

BAMBERG COUNTY, SOUTH CAROLINA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR’S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bamberg County, South Carolina, as of and for the year ended June 30, 2015, 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.

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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Capital Projects Sales Tax 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 2 to the financial statements, Bamberg County adopted new guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pension Plans* and GASB Statement No. 71 (an amendment of GASB No. 68), entitled *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

As described in Note 2 to the financial statements, Bamberg County adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment 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 funding progress for the retiree health plan, schedules of the County's proportionate share of the net pension liability – SCRS and PORS, and schedules of County contributions – SCRS and PORS on pages 4–19 and 72–74 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.

INDEPENDENT AUDITOR'S REPORT
(continued)

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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund schedules, the supplemental section, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, the supplemental section, and the schedule of expenditures of federal awards 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 March 29, 2016, on our consideration of Bamberg County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Bamberg County, South Carolina's internal control over financial reporting and compliance.

McGregor + Company LLP

Orangeburg, South Carolina
March 29, 2016

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

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, 2015. 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, 2015 by \$2,977,090 (net position). The County's unrestricted net position portion of this amount is a deficit \$(7,137,563).
- The County's total net position increased \$987,227 over the previous year.
- At June 30, 2015, the County's governmental fund balance sheet reported a combined ending fund balance of \$9,356,134, an increase of \$375,174 from the previous fiscal year. Of this amount, \$2,115,763 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$3,238,564, an increase from last fiscal year of \$274,969. The unassigned fund balance is \$2,369,066.

NEW SIGNIFICANT ACCOUNTING STANDARDS ISSUED

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

In order to implement Statement No. 45, a prior period adjustment was made to the County's July 1, 2014 net position for governmental activities and business-type activities. This prior period adjustment decreased the County's governmental activities net position by \$37,281 and the business-type net position by \$1,300. Please refer to Note 16 and the required supplementary schedule for more information regarding the County's other postemployment benefits.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

In fiscal year 2014-15, the County also adopted two new statements of financial standards issued by the Governmental Accounting Standards Board (GASB) that relate to pension activity:

- Statement No. 68, “*Accounting and Financial Reporting for Pensions*” – an amendment of GASB Statement No. 27
- Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date*” – an amendment of GASB Statement No. 68

Statement No. 68 (Statement) establishes standards of accounting and financial reporting, but not funding or budgetary standards, for the County’s defined benefit pension plans. This Statement replaces the requirements of prior GASB statements impacting accounting and disclosure of pensions.

The significant impact to the County of implementing Statement No. 68 is the reporting of the County’s unfunded pension liability on the County’s full accrual basis of accounting government-wide financial statements. There are also new note disclosure requirements and supplementary schedules required by the Statement.

The measurement date for the pension liabilities is as of June 30, 2014. This date reflects a one year lag and was used so that these financial statements could be issued in an expedient manner. Activity (i.e., contributions made by the County) occurring during the fiscal year 2014-15 are reported as deferred outflows of resources in accordance with Statement No. 71.

In order to implement these pension related Statements, a prior period adjustment was made to the County’s July 1, 2014 net position for governmental activities and business-type activities. This prior period adjustment decreased the County’s governmental activities net position by \$3,891,532 and the business-type net position by \$247,832. Please refer to Note 15 for more information regarding the County’s pensions.

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, 2015

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 20 and 21 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Bamberg County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into 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 9 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balance for the General Fund and Capital Projects Sales Tax Fund which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining schedules elsewhere in this report.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

The basic governmental funds financial statements can be found on pages 22 through 27 of this report.

Proprietary fund: Bamberg County utilizes one proprietary fund for its landfill and solid waste related activities. This fund accounts for the assessed solid waste fees and the landfill usage fees. These statements are found on pages 28 through 30.

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 31 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 32 through 71 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 72 through 74 and the combining and individual fund schedules can be found on pages 75 through 98 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 \$2,977,090 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$987,227.

One of the largest portions of the County's net position (\$3,104,686) 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 (\$7,009,967) represents resources that are subject to restrictions on how they may be used. The remaining balance is a deficit of (\$7,137,563) unrestricted net position.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Current and other assets	\$ 11,009	\$ 10,586	\$ 59	\$ 157	\$ 11,068	\$ 10,743
Capital assets	<u>8,258</u>	<u>7,335</u>	<u>451</u>	<u>247</u>	<u>8,709</u>	<u>7,582</u>
Total assets	<u>19,267</u>	<u>17,921</u>	<u>510</u>	<u>404</u>	<u>19,777</u>	<u>18,325</u>
Total deferred outflows of resources	<u>399</u>	<u>-</u>	<u>23</u>	<u>-</u>	<u>422</u>	<u>-</u>
Long-term liabilities						
Outstanding	14,286	14,549	856	700	15,142	15,249
Other liabilities	<u>1,599</u>	<u>977</u>	<u>82</u>	<u>109</u>	<u>1,681</u>	<u>1,086</u>
Total liabilities	<u>15,885</u>	<u>15,526</u>	<u>938</u>	<u>809</u>	<u>16,823</u>	<u>16,335</u>
Total deferred inflows of resources	<u>378</u>	<u>-</u>	<u>21</u>	<u>-</u>	<u>399</u>	<u>-</u>
Net Position						
Invested in capital assets, net of related debt	2,858	2,090	247	247	3,105	2,337
Restricted	7,010	6,911	-	-	7,010	6,911
Unrestricted	<u>(6,465)</u>	<u>(6,606)</u>	<u>(673)</u>	<u>(652)</u>	<u>(7,138)</u>	<u>(7,258)</u>
Total net position	<u>\$ 3,403</u>	<u>\$ 2,395</u>	<u>\$ (426)</u>	<u>\$ (405)</u>	<u>\$ 2,977</u>	<u>\$ 1,990</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)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 776	\$ 734	\$ 935	\$ 880	\$ 1,711	\$ 1,614
Operating grants	1,242	485	23	-	1,265	485
Capital grants and contributions	212	622	-	-	212	622

