Auto maintenance	3,000	3,000	1,559	1,441
Uniforms	5,000	5,000	3,389	1,611
Department of Youth Services	1,000	1,000	-	1,000
Inmate meals	83,000	83,000	56,002	26,998
County physician	2,500	2,500	975	1,525
Jail Service Contract	19,120	19,120	7,930	11,190
Janitorial Supplies	3,500	3,500	3,174	326
Jail Supplies	5,000	5,000	5,235	(235)
Maintenance - County Buildings	6,000	6,000	6,202	(202)
Photocopy lease/maintenance	1,880	1,880	-	1,880
Contractual services	20,000	20,000	5,781	14,219
Minimum standards expenditures	50,000	50,000	26,067	23,933
Inmate medical and drugs	68,000	68,000	50,424	17,576
	904,760	904,760	843,448	61,312
County Coroner:				
Salaries	16,253	16,253	17,684	(1,431)
State retirement	2,204	2,204	2,391	(187)
FICA and Medicare	1,243	1,243	1,279	(36)
Health insurance	5,734	5,734	6,641	(907)
Unemployment comp insurance	169	169	67	102
Workers comp insurance	382	382	358	24
Operations	1,000	1,000	-	1,000
Autopsy services	11,000	11,000	12,850	(1,850)
Supplies	500	500	-	500
Gas and fuel	400	400	387	13
Photocopy lease	500	500	-	500
Equipment maintenance	1,000	1,000	-	1,000
	40,385	40,385	41,657	(1,272)
Dispatching:				
Salaries	235,235	235,235	239,898	(4,663)
Overtime	22,520	22,520	24,167	(1,647)
State retirement	34,952	34,952	35,395	(443)
FICA and Medicare	19,718	19,718	19,732	(14)
Health insurance	61,385	61,385	71,933	(10,548)
Unemployment comp insurance	1,525	1,525	604	921
Workers comp insurance	5,535	5,535	4,658	877
Training	3,400	3,400	1,240	2,160
Operations	7,000	7,000	5,301	1,699
Supplies	3,000	3,000	953	2,047
Uniforms	2,000	2,000	320	1,680
Equipment maintenance	3,000	3,000	2,363	637
	399,270	399,270	406,564	(7,294)
E911:				
Salaries	32,900	32,900	32,900	-
State retirement	5,009	5,009	5,009	-
FICA and Medicare	2,517	2,517	2,517	-
Health insurance	5,651	5,651	6,926	(1,275)
Unemployment comp insurance	169	169	67	102
Workers comp insurance	774	774	730	44
Meals	1,000	1,000	994	6

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
E911: (continued)				
Training	500	500	266	234
Travel	500	500	373	127
Lodging	1,200	1,200	668	532
Registration fees	1,500	1,500	510	990
Professional dues and licenses	300	300	290	10
Supplies	1,500	1,500	1,084	416
Declared emergency supplies	5,000	5,000	1,797	3,203
Photocopy lease	2,000	2,000	2,197	(197)
Auto maintenance	1,250	1,250	606	644
Gas and fuel	1,500	2,500	3,406	(906)
Uniforms	800	800	733	67
Maintenance contracts	2,500	2,500	3,528	(1,028)
Equipment maintenance	9,000	9,000	7,776	1,224
Capital lease - principal	35,165	35,165	35,163	2
Capital lease - interest	2,470	2,470	2,468	2
Civil defense	1,000	1,000	410	590
IT consulting services	5,000	4,000	2,616	1,384
	<u>119,205</u>	<u>119,205</u>	<u>113,034</u>	<u>6,171</u>
Total Public Safety	<u>2,531,990</u>	<u>2,531,990</u>	<u>2,417,840</u>	<u>114,150</u>
ECONOMIC DEVELOPMENT				
South Carolina Alliance	50,000	50,000	50,250	(250)
State RIF grant expenditures	-	-	453,950	(453,950)
	<u>50,000</u>	<u>50,000</u>	<u>504,200</u>	<u>(454,200)</u>
Total Economic Development	<u>50,000</u>	<u>50,000</u>	<u>504,200</u>	<u>(454,200)</u>
CULTURE AND RECREATION				
Local Recreation & Tourism	14,000	14,000	13,453	547
ABBE Regional Library	136,800	136,800	136,800	-
	<u>150,800</u>	<u>150,800</u>	<u>150,253</u>	<u>547</u>
Total Culture and Recreation	<u>150,800</u>	<u>150,800</u>	<u>150,253</u>	<u>547</u>
MISCELLANEOUS				
Contract Agencies:				
Lower Savannah Council of Governments	42,115	42,115	15,115	27,000
SC Association of Counties	6,700	6,700	6,697	3
National Association of Counties	450	450	450	-
Willow Swamp Contract	2,120	2,120	2,120	-
Soil & Water Conservation District	6,000	6,000	6,000	-
Mary Ann Morris Animal Society	29,000	29,000	29,000	-

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Non-Contract Agencies:				
Medically Indigent Assistance Fund	42,170	42,170	42,170	-
Health Department	6,000	6,000	1,013	4,987
Chamber of Commerce	800	800	800	-
Tri-County Comm. Alcohol & Drug Abuse	1,800	1,800	1,800	-
Western Carolina Higher Ed Commission	4,000	4,000	4,000	-
O CAB-Community Action	1,800	1,800	1,350	450
Denmark Technical College	1,800	1,800	-	1,800
Bamberg Co. Disabilities & Special Needs	1,800	1,800	-	1,800
CASA	800	800	-	800
Clemson Extension	1,100	1,100	1,100	-
Friends of Clemson Extension	500	500	500	-
Bamberg Co. Council on Aging	64,000	64,000	64,000	-
Bamberg Co. DSS - Emergency Relief	6,400	6,400	8,877	(2,477)
Cheese & Cracker Box	1,800	1,800	-	1,800
Little Swamp Community Center	1,200	1,200	1,200	-
Total Miscellaneous	<u>222,355</u>	<u>222,355</u>	<u>186,192</u>	<u>36,163</u>
HEALTH AND WELFARE				
EMS/Rescue - contract agency	475,000	475,000	475,000	-
Total Health and Welfare	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 7,142,845</u>	<u>\$ 7,142,845</u>	<u>\$ 7,494,911</u>	<u>\$ (352,066)</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SALES TAX AND OTHER CAPITAL PROJECTS FUND
PROJECT AUTHORIZATION AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 4,405,727	\$ 3,161,831	\$ 852,380	\$ 4,014,211
Fee in lieu	-	2,612,888	737,456	3,350,344
Investment income	-	9,576	30,511	40,087
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,405,727	5,784,295	1,620,347	7,404,642
EXPENDITURES				
Sales Tax Projects:				
General government	3,541,423	3,541,423	-	3,541,423
Culture and recreation	849,700	724,143	70,427	794,570
Health and welfare	14,604	14,604	-	14,604
Total Sales Tax Projects	<hr/> 4,405,727	<hr/> 4,280,170	<hr/> 70,427	<hr/> 4,350,597
Other Capital Projects	-	438,838	20,330	459,168
Debt Service:				
Principal retirement	-	750,000	520,000	1,270,000
Interest and fiscal charges	-	3,467,701	396,720	3,864,421
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,405,727	8,936,709	1,007,477	9,944,186
Excess (deficiency) of revenues over (under) expenditures	<hr/> -	<hr/> (3,152,414)	<hr/> 612,870	<hr/> (2,539,544)
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	9,166,500	162,500	9,329,000
Refunding bonds:				
Refunding bond proceeds, net of premium/discounts	-	11,023,831	-	11,023,831
Payment to refunding agent	-	(9,956,850)	-	(9,956,850)
Transfers	-	(3,117,579)	-	(3,117,579)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	7,115,902	162,500	7,278,402
Net change in fund balances	<hr/> \$ -	<hr/> \$ 3,963,488	<hr/> 775,370	<hr/> \$ 4,738,858
Fund balances, beginning of year			<hr/> 3,963,488	
Fund balances, end of year			<hr/> \$ 4,738,858	