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

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

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General revenue:						
Taxes:						
Property taxes	5,862	5,572	-	-	5,862	5,572
Sales tax	930	859	-	-	930	859
State shared revenue	594	591	-	-	594	591
Gain on sale of assets	11	-	-	36	11	36
Interest earnings	6	14	-	-	6	14
Miscellaneous	120	76	-	-	120	76
Contributions	<u>382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382</u>	<u>-</u>
Total revenues	<u>10,135</u>	<u>8,953</u>	<u>958</u>	<u>916</u>	<u>11,093</u>	<u>9,869</u>
Expenses:						
General government	2,436	2,061	-	-	2,436	2,061
Judicial	680	662	-	-	680	662
Public safety	2,092	2,129	-	-	2,092	2,129
Public works	474	1,052	-	-	474	1,052
Economic development	139	51	-	-	139	51
Culture and recreation	697	239	-	-	697	239
Miscellaneous	169	176	-	-	169	176
Health and welfare	1,558	860	-	-	1,558	860
Interest and charges	882	779	-	-	882	779
Landfill and solid waste	<u>-</u>	<u>-</u>	<u>979</u>	<u>941</u>	<u>979</u>	<u>941</u>
Total expenses	<u>9127</u>	<u>8,009</u>	<u>979</u>	<u>941</u>	<u>10,106</u>	<u>8,950</u>
Change in net position	<u>\$ 1,008</u>	<u>\$ 944</u>	<u>\$ (21)</u>	<u>\$ (25)</u>	<u>\$ 987</u>	<u>\$ 919</u>

Primary Government Activities: Revenues for the County's governmental activities were \$10,135,233 for fiscal year 2015. Taxes constitute the largest source of County revenues, amounting to approximately \$6,792,576 for the fiscal year 2015. Real, personal property, and vehicle taxes of \$5,862,485 represent over 86% of total taxes and 58% of all revenue combined. The business-type activities had a decrease in net position for the year of \$20,671.

Financial Analysis of Bamberg County's Funds

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

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

As of June 30, 2015, Bamberg County governmental funds reported combined fund balances of \$9,356,134, an increase of \$375,174 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2015, total fund balance in the General Fund was \$3,238,564, of which \$2,369,066 was unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balances compared to total fund expenditures was 36%. The fund balance of the General Fund increased by \$274,969 during the current fiscal year.

The major Capital Projects Sales Tax fund is used to account for specific revenues and debt proceeds slated to fund the approved capital projects under the sales tax referendum. The fund balance for this fund decreased by \$423,861 during the fiscal year as construction of approved projects were underway resulting in an ending fund balance of \$5,012,874 at June 30, 2015.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$524,066 from the prior year. A major portion of this increase is due to \$425,702 of lease proceeds received for vehicle purchases but those proceeds were not spent until the subsequent fiscal year.

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund on page 26. The expenditures incurred during the year were \$635,025 over the budgeted amounts and revenues were \$915,453 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, 2015 is stated below.

	Governmental Activities (Dollars in Thousands)	Business-Type Activities
Land and land improvements	\$ 789	\$ 36
Construction in process	941	-
Buildings and improvements	5,096	160
Vehicles	688	-
Machinery and equipment	453	255
Infrastructure	<u>291</u>	<u>-</u>
Total capital assets, net	<u>\$ 8,258</u>	<u>\$ 451</u>

Additional information on the County's capital assets can be found in Note 8 on pages 45 through 47 of this report.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Long-term debt: At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,483,288, all of which is backed by the full faith and credit of the County. During the 14-15 fiscal year, the County issued \$125,000 general obligation bond 2014B and \$70,500 general obligation bond 2015A to provide funding for capital sales tax projects and payment of existing debt service on debt related to these projects. During the fiscal year, the County also entered into a \$38,729 capital lease agreement for radio communication equipment, a \$7,565 capital lease agreement for a copier, and a \$425,702 capital lease agreement for purchase of 13 vehicles. All of these debt issues pertained to the governmental activities. Under the business-type activities, the County entered into two capital lease agreements during the fiscal year including \$194,496 for an excavator and \$37,500 for a modular office building.

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

	Governmental Activities		Business- Type Activities	
	2015	2014	2015	2014
General obligation bonds	\$ 1,483	\$ 1,360	\$ -	\$ -
Installment purchase revenue bonds	8,305	8,435	-	-
Tax Anticipation Notes	9	93	-	-
Capital lease obligations	739	347	204	-
	<u>\$ 10,536</u>	<u>\$ 10,235</u>	<u>\$ 204</u>	<u>\$ -</u>

Additional information on Bamberg County's long-term debt can be found in Note 12 on pages 48 through 53 of this report.

Economic Factors and Next Year's Budgets and Rates

Physical Characteristics

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

Rail Service:

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

Air Service:

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

Utility Providers:

The Bamberg Board of Public Works serves the northeastern portion of the county and provides electric, water, wastewater and gas service to the Town of Bamberg and immediate surrounding areas.

Electric service is provided within the unincorporated areas by Edisto Electric Cooperative.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

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

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

School Districts:

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

Higher Education:

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

Healthcare:

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

Quality of Life:

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

Unique:

Bamberg is the childhood home of Nikki Haley, the first female to serve as governor of South Carolina.

Largest Employers:

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

Masonite

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

UTC Aerospace/Delavan

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

Rockland Industries

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

Freudenberg Sealing Technologies

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

Phoenix Specialty

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

SouthernCarolina Alliance:

Bamberg County is a charter member of the SouthernCarolina 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.

Marketing and Industrial Recruitment:

Marketing and Industrial recruitment serves as the backbone of the mission of Alliance. The external marketing programs are focused on both immediate and long term results. SCA markets the region to companies and their decision makers throughout North America, Europe and Asia using extensive and multi-faceted lead generation programs.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Marketing and Recruitment Missions:

In 2014 and 2015, SouthernCarolina Alliance's lead generation efforts produced face-to-face meetings with companies from the US, Europe and Asia that are actively looking to re-locate or expand to the Southeast US.

Domestic Marketing Effort:

SouthernCarolina Alliance's domestic marketing effort focused on the targeted industry sectors suited for our region and included advanced manufacturing, metal fabrication, chemicals, automotive, aerospace, agribusiness and distribution.

European Marketing Effort:

SouthernCarolina Alliance targeted European companies looking to expand to the Southeastern United States over the next three years. These prospects include those in all of our targeted industry clusters throughout Europe.

Asian Marketing Effort:

SCA secured a lead generation effort in partnership with the Aiken-Edgefield-Saluda Economic Development Partnership to access prospects in Asia that are investing in the SE US and are considering S.C. as a possible location. This program allows us to work with representatives already located on the ground in Japan, China, and Korea.

In 2014 and 2015:

- Through SouthernCarolina Alliance's lead generation efforts, the marketing team met face-to-face with more than 98 companies, while identifying more than 270 leads that they continue to pursue.
- In 2014, SCA and county allies worked 84 projects. Twenty-five of those projects were affiliated with leads from the S.C. Dept. of Commerce; this number includes the RFIs for active projects and inquiries sent from SCDOC. SCA received visits from 6 companies from SCDOC projects.
- The Southern Carolina region was the location of choice in 2014 for several companies opening new manufacturing operations, as well as three existing industries that reinvested in our communities through expansions, bringing more than 348 new jobs and \$42.5 million to the six-county region.
- The companies investing in the region included a well-established Italian firm establishing their first U.S. manufacturing facility, creating 48 jobs over the next five years. The companies manufacture diverse products in several industry sectors, including: ball and cylindrical ball bearings for automotive and industrial applications; fiberglass vessels; hardwood veneer; aircraft components; plastic efficiency and safety products; advanced composites; and wood laminate flooring. In addition, a South Carolina-based company invested in new distribution facility at Exit 38 on I-95 in Hampton County.
- Of the new companies establishing a presence in the region, five chose existing industrial buildings in the six-county area, while one of the companies is building a new 77,000 sq. ft. facility.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

- Among the existing industries that announced expansions, Augusta Fiberglass, a homegrown company located in Denmark, South Carolina, is expanding at their Barnwell County location and adding jobs at an existing building in Bamberg County. With their 2014 announcement, Kronotex, a Swiss company located in Barnwell County, marked their third expansion here since 2005.

Product Development:

Recognizing the need for class A industrial space. The Alliance, in partnership with Bamberg County has developed a number of fully served industrial parks offering companies shovel ready building sites with all due diligence and infrastructure facilitating a rapid start up in place



CrossRhodes Industrial Park

Moreover, this partnership has grown to include the construction of a number of speculative buildings that have resulted in significant job creation and capital investment in the County.



Governor Haley Officiating the Tobul Announcement Ceremony

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Hinging upon the past success of our industrial speculative building program, the Alliance and County recently broke ground on a building that will be available for occupancy by the end of this year.



2015 Speculative Building Groundbreaking

Existing Industries

Recognizing that the existing industries in a community oftentimes have the greatest impact on job creation and new investment, the Alliance and County seek to support and strengthen its existing industrial base by establishing solid relationships with company officials and decision makers, advocating pro-business policies through our legislative delegation, maintaining a comprehensive inventory of industry service providers and facilitating those connections as needed, working tirelessly with local school districts and technical colleges to help bridge gaps between curriculum and local industry needs, championing workforce development efforts such as the South Carolina Workready Community initiative as well as working with technical colleges and third party training companies to provide advanced skills training in the disciplines most sought after by our present companies.



Welding Student at the SCA Advanced Manufacturing Skills Academy

Multi-County Revenue Sharing:

Bamberg County is part of a revolutionary inter-governmental revenue sharing agreement with Allendale, Barnwell, and Hampton Counties. Recognizing that there is strength in unity, the agreement distributes a portion of tax revenue collected from a new industry to each of the participating counties regardless of the physical location of the plant. The result is Bamberg County is the beneficiary of significant additional tax revenue paid by industries located outside of its borders.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

Unemployment

The growth of Bamberg County's existing companies along with new announcements, have resulted in the County's unemployment rate decreasing markedly the past year. According to the S.C. Department of Employment and Workforce (DEW), Bamberg County's unemployment rate was 8.5%, as of December 2015, representing a 26% decrease from the December of 2014 rate of 11.5%. The state of South Carolina unemployment rates were 5.5% in December of 2015 and 6.6% in December of 2014.