BAMBERG COUNTY, SOUTH CAROLINA
MAJOR CAPITAL PROJECTS FUND
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 543,095	\$ 543,095	\$ 505,318	\$ (37,777)
Interest income	-	-	361	361
TOTAL REVENUES	<u>543,095</u>	<u>543,095</u>	<u>505,679</u>	<u>(37,416)</u>
EXPENDITURES				
Capital outlay	156,000	156,000	287,199	(131,199)
Debt service:				
Principal	285,710	285,710	238,772	46,938
Interest	46,670	46,670	39,749	6,921
TOTAL EXPENDITURES	<u>488,380</u>	<u>488,380</u>	<u>565,720</u>	<u>(77,340)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>54,715</u>	<u>54,715</u>	<u>(60,041)</u>	<u>(114,756)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	14,500	14,500
Transfers in (out)	(54,715)	(54,715)	(140,819)	(86,104)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(54,715)</u>	<u>(54,715)</u>	<u>(126,319)</u>	<u>(71,604)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>(186,360)</u>	<u>\$ (186,360)</u>
Fund Balance at Beginning of Year			<u>558,426</u>	
Fund Balance at End of Year			<u>\$ 372,066</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	Special Revenue Funds				Capital		Total
	Special Revenue Fund	E-911 Fund	Fire Service Fund	Project Hospital Fund	Debt Service Fund		
ASSETS							
Cash and cash equivalents	\$ -	\$ 127,165	\$ 396,854	\$ -	\$ 56,184	\$ 580,203	
Due from other governments	82,608	38,855	235	-	108	121,806	
Due from other funds	29,059	-	-	-	137,801	166,860	
Delinquent taxes receivable	-	-	52,819	-	46,569	99,388	
TOTAL ASSETS	\$ 111,667	\$ 166,020	\$ 449,908	\$ -	\$ 240,662	\$ 968,257	

LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES

LIABILITIES						
Accounts payable	\$ 111,667	\$ 2,523	\$ 3,653	\$ -	\$ -	\$ 117,843
Due to other funds	-	112,047	73,423	12,268	-	197,738
Total Liabilities	111,667	114,570	77,076	12,268	-	315,581

DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - property taxes	-	-	51,234	-	45,172	96,406
Total Deferred Inflows of Resources	-	-	51,234	-	45,172	96,406

FUND BALANCES

Restricted	-	-	286,348	-	195,490	481,838
Assigned	-	101,083	35,250	-	-	136,333
Unassigned	-	(49,633)	-	(12,268)	-	(61,901)
Total Fund Balances	-	51,450	321,598	(12,268)	195,490	556,270

TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES

\$ 111,667	\$ 166,020	\$ 449,908	\$ -	\$ 240,662	\$ 968,257
-------------------	-------------------	-------------------	-------------	-------------------	-------------------

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds				Capital			Total
	Special Revenue Fund	E-911 Fund	Fire Service Fund	Project Hospital Fund	Debt Service Fund			
Revenue								
Property taxes	\$ -	\$ -	\$ 403,305	\$ -	\$ -	\$ 311,788	\$ -	\$ 715,093
Charges for services	-	37,684	-	-	-	-	-	37,684
Intergovernmental - State	81,666	129,314	-	-	-	-	-	210,980
Intergovernmental - Federal	80,129	-	-	-	-	-	-	80,129
Other	-	-	4,500	-	-	-	-	4,500
Interest income	-	257	181	-	-	35	-	473
Total revenue	<u>161,795</u>	<u>167,255</u>	<u>407,986</u>	<u>-</u>	<u>-</u>	<u>311,823</u>	<u>-</u>	<u>1,048,859</u>
Expenditures								
Current:								
General government	-	-	-	-	-	24,563	-	24,563
Public safety	53,440	209,259	283,585	-	-	-	-	546,284
Capital Outlay	88,246	28,454	4,500	-	-	-	-	121,200
Debt service:								
Principal	-	3,032	49,595	-	-	216,475	-	269,102
Interest	-	-	2,194	-	-	70,478	-	72,672
Total expenditures	<u>141,686</u>	<u>240,745</u>	<u>339,874</u>	<u>-</u>	<u>-</u>	<u>311,516</u>	<u>-</u>	<u>1,033,821</u>
Excess (deficiency) of revenue over expenditures	<u>20,109</u>	<u>(73,490)</u>	<u>68,112</u>	<u>-</u>	<u>-</u>	<u>307</u>	<u>-</u>	<u>15,038</u>
Other Financing Sources (Uses)								
Transfers in (out)	<u>(20,109)</u>	<u>11,253</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>44,298</u>	<u>-</u>	<u>48,442</u>
Total other financing sources (uses)	<u>(20,109)</u>	<u>11,253</u>	<u>-</u>	<u>13,000</u>	<u>-</u>	<u>44,298</u>	<u>-</u>	<u>48,442</u>
Net change in fund balance	-	(62,237)	68,112	13,000	-	44,605	-	63,480
Fund balance, beginning of year	<u>-</u>	<u>113,687</u>	<u>253,486</u>	<u>(25,268)</u>	<u>150,885</u>	<u>150,885</u>	<u>492,790</u>	<u>492,790</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 51,450</u>	<u>\$ 321,598</u>	<u>\$ (12,268)</u>	<u>\$ 195,490</u>	<u>\$ 195,490</u>	<u>\$ 556,270</u>	<u>\$ 556,270</u>

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental				
C Funds	\$ 500,000	\$ 500,000	\$ 81,666	\$ (418,334)
2016 LEMPG	10,000	10,000	14,891	4,891
2017 LEMPG	57,585	57,585	65,238	7,653
Department of Natural Resources grants	87,760	87,760	-	(87,760)
SC Department of Commerce grants	215,000	215,000	-	(215,000)
Various grants	1,000,000	1,000,000	-	(1,000,000)
TOTAL REVENUES	1,870,345	1,870,345	161,795	(1,708,550)
EXPENDITURES				
Current:				
General government				
Department of Natural Resources grants	87,760	87,760	-	87,760
SC Department of Commerce grants	215,000	215,000	-	215,000
Various grants	1,000,000	1,000,000	-	1,000,000
Public Safety				
2016 LEMPG	10,000	10,000	14,891	(4,891)
2017 LEMPG	37,475	37,475	45,129	(7,654)
Public Works				
C Funds program expenditures	500,000	500,000	81,666	418,334
TOTAL EXPENDITURES	1,850,235	1,850,235	141,686	1,708,549
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	20,110	20,110	20,109	(1)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(20,110)	(20,110)	(20,109)	1
TOTAL OTHER FINANCING SOURCES (USES)	(20,110)	(20,110)	(20,109)	1
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	-	\$ -
Fund Balance at Beginning of Year			-	
Fund Balance at End of Year			\$ -	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
E911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 159,245	\$ 159,245	\$ 129,314	\$ (29,931)
Charges for services	43,475	43,475	37,684	(5,791)
Interest income	-	-	257	257
TOTAL REVENUES	202,720	202,720	167,255	(35,465)
EXPENDITURES				
Current:				
Public Safety				
Salaries	59,830	59,830	54,049	5,781
Overtime	-	-	623	(623)
State Retirement	8,661	8,661	6,847	1,814
FICA & Medicare	4,577	4,577	4,114	463
Health Insurance	11,380	11,380	12,093	(713)
Unemployment Comp Ins	339	339	134	205
Workers Comp Insurance	1,408	1,408	1,262	146
Meals	400	400	421	(21)
Training	200	200	-	200
Travel	200	200	-	200
Lodging	800	800	717	83
Registration Fee	800	800	1,444	(644)
Dues & Publications	500	500	-	500
Supplies	1,000	1,000	374	626
Equip. Replacement & Improvements	30,000	30,000	28,454	1,546
Auto Maintenance	1,100	1,100	634	466
Gas & Fuel	1,250	1,250	2,585	(1,335)
Lease Payments - Operating	63,400	63,400	73,055	(9,655)
Maintenance Contracts - Equipment	20,000	25,000	23,653	1,347
Equipment Maintenance	10,000	25,000	15,138	9,862
IT Consulting Services	5,000	5,000	3,233	1,767
Telephone	40,000	20,000	11,915	8,085
TOTAL EXPENDITURES	260,845	260,845	240,745	20,100
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(58,125)	(58,125)	(73,490)	(15,365)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	10,055	10,055	11,253	1,198
TOTAL OTHER FINANCING SOURCES (USES)	10,055	10,055	11,253	1,198
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (48,070)	\$ (48,070)	(62,237)	\$ (14,167)
Fund Balance at Beginning of Year			113,687	
Fund Balance at End of Year			\$ 51,450	

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
FIRE SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 356,065	\$ 356,065	\$ 403,305	\$ 47,240
Other	-	-	4,500	(4,500)
Interest income	-	-	181	181
TOTAL REVENUES	<u>356,065</u>	<u>356,065</u>	<u>407,986</u>	<u>42,921</u>
EXPENDITURES				
Current:				
Public Safety:				
Salaries	40,000	40,000	-	40,000
State Retirement	5,424	5,424	-	5,424
FICA & Medicare	3,060	3,060	-	3,060
Health Insurance	12,726	12,726	-	12,726
Unemployment Comp Ins	169	169	-	169
Workers Comp Insurance	941	941	-	941
Meals	250	250	-	250
Training	100	100	-	100
Travel	400	400	-	400
Lodging	540	540	-	540
Operations	100	100	-	100
Registration Fee	100	100	-	100
Supplies	400	400	40	360
Equip. Replacement & Improvements	44,135	44,135	44,118	17
Gas & Fuel	2,000	2,000	882	1,118
Auto Maintenance	400	400	260	140
Equipment Maintenance	32,000	32,000	21,659	10,341
IT Consulting Services	1,500	1,500	541	959
Telephone	1,400	1,400	1,412	(12)
Fire Service Contracts	201,225	201,225	201,225	-
Contractual Services	36,500	36,500	48,588	(12,088)
Capital Lease Pmt - Principal	7,135	7,135	7,133	2
Capital Lease Pmt - Interest	720	720	538	182
Capital Outlay	-	-	4,500	(4,500)
Tort Insurance - Trucks	7,500	7,500	3,900	3,600
Tort Insurance - Firefighters	1,500	1,500	1,218	282
Physicals	6,000	6,000	3,860	2,140
Workman's Comp Insurance	1,300	1,300	-	1,300
TOTAL EXPENDITURES	<u>407,525</u>	<u>407,525</u>	<u>339,874</u>	<u>67,651</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (51,460)</u>	<u>\$ (51,460)</u>	68,112	<u>\$ 110,572</u>
Fund Balance at Beginning of Year			<u>253,486</u>	
Fund Balance at End of Year			<u>\$ 321,598</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 292,965	\$ 292,965	\$ 311,788	\$ 18,823
Interest income	-	-	35	35
TOTAL REVENUES	<u>292,965</u>	<u>292,965</u>	<u>311,823</u>	<u>18,858</u>
EXPENDITURES				
Current:				
General government	21,975	21,975	24,563	(2,588)
Debt service:				
Principal	238,305	238,305	216,475	21,830
Interest	74,400	74,400	70,478	3,922
TOTAL EXPENDITURES	<u>334,680</u>	<u>334,680</u>	<u>311,516</u>	<u>23,164</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(41,715)</u>	<u>(41,715)</u>	<u>307</u>	<u>42,022</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	41,715	41,715	44,298	2,583
TOTAL OTHER FINANCING SOURCES (USES)	<u>41,715</u>	<u>41,715</u>	<u>44,298</u>	<u>2,583</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>44,605</u>	<u>\$ 44,605</u>
Fund Balance at Beginning of Year			<u>150,885</u>	
Fund Balance at End of Year			<u>\$ 195,490</u>	

BAMBERG COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2018

	School District 1	School District 2	Town of Bamberg	Town of Denmark	Town of Ehrhardt	Town of Olar	Clerk of Court	Delinquent Tax Sale Escrow	Inmate Trust Escrow	Total
ASSETS										
Cash	\$ 992,992	\$ 2,419,130	\$ -	\$ -	\$ -	\$ -	\$ 75,494	\$ 124,589	\$ 5,506	\$ 3,617,711
Receivable from misappropriation	-	-	-	-	-	-	39,311	-	-	39,311
Delinquent property taxes	1,175,793	671,858	-	-	-	-	-	-	-	1,847,651
Unknown funds	-	-	-	-	-	-	3,563	-	-	3,563
(overage) deficit	-	-	-	-	-	-	-	-	-	-
Due from General Fund	114	64	-	-	-	-	-	-	-	178
TOTAL ASSETS	\$ 2,168,899	\$ 3,091,052	\$ -	\$ -	\$ -	\$ -	\$ 118,368	\$ 124,589	\$ 5,506	\$ 5,508,414
LIABILITIES										
Due to Trust Fund holders	\$ 2,168,899	\$ 3,091,052	\$ -	\$ -	\$ -	\$ -	\$ 112,712	\$ 123,944	\$ 5,493	\$ 5,502,100
Due to General Fund	-	-	-	-	-	-	5,656	645	13	6,314
TOTAL LIABILITIES	\$ 2,168,899	\$ 3,091,052	\$ -	\$ -	\$ -	\$ -	\$ 118,368	\$ 124,589	\$ 5,506	\$ 5,508,414

**BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
School District Number 1				
Assets:				
Cash and cash equivalents	\$ 1,372,271	\$ 5,897,198	\$ 6,276,477	\$ 992,992
Due from General Fund	114	-	-	114
Delinquent taxes receivable	1,045,620	130,173	-	1,175,793
Total Assets	<u>\$ 2,418,005</u>	<u>\$ 6,027,371</u>	<u>\$ 6,276,477</u>	<u>\$ 2,168,899</u>
Liabilities:				
Funds held for others	\$ 2,418,005	\$ 6,027,371	\$ 6,276,477	\$ 2,168,899
Total Liabilities	<u>\$ 2,418,005</u>	<u>\$ 6,027,371</u>	<u>\$ 6,276,477</u>	<u>\$ 2,168,899</u>
School District Number 2				
Assets:				
Cash and cash equivalents	\$ 1,408,682	\$ 5,740,813	\$ 4,730,365	\$ 2,419,130
Due from General Fund	64	-	-	64
Delinquent taxes receivable	578,500	93,358	-	671,858
Total Assets	<u>\$ 1,987,246</u>	<u>\$ 5,834,171</u>	<u>\$ 4,730,365</u>	<u>\$ 3,091,052</u>
Liabilities:				
Funds held for others	\$ 1,987,246	\$ 5,834,171	\$ 4,730,365	\$ 3,091,052
Total Liabilities	<u>\$ 1,987,246</u>	<u>\$ 5,834,171</u>	<u>\$ 4,730,365</u>	<u>\$ 3,091,052</u>
Town of Bamberg				
Assets:				
Due from General Fund	\$ -	\$ 515,625	\$ 515,625	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 515,625</u>	<u>\$ 515,625</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 515,625	\$ 515,625	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 515,625</u>	<u>\$ 515,625</u>	<u>\$ -</u>

**BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Town of Denmark				
Assets:				
Due from General Fund	\$ -	\$ 221,341	\$ 221,341	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 221,341</u>	<u>\$ 221,341</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 221,341	\$ 221,341	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 221,341</u>	<u>\$ 221,341</u>	<u>\$ -</u>
Town of Ehrhardt				
Assets:				
Due from General Fund	\$ -	\$ 46,939	\$ 46,939	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 46,939</u>	<u>\$ 46,939</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 46,939	\$ 46,939	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 46,939</u>	<u>\$ 46,939</u>	<u>\$ -</u>
Town of Olar				
Assets:				
Due from General Fund	\$ -	\$ 18,621	\$ 18,621	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 18,621</u>	<u>\$ 18,621</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 18,621	\$ 18,621	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 18,621</u>	<u>\$ 18,621</u>	<u>\$ -</u>

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Clerk of Court				
Assets:				
Cash and cash equivalents	\$ 72,800	\$ 1,488,248	\$ 1,485,554	\$ 75,494
Receivable from misappropriation	-	39,311	-	39,311
Unknown funds deficit	44,464	25,234	66,135	3,563
Total Assets	<u>\$ 117,264</u>	<u>\$ 1,552,793</u>	<u>\$ 1,551,689</u>	<u>\$ 118,368</u>
Liabilities:				
Funds held for others	\$ 111,959	\$ 1,402,305	\$ 1,401,552	\$ 112,712
Due to General Fund	5,305	92,458	92,107	5,656
Total Liabilities	<u>\$ 117,264</u>	<u>\$ 1,494,763</u>	<u>\$ 1,493,659</u>	<u>\$ 118,368</u>
Tax Sale Escrow				
Assets:				
Cash and cash equivalents	\$ 231,834	\$ 289,353	\$ 396,598	\$ 124,589
Total Assets	<u>\$ 231,834</u>	<u>\$ 289,353</u>	<u>\$ 396,598</u>	<u>\$ 124,589</u>
Liabilities:				
Funds held for others	\$ 231,234	\$ 196,568	\$ 303,858	\$ 123,944
Due to General Fund	600	92,785	92,740	645
Total Liabilities	<u>\$ 231,834</u>	<u>\$ 289,353</u>	<u>\$ 396,598</u>	<u>\$ 124,589</u>
Inmate Trust Escrow				
Assets:				
Cash and cash equivalents	\$ 1,988	\$ 50,904	\$ 47,386	\$ 5,506
Total Assets	<u>\$ 1,988</u>	<u>\$ 50,904</u>	<u>\$ 47,386</u>	<u>\$ 5,506</u>
Liabilities:				
Funds held for others	\$ 1,974	\$ 50,901	\$ 47,382	\$ 5,493
Due to General Fund	14	3	4	13
Total Liabilities	<u>\$ 1,988</u>	<u>\$ 50,904</u>	<u>\$ 47,386</u>	<u>\$ 5,506</u>

**BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
TOTALS - AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 3,087,575	\$ 13,466,516	\$ 12,936,380	\$ 3,617,711
Receivable from misappropriation	-	39,311	-	39,311
Due from General Fund	178	802,526	802,526	178
Unknown funds (overage) deficit	44,464	25,234	66,135	3,563
Delinquent taxes receivable	1,624,120	223,531	-	1,847,651
Total Assets	<u>\$ 4,756,337</u>	<u>\$ 14,557,118</u>	<u>\$ 13,805,041</u>	<u>\$ 5,508,414</u>
Liabilities:				
Funds held for others	\$ 4,750,418	\$ 14,313,842	\$ 13,562,160	\$ 5,502,100
Due to General Fund	5,919	185,246	184,851	6,314
Total Liabilities	<u>\$ 4,756,337</u>	<u>\$ 14,499,088</u>	<u>\$ 13,747,011</u>	<u>\$ 5,508,414</u>

SUPPLEMENTAL SECTION

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2018

	CLERK OF COURT	MAGISTRATES	TOTAL
COUNTY FUNDS COLLECTED			
Court Fines			
Court fines collected	\$ 43,738	\$ 78,891	\$ 122,629
Court fines remitted to State Treasurer	(40,926)	(535)	(34,813)
Court fines retained by the County	2,812	78,356	87,816
Court Assessments			
Court assessments collected	3,283	74,800	78,083
Court assessments remitted to State Treasurer	(2,223)	(67,271)	(69,494)
Court assessments retained by County	1,060	7,529	8,589
Court Surcharges			
Court surcharges collected	1,423	47,665	49,088
Court surcharges remitted to State Treasurer	(600)	(43,476)	(44,076)
Court surcharges retained by the County	\$ 823	\$ 4,189	\$ 5,012
VICTIM SERVICE FUNDS COLLECTED			
Carryforward from Previous year - Beginning Balance	\$ -	\$ -	\$ -
Victim Service Assessments retained by County Treasurer	1,060	7,529	8,589
Victim Service Surcharges retained by County Treasurer	823	4,189	5,012
	\$ 1,883	\$ 11,718	13,601
Interest earned			13
Total funds allocated to Victim Service Fund + Beginning Balance			13,614
Expenditures for Victim Service Program:			
Salary - Victim Service Officer			(13,614)
Ending Balance, June 30, 2018			\$ -

**BAMBERG COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2018**

Real and Other Personal Property Assessed Value	\$ 26,565,630
Vehicles Assessed Value	<u>4,570,580</u>
Total Taxable Assessed Value	<u>31,136,210</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	2,490,897
Amount of Debt Applicable to Debt Limit: Total Bonded Debt - Note 11	<u>1,601,915</u>
LEGAL DEBT MARGIN	<u><u>\$ 888,982</u></u>

**BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2018**

<u>Tax Year</u>	<u>Delinquent Taxes</u>
2008	\$ 95,044
2009	102,430
2010	67,268
2011	155,418
2012	169,492
2013	173,542
2014	248,401
2015	269,342
2016	422,111
2017	<u>1,048,363</u>
 DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	 <u><u>\$ 2,751,411</u></u>
 Delinquent taxes, June 30, 2017	 \$ 2,392,890
Add executions, March 15, 2018	1,257,895
Supplementals	74,987
Less:	
Collections	854,927
Errors	117,377
Nulla Bonaes	<u>2,057</u>
 DELINQUENT TAXES RECEIVABLE, JUNE 30, 2018	 <u><u>\$ 2,751,411</u></u>
 Distribution	
General Fund	\$ 739,700
Fire Service Special Revenue Fund	52,819
Capital Needs Capital Projects Fund	64,672
Debt Service	46,569
School Districts	<u>1,847,651</u>
 TOTAL	 <u><u>\$ 2,751,411</u></u>

COMPLIANCE SECTION

PARTNERS

C.C. McGregor, CPA
1906–1968

G.D. Skipper, CPA
L.R. Leaphart, Jr, CPA
M.J. Binnicker, CPA

W.C. Stevenson, CPA
B.T. Kight, CPA

D.L. Richardson, CPA
E.C. Inabinet, CPA

S.S. Luoma, CPA
T.M. McCall, CPA
H.D. Brown, Jr, CPA

L.B. Salley, CPA
D.K. Strickland, CPA

J.P. McGuire, CPA
J.R. Matthews II, CPA
C.D. Hinchee, CPA

G.P. Davis, CPA
H.O. Crider, Jr., CPA

ASSOCIATES

V.K. Laroche, CPA
G.N. Mundy, CPA
M.L. Layman, CPA

P.A. Betette, Jr, CPA

D.M. Herpel, CPA
F.C. Gillam, Jr, CPA
H.S. Mims, CPA

T. Solorzano, CPA

C.W. Bolen, CPA
D.C. Scott, CPA
G.F. Huntley, CPA

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Bamberg County, South Carolina's basic financial statements and have issued our report thereon dated August 28, 2019.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected in a timely basis. We consider the deficiencies 2018-1, 2018-2, 2018-3, and 2018-4 described in the accompanying schedule of findings and responses to be material weaknesses.

COLUMBIA

3830 FOREST DRIVE | PO BOX 135 | COLUMBIA, SC 29202
(803) 787-0003 | FAX (803) 787-2299

ORANGEBURG

1190 BOULEVARD STREET | ORANGEBURG, SC 29115
(803) 536-1015 | FAX (803) 536-1020

BARNWELL

340 FULDNER ROAD | PO BOX 1305 | BARNWELL, SC 29812
(803) 259-1163 | FAX (803) 259-5469

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

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 as 2018-5, 2018-6, 2018-7, and 2018-8 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bamberg County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as 2018-6 and 2018-8.

Bamberg County, South Carolina's Response to Findings

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

Purpose of this Report

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

McGregor + Company LLP

Orangeburg, South Carolina
August 28, 2019

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-1 General Ledger Deficiencies and Material Audit Adjustments

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 reconciled and classified format to provide a basis for proper reporting and analysis.

Condition and context: The County’s general ledger is not being reviewed and balanced monthly. After year end, entries are made to balance the funds and receivables/payables between funds. Accounts payable and payroll withholding accounts are not reconciled to the actual amounts due at month end or year end. Numerous reclassing entries are made in the general ledger to move transactions which hinders a clear audit trail of the activity. Therefore, 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, 2018. Material audit adjustments were necessary in the governmental funds to correct accounts payable for a subsequent year check run recorded as payments against the payables and to accrue additional accounts payable; to reclass payment of prior year accrued expenditures which were recorded as a reduction of current year revenues; to adjust payroll withholdings for County’s portion of health insurance and other benefits charged to the withholding accounts; to correct debt proceeds and related capital expenditures including removing a duplicate recording of each; and to transfer funds into Debt Service to cover expenditures charged in the fund which could not be funded with Debt Service tax millage. Material audit adjustments were also necessary in the enterprise fund to adjust for unearned portion of grant revenues.

Cause: Oversight at the County in allocating sufficient time and staff for monthly review of the general ledger.

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, and an increased risk of failure to meet externally imposed financial reporting deadlines.

Recommendation: We recommend implementing policies and procedures that improve the recording of the various departments’ financial activities into the general ledger system to include the practice of continual monitoring of the transactions to ensure the general ledger for each fund remains in balance, provides a clear trail of activity, and is properly recorded to include all payables and receivables.

County response:

During FY17, the County incurred a general ledger failure in one of the service packs. Specifically, cash disbursement entries, known as “CD” entries did not post to the general ledger for the time period from March 24, 2017 all the way through August 17, 2017. This general ledger failure impacted both FY17 and FY18.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-1 General Ledger Deficiencies and Material Audit Adjustments (continued)

County response (continued):

This service pack failure meant that accounts payable accounts, for all funds, were not being relieved, or reduced for the payment of invoices. This issue was discovered late 2017 early 2018. County staff reached out to the general ledger service provider in hopes that the data could be recovered and posted. After about a week of back and forth, it was determined that the data was lost and there was not a means of recovering the data and posting it automatically. This meant that County staff had to physically recreate all the cash disbursement entries and then summarize them and prepare massive manual journal entries to post the disbursements to the correct account payable accounts in the various funds. Again, this issue affected both the FY17 and the FY18 fiscal years.

In addition to this problem, and related to it, County staff discovered that payroll related cash disbursement entries did not post at all from March 24, 2017 through August 17, 2017, again affecting both fiscal year FY17 and FY18. Thus these accounts had to be analyzed to determine what should have been posted, and then manual calculations had to be prepared and posted to correct the accounts.

In all, County staff had to spend considerable time analyzing, summarizing and manually correcting these issues. Time spent in this endeavor took away from time that could have been spent on other areas of the general ledger. County staff spent close to six weeks correcting for these issues. We understand the auditors concerns with the general ledger but believe the outcome would have been different had it not been for the unforeseen general ledger failures.

We disagree, at least partially, with the auditor’s statement that the County’s general ledger is not being reviewed and balanced monthly. County Finance staff does review revenues and expenditures on the general ledger on a monthly basis.

The County would also like to state that significant efforts and improvements have been made over the past years to improve upon this area. Specifically, this was, to our knowledge, the third year in a row that the County was able to hand over a balanced general ledger to the auditor. In years past, the general ledgers of the various funds were not balanced and the auditor had to expend their efforts to first balance the funds before the funds could be audited. In addition, many year-end entries were made by the County in the funds.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-1 General Ledger Deficiencies and Material Audit Adjustments (continued)

County response (continued):

The County understands this finding and wishes to express that significant improvements have been made over the course of the past couple years and will continue to be made to bring about permanent improvements to the County's general ledger so that material audit adjustments are reduced and eventually eliminated at year-end. Again, the County experienced unforeseen and unprecedented general ledger failures that resulted in significant staff time to correct manually.

In addition the County has recently begun a payroll withholding account reconciliation process. This is in the beginning stages of being developed and we expect that this procedure will result in more accurate payroll withholding balance sheet accounts in the future.