FY16 Budget

Current economic factors were taken into consideration in preparing the FY16 budget. The county held most operating expenses at FY15 levels with the exception of some much needed capital replacements; specifically the county budgeted to purchase eleven public safety vehicles and two central services vehicles. In addition to the vehicles, the county plans to enter into a lease purchase arrangement for several pieces of heavy equipment for the areas of solid waste and road maintenance. Despite working diligently to control operating expenses, the county did experience increases in health insurance and retirement. The county budgeted for a projected 4.7% increase in health insurance which will cost an additional \$15,000. The employer contributions to the State Retirement System increased for both the regular retirement as well as police retirement. The regular retirement contribution percent increased from 10.9% to 11.06% and the police retirement contribution increased from 13.41% to 13.74%. The effect of these increases on the County budget totaled \$33,000. The county did not budget for any employee raises in the FY16 budget although plans exist to address wages in the coming years in order to remain competitive, especially as the surrounding areas economies improve and jobs become more plentiful and available. Overall, the total County budget is \$13,600,238 for FY16 compared to \$13,560,343 for FY15.

Other Items

During the year (September 2015) the County also experienced a successful bond rating presentation with Standard & Poor's. Standard & Poor's is a bond rating agency based in New York. It examines local governments all over the country and assigns ratings based on a number of factors, which are weighted towards a local government's overall financial health and quality of its management. Bamberg County was awarded an "A" credit rating from Standard and Poor's. This is an achievement that is the result of hard work, team effort, and the determination to be in a better place. This rating should help the county get better interest rates which will save money for our taxpayers. The County's credit rating also impacts bonds issued in 2013 by the Bamberg Facilities Corporation. Those bonds were issued to pay for a number of projects, including those approved by the voters in the 2012 capital projects sales tax referendum. Shortly after receiving this credit rating the County was able to refinance the original installment purchase revenue bonds and lowered the interest rate from 8.875% down to 3.933%, effectively saving \$1.2 million in interest costs.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2015**

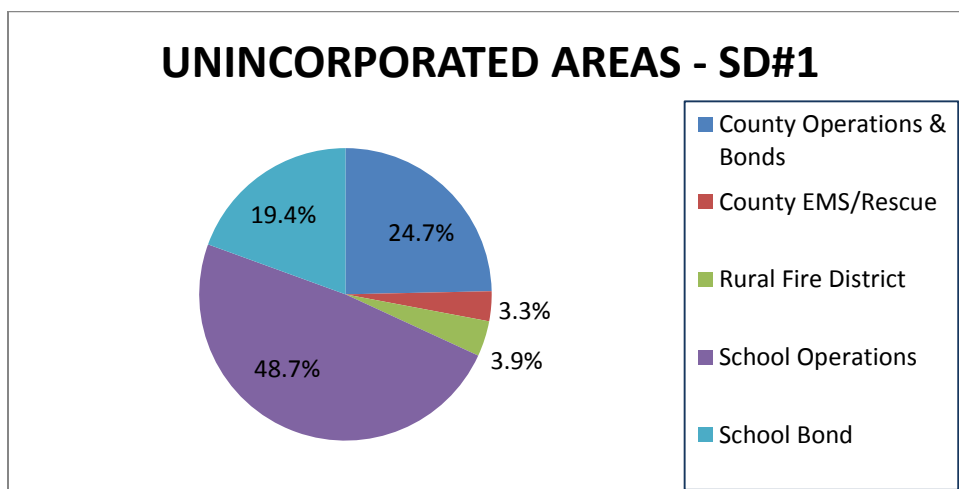
Tax Levies

Below is a summary of the tax levies supporting the FY16 Budget, as compared to the FY15 levies. The county adheres to levy limitation laws and strives not to incur significant increases from year to year.

Levy	FY16 Levy	FY15 Levy
County Operations	124.0	122.0
Capital Needs	6.8	1.0
EMS/Rescue	18.5	18.5
Fire Service	22.0	21.0
Subtotal Operating Levies	171.3	162.50
Bonded Indebtedness	7.4	68.7
Total Levy	178.7	171.2

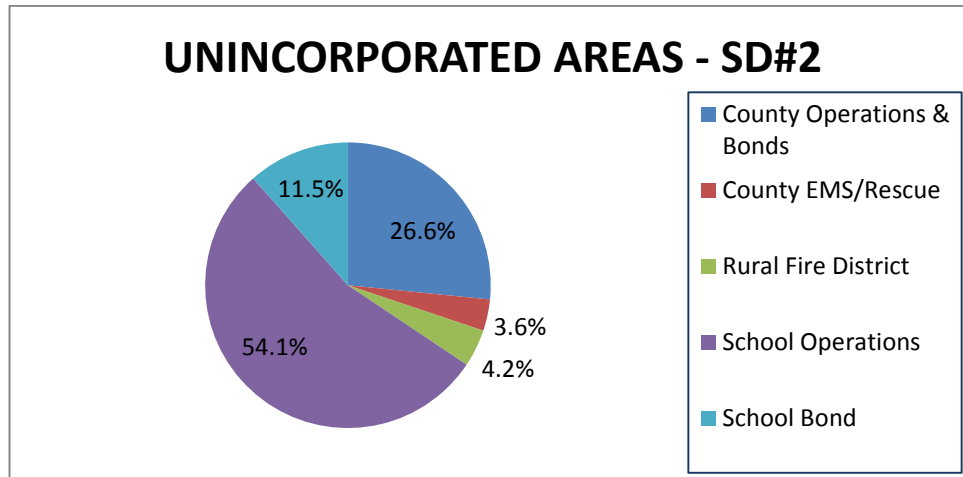
There are two school districts in Bamberg County. Below are graphs that depict the combined tax levies of both the county and each of the school districts.

UNINCORPORATED AREAS - SCHOOL DISTRICT ONE		
		LEVY
County Operations & Bonds	24.7%	138.2
County EMS/Rescue	3.3%	18.5
Rural Fire District	3.9%	22.0
School Operations	48.7%	272.8
School Bond	19.4%	109.0
Total Millage	100.0%	560.5



**BAMBERG COUNTY
 BAMBERG, SOUTH CAROLINA
 MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 FOR THE YEAR ENDED JUNE 30, 2015**

UNINCORPORATED AREAS - SCHOOL DISTRICT TWO		
		LEVY
County Operations & Bonds	26.6%	138.2
County EMS/Rescue	3.6%	18.5
Rural Fire District	4.2%	22.0
School Operations	54.1%	280.9
School Bond	11.5%	60.0
Total Millage	100.0%	519.6



Requests for Information

This financial report is designed to provide a general overview of Bamberg County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to County Administrator, Bamberg County Courthouse, 2959 Main Highway, Bamberg, South Carolina 29003.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,911,358	\$ 6,204	\$ 1,917,562
Restricted cash and cash equivalents	7,305,781	-	7,305,781
Receivables			
Property taxes	700,017	-	700,017
Other receivables	132	139,526	139,658
Due from other governments	919,888	-	919,888
Due from Agency Funds	85,139	-	85,139
Internal balances	86,547	(86,547)	-
Non-current assets:			
Capital assets -			
Non-depreciable - Note 8	1,730,702	36,000	1,766,702
Depreciable - net - Note 8	6,527,550	414,851	6,942,401
TOTAL ASSETS	19,267,114	510,034	19,777,148
DEFERRED OUTFLOWS OF RESOURCES			
Pension difference between expected and actual funding experience	108,697	7,123	115,820
Employer contributions subsequent to measurement date	290,152	16,015	306,167
TOTAL DEFERRED OUTFLOWS OF RESOURCES	398,849	23,138	421,987
LIABILITIES			
Current liabilities:			
Accounts payable	534,999	21,805	556,804
Accrued expenses	78,842	9,337	88,179
Accrued interest payable	199,816	-	199,816
Due to other governments	49,688	-	49,688
Due to Agency Funds	842	-	842
Bond deposits and prepayments	118,076	-	118,076
Unearned grant revenue	4,735	-	4,735
Current portion of accrued claims	60,000	-	60,000
Current portion of long-term liabilities	551,993	50,436	602,429
Noncurrent liabilities:			
Long-term debt, net of current portion	10,177,047	603,451	10,780,498
Net pension liability	3,923,433	251,381	4,174,814
Net OPEB obligation	45,493	1,587	47,080
Accrued claims, net of current portion	140,000	-	140,000
TOTAL LIABILITIES	15,884,964	937,997	16,822,961
DEFERRED INFLOWS OF RESOURCES			
Net difference between projected and actual earnings on pension plan investments	377,891	21,193	399,084
TOTAL DEFERRED INFLOWS OF RESOURCES	377,891	21,193	399,084
NET POSITION			
Invested in capital assets, net of related debt	2,857,605	247,081	3,104,686
Restricted	7,009,967	-	7,009,967
Unrestricted (deficit)	(6,464,464)	(673,099)	(7,137,563)
TOTAL NET POSITION	\$ 3,403,108	\$ (426,018)	\$ 2,977,090

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

FUNCTIONS AND PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		TOTAL
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
GOVERNMENTAL ACTIVITIES							
General government	\$ 2,414,962	\$ 47,139	\$ 70,218	\$ -	\$ (2,297,605)		\$ (2,297,605)
Judicial	680,221	297,536	139,368	-	(243,317)		(243,317)
Public safety	2,133,777	99,165	326,836	20,522	(1,687,254)		(1,687,254)
Public works	474,139	332,070	-	77,500	(64,569)		(64,569)
Economic development	138,724	-	-	100,000	(38,724)		(38,724)
Culture and recreation	676,074	-	-	13,807	(662,267)		(662,267)
Miscellaneous	169,252	-	-	-	(169,252)		(169,252)
Health and welfare	1,557,854	-	706,075	-	(851,779)		(851,779)
Interest	882,332	-	-	-	(882,332)		(882,332)
TOTAL GOVERNMENTAL ACTIVITIES	9,127,335	775,910	1,242,497	211,829	(6,897,099)		(6,897,099)
BUSINESS-TYPE ACTIVITY							
Landfill and solid waste	978,922	934,855	23,396	-	-	\$ (20,671)	(20,671)
TOTAL BUSINESS-TYPE ACTIVITY	978,922	934,855	23,396	-	-	(20,671)	(20,671)
TOTAL PRIMARY GOVERNMENT	\$ 10,106,257	\$ 1,710,765	\$ 1,265,893	\$ 211,829	(6,897,099)	(20,671)	(6,917,770)
GENERAL REVENUES:							
Property taxes					5,862,485	-	5,862,485
Sales tax					930,091	-	930,091
State shared revenues					594,244	-	594,244
Interest earnings					5,580	-	5,580
Miscellaneous					119,904	-	119,904
Gain on disposal of assets					11,100	-	11,100
CAPITAL CONTRIBUTIONS					381,593	-	381,593
TOTAL GENERAL REVENUES AND CAPITAL CONTRIBUTIONS					7,904,997	-	7,904,997
CHANGE IN NET POSITION					1,007,898	(20,671)	987,227
NET POSITION - JUNE 30, 2014, RESTATED - NOTE 20					2,395,210	(405,347)	1,989,863
NET POSITION - JUNE 30, 2015					\$ 3,403,108	\$ (426,018)	\$ 2,977,090