2018-2 Internal Controls over Recording Capital Assets

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

Condition and context: The County acquired various capital assets during the fiscal year ended June 30, 2018. Of these additions, two items totaling \$20,580 were not captured as additions to the capital asset listings. Items totaling \$22,984 were recorded as capital asset additions but did not meet the \$5,000 threshold for capitalization. Two items were recorded at the incorrect amount when traced to the supporting invoices which resulted in a reduction to the cost of \$5,801.54 to correct. Four items had small differences in the actual cost and the recorded asset each being around \$500 or less which were not corrected. Many of these differences resulted from not including the sales tax which should be captured in the total cost of the asset. One vehicle sold during the fiscal year was not marked as deleted on the capital asset listing as of June 30, 2018. One piece of heavy equipment which has been on the capital assets list as purchased in 1990 and is fully depreciated was marked as disposed. When requested to provide sales information or other disposal details, the information provided was that it was sold in 2016 but never removed from the listing. Upon reviewing the details of the 2016 disposals, we noted the County had two similar assets at the time and the one sold was matched to the serial number on the list and properly removed in 2016 leaving this second piece of equipment on the listing. The County confirmed they no longer have this motor grader, and they are uncertain when or how it was disposed. It was removed from the capital assets to arrive at the June 30, 2018 balances.

Cause: Oversight by County personnel.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-2 Internal Controls over Recording Capital Assets (continued)

Effect: The capital assets and depreciation of the County were incorrectly stated prior to the above corrections noted during audit procedures.

Auditor’s recommendation: All activity of the County should be examined for possible capital asset additions and underlying invoices be reviewed for proper cost to record if the capital asset meets the criteria for capitalizing. Every disposal of capital assets should be documented so a trail is provided, and the County’s duty of safeguarding its assets is fulfilled.

County response:

The County has made great improvements in this area. Just a few years ago the County did not even have a capital asset listing. Thus the County has gone from not having one, to having one and to recording additions and deletions each year. Initially the County used an Excel spreadsheet to maintain its capital asset listing. During FY17 the County began utilizing the fixed asset module of the general ledger system. This meant that each and every asset had to be cataloged and manually entered into the fixed asset system. This has been accomplished and will result in better reporting and less manual calculations. Also, during the past few years the County has had unprecedented additions and deletions from its capital asset listings and County staff have worked diligently to maintain the listing and to keep it current. Specifically, County staff maintains a listing during the year of known additions and deletions. Now that we have the assets entered into the fixed asset module, we can update the records in a timelier manner. All said, the County understands more improvements are needed in this area and is committed to making those improvements.

While we do not belittle the fact that improvements in the recording of capital assets can be made, we also think it is fair to point out that as a whole, these items total \$8,200 and that, in our opinion, is a big improvement over prior years audit adjustments. In addition, the County discovered that a motor grader was on the capital asset listing and removed it before the audit. During the audit we did have a discussion with the auditor as to when and how this motor grader was disposed. None of the current employees were working at the County when this asset was disposed of, and this is why we do not know, nor have records on its disposal. We did call the previous County Administrator and asked if he had any recollection of this equipment being sold. He told us that it was sold at an auction conducted by Godley Auction Services, but he did not know the exact date. We think it is a bit unfair to mention this as if it were an audit finding, and further to make it appear as if it were a shortcoming of current employees, as we have no control as to what happened before our time of responsibility. In addition, the vehicle that was disposed of but not removed was fully depreciated, as was the motor grader, thus the fiscal impact to the capital asset listing was zero. Again, the specific items noted by the auditor only total, in the net, around \$8,200.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-2 Internal Controls over Recording Capital Assets (continued)

County response (continued):

One of the assets that was not caught and added to the capital asset listing was purchased through a grant. The asset was paid for with a down payment and then a second check was cut for the balance. The down payment was \$5,000 and since our capital asset threshold is \$5,000 this asset should have been added, so we take full responsibility for this “miss”. Due to this instance, the County has recently implemented a formal review and tracking process for all grants and we believe that this new process will prevent this type of instance from occurring again.

2018-3 Internal Controls over Family Court Collections

Criteria: Controls over Family Court collections in the Clerk of Court’s office should be in place to ensure all funds received are receipted in the court system, deposited intact into the court bank account, appropriate fee calculated and remitted to the Treasurer, and the remaining funds remitted to the proper individual.

Condition and context: The balance of monies held in the bank account should be reconciled to consist of the known balances of the fee portion to be paid over to the County Treasurer and the payments due to the individuals. Additionally, Child Support funds were discovered to have been embezzled by a County employee by intercepting the collections and also issuing checks from the account to herself. As a result, a receivable is recorded of \$39,182.35 from the individual's retirement fund and an additional \$128.75 directly from the individual to be received in the subsequent fiscal year. The County transferred an additional \$27,368.00 to the bank account which is recorded in the General Fund as misappropriation expenditure in the Clerk of Court department. At June 30, 2018, the account has a deficit of \$4,119.84. This is comprised of the following:

• reconciled cash of	\$ (16,586.13)
• fees due to the Treasurer at June 30, 2018	(6,109.60)
• account should be replenished for check orders and fees	391.74
• intercepted collections due to individuals (paid in November, 2018)	(21,126.95)
• theft loss funds receivable from former clerk’s retirement fund	39,182.35
• theft loss receivable from former clerk	128.75

Cause: Lack of internal controls over the collection and receipting of the family court funds.

Effect: Lack of monitoring of family court funds led to theft, deficit in cash, and portion of collections not being receipted or deposited.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-3 Internal Controls over Family Court Collections (continued)

Auditor’s recommendation: The bank account should be reconciled monthly to the receipts collected and the balance held agreed to the funds required to be disbursed with any discrepancies resolved in a timely manner. Outstanding checks over a year old are being added back to the account for reconciliation purposes, but these funds are actually still owed to individuals and this liability should be relieved under the guidelines of the State’s Department of Social Services and Unclaimed Property Division.

County response:

During FY17, the County Family Court Office suffered embezzlement by a long-term employee. The Department of Social Services conducted an internal audit and subsequently the employee was charged. The employee pled guilty to embezzlement of public funds on December 17, 2018 and was ordered to pay restitution in the amount of \$39,182.35. The County received these funds in March of 2019. This embezzlement occurred mainly due to bank accounts not being reconciled in a timely manner. The Clerk of Court has taken responsibility for this matter and has issued a corrective action plan to help mitigate future problems.

It should be noted that the Clerk of Court’s Office does not receive nor disburse child support funds any longer. The Office became one of the first implementers of the new Palmetto Automated Child Support System (PACSS). This means that child support funds are sent directly to the State and the State also disburses the funds to the recipients. Bamberg County implemented this system in February 2019.

2018-4 Proper Recording of Transactions

Criteria: Controls should ensure expenditures are reported in the proper year incurred and receivables are for valid revenues or proceeds available to be collected.

Condition and context: The County properly recorded actual expenditures pertaining to the restoration and storage of some furniture from the Courthouse building in the fiscal year 2018 as these expenditures were incurred. At year end, journal entries were made to remove \$15,960.00 of expenditures in the General Fund and \$36,414.30 of expenditures in the Capital Reserve Capital Projects Fund and reclass to an asset account titled Reimb Due From USDA Loan in those respective funds. The application for this loan has not been submitted as of June 2019. An audit adjustment was necessary to correct each fund. The necessary audit adjustment to the Capital Reserve Capital Projects fund was deemed a material audit adjustment.

Cause: The expenditures were not budgeted in the 2018 fiscal year nor were the loan proceeds available; therefore, expenditures were going to be moved to the year funding was available.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Material Weaknesses

2018-4 Proper Recording of Transactions (continued)

Effect: Improper reporting of expenditures and receivables for both the General Fund and Capital Reserve Capital Projects Fund which had caused the Capital Reserve Projects Fund to be materially misstated had it not been corrected by audit adjustment.

Auditor’s recommendation: We recommend Management review the general ledger for reclassing entries to ensure proper recording of transactions and review receivables for reimbursements recorded to ensure they are valid claims that have been approved for collection.

County response:

The County disagrees with this finding. The entries in question were made in December of 2018 and were done so because we believed that that the County would be submitting and receiving approval for the Courthouse USDA loan soon thereafter. The County has developed a budget for the Courthouse renovations, and as part of that budget, has allocated around \$150,000 to the restoration and refurbishment of certain antiques and other collectibles that are a part of the historic Courthouse furnishings. The County does concur that as of the date of this audit, we have not submitted the USDA loan application, nor have we received funding for same. We do, however, want it to be known that we are in constant contact with USDA local officials, who are well aware of our pending application and our intent to utilize a USDA loan to renovate the historic Courthouse. As it is written, this audit finding would have the reader to believe that the County purposefully and improperly recorded these amounts as a receivable. This is not the case; we recorded the transaction in December of 2018, with the information and knowledge that we had at the time, and we still contend that these amounts will be reimbursed to the County as part of the loan proceeds to come.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Significant Deficiencies

2018-5 Delinquent Tax Sale Funds

Criteria: Tax sale bids should be calculated and maintained properly to account for all activity held from sale bid to final redemption or execution of title and disbursement of any overage remaining in accordance with the SC Code of Laws. The excess funds are available to be claimed by the original owner of record immediately before the redemption period, and this original owner of record should be notified of any such funds available that are being held.

Condition and context: The delinquent tax office has improved the process of reconciliations, and these were performed monthly during the fiscal year ended June 30, 2018 to reconcile the bank activity to the actual tax sale transactions. The delinquent tax sale proceeds, less the property taxes and costs, are held on deposit until the property is redeemed or title transfers. Funds are still held for several past sales which exceed the five year holding period set by state law. Since these past sales include unresolved issues in the balances for many sale parcels, funds have not been disbursed awaiting determination of how to correct the issues.

Cause: There has been an abundance of turnover in the Delinquent Tax Office staff over the past years which has contributed to the current issues. The issue of reconciliations has been corrected.

Effect: The funds held in the bank account from past delinquent tax sales consist of several parcels with unresolved balances held or deficits owed.

Auditor’s recommendation: Funds held from past sales, and in some cases deficits from errors in the handling of past sales activity, should be investigated and resolved so that only the correct balances required to be held for the five year period from the public auction sale date are on deposit and the original owner of record for the parcel can be notified timely of any amount available to be claimed.

County response:

The County has implemented a monthly reconciliation process so that the funds held in the bank account are reconciled to actual tax sale transactions. This reconciliation is being done monthly and a report of same is furnished to appropriate management.

In addition, the Delinquent Tax Collector is working to resolve the past years’ tax sales transactions. This is a problem that the current Delinquent Tax Collector inherited when she took office. The County would like to stress that this will be a long and arduous process, will take time and significant resources, but that we are making progress. Like many issues that the County is working through, this also is hampered by the fact that we have a very small staff, and the County cannot afford to hire a full-time person to focus on clearing up the past accounts, but must rely upon the existing staff to do a little at a time, in addition to maintaining the office and performing normal job duties.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Significant Deficiencies

2018-6 Magistrate Collections

Criteria: Court collections in the Magistrates’ office should be reconciled to ensure all funds received for fines, surcharges, assessments, and restitution are receipted in the court system, deposited intact into the respective criminal or civil bank account, and proper amounts are remitted to the State, County, or individuals for their portions of fines, assessments, surcharges or restitution.

Condition and context: We noted the reconciliation of the collections receipted to the bank deposits and disbursements to the bank are not performed timely during the year. Each month this activity should be reconciled to a known balance held in the bank account since all funds collected should be disbursed by the following month or a listing of known funds held for required outstanding bonds. At June 30, 2018, the Criminal account has an overage of \$2,017.26 and the Civil Account has an overage of \$275.90. Service charges should be reimbursed to these accounts from the General Fund. Each month, the Cash Receipts monthly report should be reconciled to the actual deposits/credit card payments into the bank and discrepancies noted and resolved. For the fiscal year ended June 30, 2018, the cash receipted for the Criminal Account totaled \$200,952.61 and cash/credit cards deposited totaled \$201,532.86. This difference of \$580.25 should be investigated and resolved so it will not carry forward to future years. For the fiscal year ended June 30, 2018, the cash receipted for the Civil Account totaled \$27,995 and cash deposited totaled \$28,415. This difference of \$420 should be investigated and resolved so it will not carry forward to future years.

Cause: Sufficient time is not allocated to monthly reconciliations of activity by County personnel.

Effect: Lack of monitoring of Magistrate court funds led to increases in overages in the criminal and civil bank accounts.

Auditor’s recommendation: The bank account should be reconciled monthly to the receipts collected and the balance held agreed to the funds required to be disbursed, with any discrepancies resolved in a timely manner and discrepancies exceeding the aggregate annual amount of \$100 be reported to the SC Court Administration as required.

County response:

The County will meet with the Chief Magistrate, report these findings to him, and will work with that office as needed to resolve these overages and discrepancies. County Finance staff does prepare a year-end summary of these transactions and reconciles the bank accounts at year-end. The monthly reconciliations should be completed by Magistrate staff and we will work toward that goal.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Significant Deficiencies

2018-7 Clerk of Court Funds Held

Criteria: Funds received by Clerk of Court are to be held in trust or remitted to Treasurer. Funds held should be documented as to whom they are owed.

Condition and context: Several accounts in the Clerk of Court’s office either hold overages which are not identified or have deficits so that sufficient funds are not on hand to cover all funds to be disbursed.