See accompanying notes to financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>GENERAL FUND</u>	<u>CAPITAL PROJECTS SALES TAX FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and cash equivalents:				
Unrestricted	\$ 1,911,358	\$ -	\$ -	\$ 1,911,358
Restricted	1,199,085	4,872,418	1,234,278	7,305,781
Receivables				
Property taxes	604,555	-	95,462	700,017
Other receivables	132	-	-	132
Due from other governments	558,216	207,567	154,105	919,888
Due from other funds	369,864	297,969	70,988	738,821
Due from Agency Funds	85,139	-	-	85,139
TOTAL ASSETS	<u>\$ 4,728,349</u>	<u>\$ 5,377,954</u>	<u>\$ 1,554,833</u>	<u>\$ 11,661,136</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 119,213	\$ 365,080	\$ 50,706	\$ 534,999
Accrued expenses	67,461	-	11,381	78,842
Bond deposits and prepayments	118,076	-	-	118,076
Due to other governments	49,688	-	-	49,688
Due to other funds	359,208	-	293,066	652,274
Due to Agency Funds	842	-	-	842
Unearned revenue - grants	-	-	4,735	4,735
Accrued claims	200,000	-	-	200,000
Total Liabilities	<u>914,488</u>	<u>365,080</u>	<u>359,888</u>	<u>1,639,456</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue				
Property Taxes	575,297	-	90,249	665,546
Total Deferred Inflows of Resources	<u>575,297</u>	<u>-</u>	<u>90,249</u>	<u>665,546</u>
FUND BALANCES				
Restricted	639,094	5,012,874	1,252,198	6,904,166
Assigned	230,404	-	105,801	336,205
Unassigned (deficit)	2,369,066	-	(253,303)	2,115,763
Total Fund Balances	<u>3,238,564</u>	<u>5,012,874</u>	<u>1,104,696</u>	<u>9,356,134</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 4,728,349</u>	<u>\$ 5,377,954</u>	<u>\$ 1,554,833</u>	<u>\$ 11,661,136</u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total fund balance - total governmental funds		\$ 9,356,134
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		665,546
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
		8,258,252
Long-term liabilities and related accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:		
Interest payable	\$ (199,816)	
Due within a year	(551,993)	
Due in more than one year	<u>(10,177,047)</u>	(10,928,856)
Other Post Employment Benefits (OPEB) liability represents the future unfunded costs associated with current benefits.		
		(45,493)
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>(3,902,475)</u>
Total net position - total governmental activities		<u><u>\$ 3,403,108</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, 2015

	GENERAL FUND	CAPITAL PROJECTS SALES TAX FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE				
Property taxes	\$ 4,447,806	\$ 732,825	\$ 636,460	\$ 5,817,091
Sales tax	-	835,797	-	835,797
Intergovernmental revenue	1,695,736	-	447,128	2,142,864
Licenses and permits	47,139	-	-	47,139
Charges for services	60,999	-	369,870	430,869
Fines, fees and forfeitures	297,902	-	-	297,902
Investment income	2,783	1,985	812	5,580
Other	119,723	-	181	119,904
TOTAL REVENUES	6,672,088	1,570,607	1,454,451	9,697,146
EXPENDITURES				
Current				
General government	2,314,867	-	25,830	2,340,697
Judicial	672,465	-	-	672,465
Public safety	1,835,893	-	274,587	2,110,480
Public works	-	-	418,942	418,942
Economic development	137,500	-	-	137,500
Culture and recreation	150,100	502,181	-	652,281
Miscellaneous	169,252	-	-	169,252
Health and welfare	1,161,118	-	321,182	1,482,300
Capital outlay	85,326	735,536	72,781	893,643
Debt service:				
Principal	-	130,000	153,291	283,291
Interest and fiscal charges	-	822,251	62,230	884,481
TOTAL EXPENDITURES	6,526,521	2,189,968	1,328,843	10,045,332
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	145,567	(619,361)	125,608	(348,186)
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of debt	38,729	195,500	433,267	667,496
Insurance recoveries	55,864	-	-	55,864
Transfers in (out)	34,809	-	(34,809)	-
TOTAL OTHER FINANCING SOURCES (USES)	129,402	195,500	398,458	723,360
NET CHANGE IN FUND BALANCES	274,969	(423,861)	524,066	375,174
FUND BALANCE, JULY 1, 2014 - RESTATEMENT - NOTE 20	2,963,595	5,436,735	580,630	8,980,960
FUND BALANCE, JUNE 30, 2015	\$ 3,238,564	\$ 5,012,874	\$ 1,104,696	\$ 9,356,134

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, 2015

Net changes in fund balances - total governmental funds \$ 375,174

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	\$ 893,643	
Contribution of capital assets	381,593	
Less, current year depreciation	<u>(344,613)</u>	930,623

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	(18,089)	
Gain on disposal	<u>11,100</u>	(6,989)

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

Debt proceeds	(667,496)	
Capital lease obligation principal payments	79,590	
Note payable principal payments	3,032	
Tax anticipation note principal payment	81,080	
Bond principal payment	<u>202,212</u>	(301,582)

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	2,148	
Change in compensated absences	(17,515)	
Change in OPEB liability	(8,212)	
Change in Pension liability	<u>(10,943)</u>	(34,522)

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	45,394	
Lease receivable	<u>(200)</u>	<u>45,194</u>