- **Bond Account:** During the prior fiscal year (ending June 30, 2017), the Clerk of Court reviewed the funds held in the Bond Account and turned over funds meeting the State's criteria to the State's Unclaimed Property Division. We noted that the amount refunded exceeded the amount collected for two bonds for a total excess refunded of \$1,400; two bonds from the fiscal year 2014 totaling \$500 were deposited but not entered into the office computer system to be included in the outstanding bonds reports; two bonds totaling \$900 were refunded but also included in the amount turned over to the SC Unclaimed Property Division.
- **Fines Account:** This account had an overage of \$296.78 which remained the same as the prior year end. In addition to this unknown overage, we noted the following items: errors in amount of the monthly check to the Treasurer still carried forward from June 30, 2016 fiscal year and another discrepancy in August, 2016 resulting in a net of \$760.88 overpaid to the General Fund on the monthly remittances; a deposit on July 6, 2016 of \$369.00 which was not receipted in the system and remains in the bank account at year end; check order costs of \$59.58 which were deducted from the bank account and should be reimbursed from other Clerk of Court funds such as the General Fund department; a February 2018 deposit of \$80.00 still in the account and not disbursed.
- **General Account:** This account had an overage of \$120.71 of funds on deposit but unidentified which is a \$220.76 increase from the prior year. In addition to this unknown overage, we noted the following items: numerous differences between the amounts collected and the subsequent check to the Treasurer for the monthly collections (overage \$222.57); check orders should be reimbursed to the bank account (deficit \$170.94); a collection noted from the prior fiscal year audit of \$246.00 (overage) which was deposited but not receipted still remains in the bank account.
- **Jury Account:** A complete listing of outstanding checks should be maintained and used to reconcile the bank account to the actual activity on a monthly basis. Checks outstanding for over a year should be reviewed and handled accordingly when they meet the State's unclaimed property guidelines. There were two checks on the outstanding list compiled at year end which had actually cleared the bank during the year.
- **Special Referee Account:** This account had an overage of \$556.45 from the prior year end which was comprised of \$546.44 unknown and \$10.01 errors in disbursing funds. In addition to this, \$131.39 of accumulated interest earnings remain in the bank account.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Significant Deficiencies

2018-7 Clerk of Court Funds Held (continued)

Cause: Sufficient time is not allocated to monthly reconciliations of activity by County personnel.

Effect: Lack of monitoring of Clerk of Court funds led to continuing overages or deficits in several bank accounts.

Auditor’s recommendation: The bank account should be reconciled monthly to the receipts collected and the balance held agreed to the funds required to be held or disbursed with any discrepancies resolved in a timely manner.

County response:

The County will meet with the Clerk of Court, report these findings to him, and will work with that office as needed to resolve these overages and other issues. It should be noted that the Clerk of Court’s Office has had substantial turnover, with two employees retiring and one let go due to the embezzlement charge. We do feel that this office has a good staff in place now and improvements are already being made in the management of these funds. County Finance staff does prepare a year-end summary of all transactions in these accounts and reconciles the bank accounts at year-end. The monthly reconciliations should be completed by the Clerk of Court staff and we will continue to work toward that goal.

2018-8 Approved Purchasing Policy

Criteria: The County’s purchasing procedures should adhere to their approved Purchasing Ordinance.

Condition and context: During our testing we noted that bids for several purchases exceeding the applicable thresholds under the County’s Purchasing Policy were not obtained. Upon discussion with County personnel, it was determined the County is operating under a “draft” form of purchasing policy that has not been formally adopted by Council to either amend or repeal and replace the policy adopted in 1998. The “draft” policy provides exemptions for several categories of expenditures whereby the existing policy did not.

Cause: The administration of the County was in the process of reviewing the various policies of the County to bring before Council for consideration and approval at the same time. The administration implemented the purchasing policy changes prior to Council approval.

Effect: Purchasing policies being practiced by the County are not in adherence with the existing purchasing ordinance.

Auditor’s recommendation: Changes to all County policies including the purchasing policy should be brought before Council, reviewed by Council, and approved prior to implementation.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2018**

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

Significant Deficiencies

2018-8 Approved Purchasing Policy (continued)

County response:

The County disagrees with this finding for the following reasons.

The County recollects that this purchasing policy, while not yet formally adopted by ordinance (see below), was approved by Council during a planning retreat not long after the current Administrator was hired in 2012. The planning retreat took place on February 15, 2013. When the current Administrator was hired, Council directed him to update and modernize the County's purchasing policy. The policy that we are using now is that updated version, which Council is aware of and approved the use of, at that retreat, pending formal codification. Because the current purchasing policy tracks the State purchasing code, and all counties are required to have purchasing policies that are consistent with the State purchasing code, the County is justified in using the new policy, pending formal adoption by ordinance, based on State law and Council's approval at that budget retreat. The Council was recently updated on this policy during another budget retreat conducted in the spring of 2018, and voiced no objection to its continued use, pending codification.

The County is in the final stages of codifying all of its ordinances and the current purchasing policy will be formally adopted as part of that process. The Code is actually in draft stage and the purchasing policy is included in that draft. The County, in fact, has several policies that need to be codified and this purchasing policy is part of the County's overall plan to codify all ordinances at once, through adoption of the new Code of Ordinances of Bamberg County.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2018**

2017-1 General Ledger Deficiencies and Material Audit Adjustments

Finding: 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, 2017. Material audit adjustments were necessary in the governmental funds to correct a duplicate accrual of receivables; record grant/loan proceeds along with the related bank account and accounts payable/expenditures; reclass expenditures which were netted against revenues; correct for reversals of prior year accruals to incorrect accounts; reclass expenditure to transfer for lease payments paid for enterprise fund capital assets; record debt proceeds and related capital outlay on new equipment capital lease; adjust payables/expenditures and receivables/revenue for road projects. Material audit adjustments were also necessary in the enterprise fund to adjust receivables to actual and to adjust for capital lease payments paid from governmental funds.

Current Status: See Finding 2018-1

2017-2 Preparation of Financial Statements

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

Current Status: Not sustained in current year.

2017-3 Internal Controls over Recording Capital Assets

Finding: The County acquired various capital assets during the fiscal year ended June 30, 2017. Of these additions, \$124,872 were not captured as additions to the capital asset listings. The Courthouse Annex property was completed and placed in service during this fiscal year. This entire capital asset of \$3,988,224 was recorded and depreciated by the County as a building rather than separating the total cost into appropriate categories including land of \$121,190 (non-depreciable), equipment and landscaping of \$742,022, and building of \$3,125,012 which have different depreciable lives. Also, a vehicle purchased for \$31,238 in the subsequent year was included in the capital asset additions of the 2016-2017 fiscal year.

Current Status: See Finding 2018-2

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2018**

2017-4 Internal Controls over Family Court Collections

Finding: The balance of monies held in the bank account should be reconciled to consist of the known balances of the fee portion to be paid over to the County Treasurer and the payments due to the individuals. At June 30, 2017, the reconciled cash balance is \$(18,653.97) which includes \$15,374.92 of outstanding checks over one year old. The amount of fees due to the Treasurer at June 30, 2017 is \$5,383.43 and the account should be replenished for \$144.67 of check order charges. This amounts to a \$23,892.73 deficit at June 30, 2017 in the family court bank account. There is an on-going investigation by two State agencies regarding child support funds. At June 30, 2017, \$21,126.95 in child support payments were found to have been submitted to the Child Support office but not receipted in their system or deposited into the child support bank account and therefore, were not available to be disbursed properly.

Current Status: See Finding 2018-3

2017-5 Delinquent Tax Sale Funds

Finding: The County's Delinquent Tax Office holds delinquent tax sales to recoup the unpaid property taxes and costs for property meeting the delinquent tax status. Any excess funds after all taxes and fees are satisfied for properties titled to successful bidder are to be refunded to the immediate past owner if requested and are to be held in trust capacity for five years. After the five year term, any unrequested funds can be turned over to the County. Unresolved balances for many past sale parcels continue to be held, funds cannot be disbursed until the sale bid and its subsequent activity can be investigated to determine the correct resolution.

Current Status: See Finding 2018-5