Change in net position of governmental activities \$ 1,007,898

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, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Property taxes	\$ 4,577,200	\$ 4,577,200	\$ 4,447,806	\$ (129,394)
Intergovernmental revenue	746,035	746,035	1,695,736	949,701
Licenses and permits	42,000	42,000	47,139	5,139
Charges for services	63,000	63,000	60,999	(2,001)
Fines, fees and forfeitures	311,500	311,500	297,902	(13,598)
Investment income	2,500	2,500	2,783	283
Other	12,000	14,400	119,723	105,323
Total revenues	<u>5,754,235</u>	<u>5,756,635</u>	<u>6,672,088</u>	<u>915,453</u>
EXPENDITURES				
Current:				
General government	2,400,546	2,373,837	2,356,808	17,029
Judicial	678,209	680,158	685,963	(5,805)
Public safety	1,957,089	1,988,515	1,865,780	122,735
Economic development	50,000	50,000	137,500	(87,500)
Culture and recreation	150,800	150,800	150,100	700
Miscellaneous	177,452	173,186	169,252	3,934
Health and welfare	475,000	475,000	1,161,118	(686,118)
Total expenditures	<u>5,889,096</u>	<u>5,891,496</u>	<u>6,526,521</u>	<u>(635,025)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(134,861)</u>	<u>(134,861)</u>	<u>145,567</u>	<u>280,428</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	25,000	25,000	-	(25,000)
Proceeds from issuance of debt	-	-	38,729	38,729
Insurance recoveries	48,000	48,000	55,864	7,864
Transfers in(out)	(224,295)	(224,295)	34,809	259,104
Total other financing sources (uses)	<u>(151,295)</u>	<u>(151,295)</u>	<u>129,402</u>	<u>280,697</u>
Net change in fund balance	<u>\$ (286,156)</u>	<u>\$ (286,156)</u>	<u>274,969</u>	<u>\$ 561,125</u>
Fund balances, beginning of year - Restated - Note 20			<u>2,963,595</u>	
Fund balances, end of year			<u>\$ 3,238,564</u>	

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS SALES TAX FUND
BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	Project Authorization	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 4,405,727	\$ 770,326	\$ 835,797	\$ 1,606,123
Fee in lieu	-	435,581	732,825	1,168,406
Investment income	-	1,811	1,985	3,796
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	4,405,727	1,207,718	1,570,607	2,778,325
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
General government	3,541,423	175,166	735,536	910,702
Culture and recreation	849,700	66,000	502,181	568,181
Health and welfare	14,604	10,115	-	10,115
Principal retirement	-	5,000	130,000	135,000
Interest and fiscal charges	-	927,123	822,251	1,749,374
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	4,405,727	1,183,404	2,189,968	3,373,372
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	24,314	(619,361)	(595,047)
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue bonds issued	-	8,530,000	195,500	8,725,500
Transfers	-	(3,117,579)	-	(3,117,579)
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	5,412,421	195,500	5,607,921
	<hr/>	<hr/>	<hr/>	<hr/>
Net change in fund balances	<u>\$ -</u>	<u>\$ 5,436,735</u>	(423,861)	<u>\$ 5,012,874</u>
Fund balances, beginning of year			<u>5,436,735</u>	
Fund balances, end of year			<u>\$ 5,012,874</u>	

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	<u>Enterprise Fund - Landfill and Solid Waste</u>
ASSETS	
Current Assets	
Cash	\$ 6,204
Accounts receivable, net of allowance for doubtful accounts	139,526
Total Current Assets	<u>145,730</u>
Noncurrent Assets	
Non-depreciable - Note 8	36,000
Depreciable - net - Note 8	414,851
Total Noncurrent Assets	<u>450,851</u>
TOTAL ASSETS	<u>596,581</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension difference between expected and actual funding experience	7,123
Employer contributions subsequent to measurement date	16,015
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>23,138</u>
LIABILITIES	
Current Liabilities	
Accounts payable	21,805
Accrued expenses	9,337
Due to other funds	86,547
Current portion of capital lease payable	31,826
Current portion of compensated absences	7,610
Current portion of landfill closure and postclosure costs	11,000
Total Current Liabilities	<u>168,125</u>
Noncurrent Liabilities	
Capital lease payable, net of current portion	171,944
Net pension liability	251,381
Net OPEB obligation	1,587
Compensated absences, net of current portion	23,041
Landfill closure/postclosure costs, net of current portion	408,466
Total Noncurrent Liabilities	<u>856,419</u>
TOTAL LIABILITIES	<u>1,024,544</u>
DEFERRED INFLOWS OF RESOURCES	
Net difference between projected and actual earnings on pension plan investments	21,193
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,193</u>
NET POSITION	
Invested in capital assets, net of related debt	247,081
Unrestricted	(673,099)
TOTAL NET POSITION	<u>\$ (426,018)</u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2015

	<u>Enterprise Fund - Landfill and Solid Waste</u>
Operating Revenues	
Landfill and solid waste fees	\$ 934,855
Operating grants	23,396
Total Operating Revenues	<u>958,251</u>
Operating Expenses	
Salaries and benefits	373,537
Operations and supplies	14,636
Landfill	30,805
Solid waste contracts	354,224
LADS operation and contracts	143,018
Landfill engineer	26,838
Depreciation expense	28,667
Total Operating Expenses	<u>971,725</u>
Operating Income (Loss)	<u>(13,474)</u>
Non-Operating Revenues (Expenses)	
Interest expense	(7,197)
Net Non-Operating Revenues (Expenses)	<u>(7,197)</u>
Change in net position	(20,671)
Net Position - Beginning of Year - Restated - Note 20	<u>(405,347)</u>
Net Position - End of Year	<u><u>\$ (426,018)</u></u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
JUNE 30, 2015

	<u>Enterprise Fund - Landfill and Solid Waste</u>
OPERATING ACTIVITIES	
Receipts from customers	\$ 934,105
Payments to suppliers	(651,526)
Payments to employees	(369,266)
Receipts from operating grants	23,396
Internal activity-payments to other funds	<u>(121,805)</u>
Net cash provided by (used for) operations	<u>(185,096)</u>
CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and construction of capital assets	(231,996)
Interest paid on debt	(7,197)
Proceeds from capital lease	<u>203,770</u>
Net cash provided by (used for) capital and related financing activities	<u>(35,423)</u>
Net increase (decrease) in cash and cash equivalents	(220,519)
Cash and cash equivalents - beginning of year	<u>226,723</u>
Cash and cash equivalents - end of year	<u><u>\$ 6,204</u></u>
Reconciliation of operating income (loss) to cash flows from operating activities:	
Operating Income (loss)	\$ (13,474)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:	
Depreciation and amortization	28,667
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(750)
Increase (decrease) in accounts payable	(71,958)
Increase (decrease) in accrued expenses	4,894
Increase (decrease) in due to other funds	(121,805)
Increase (decrease) in landfill closure/postclosure costs	(10,047)
Increase (decrease) in accrued compensated absences	(2,513)
Increase (decrease) in OPEB liability	286
Increase (decrease) in net pension liability	<u>1,604</u>
Net cash provided by (used for) operations	<u><u>\$ (185,096)</u></u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

ASSETS

Cash and cash equivalents	\$ 1,930,267
Delinquent property taxes	1,457,670
Unknown funds deficit - Note 5	2,749
Due from General Fund	<u>842</u>
 Total assets	 <u><u>\$ 3,391,528</u></u>

LIABILITIES

Amounts due to others	\$ 3,306,389
Due to General Fund	<u>85,139</u>
 Total liabilities	 <u><u>\$ 3,391,528</u></u>

See accompanying notes to financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION

Bamberg County, South Carolina (the “County”) was founded in 1897, under the laws of the State of South Carolina for the incorporation of municipal governments and as amended by Act 283 of the 1975 Code (Home Rule County Act). The governing body of the County is the County Council (the “Council”), which makes policies for the administration of the County. The Council is comprised of seven members elected from single member districts for terms of four years. Annually the Council elects a chairman from among its members to conduct the public meetings of the Council. The County operates under the “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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County’s financial statements are presented in accordance with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretation). The more significant accounting policies established by GAAP and used by the County are discussed below.

FINANCIAL REPORTING ENTITY

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

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

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Blended Component Unit

The Bamberg Facilities Corporation (the Corporation) was formed primarily to construct capital projects under the first penny sales tax referendum. The Corporation is governed by a board appointed by County Council. The Corporation financed its projects by issuing revenue bonds which are being retired exclusively by the County’s rental payments for property owned by the Corporation. The County conveyed property consisting of the land 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.

Bamberg County Memorial Hospital

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

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.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Fund Financial Statements

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

Governmental Major Funds:

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

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

Other Non-major Governmental Funds

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Proprietary Fund Types

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

Fiduciary Fund Types

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

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

The proceeds of long term debt are recorded as 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.

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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

Cash includes operating accounts and savings or money market accounts with maturities of three months or less. These investments are presented at cost, which reasonably approximate fair value.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions result in loans and advances between individual funds. The lending fund reports amounts “due from other funds,” while the borrowing fund reports amounts “due to other funds.”

Receivables and Allowance for Doubtful Accounts

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.

Restricted Assets

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

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recognized as prepaid items.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and/or the balance sheet will sometimes report 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. The County reports two items as deferred outflows. Both are related to its pension liability.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the Statement of Net Position and/or the balance sheet will sometimes report 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 has an item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. 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. The County also reports one item related to its pension liability as a deferred inflow in the statement of net position.

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:

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

Long-term Obligations

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Other Post Employment Benefits

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

Accrued Compensated Absences

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

Fund Balances

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 \$2,977,090 of which \$7,009,967 is restricted. Restricted resources are used first to fund appropriations.

Property Taxes

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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).

Budgets and Budgetary Accounting

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Three public readings are conducted by County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. This transfer cannot exceed \$10,000 or 10% of said department's budget; however, any revisions that alter the total expenditures of any fund must be approved by the County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, some Special Revenue Funds (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.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 2015, expenditures in the following general fund divisions exceeded appropriations:

General Fund:	
Judicial	\$ 5,805
Economic development	87,500
Health and welfare	686,118

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

NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2015, the amount of the County's cash deposits was \$11,152,080 and the bank balance was \$13,130,754. To reconcile this information to the financial statements, we include the following:

Cash and cash equivalents	\$ 11,152,080
Cash on hand	1,530
Less: fiduciary cash	<u>(1,930,267)</u>
	<u>\$ 9,223,343</u>

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

Cash and cash equivalents:	
Unrestricted	\$ 1,917,562
Restricted	<u>7,305,781</u>
	<u>\$ 9,223,343</u>

Primary Government and Agency Funds

At June 30, 2015, the carrying amount of the County's deposits was \$9,223,343 for the primary government and \$1,930,267 for Agency Funds. The bank balances for these funds total \$13,130,754. Of the bank balance of \$13,130,754, \$1,521,485 is secured by FDIC insurance and \$11,609,269 is secured by collateral pledged in the County's name.

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

NOTE 3 - DEPOSITS AND INVESTMENTS (continued)

Deposits

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

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

NOTE 4 - RECEIVABLES

Other receivables at June 30, 2015, are shown below less an estimated allowance for uncollectible accounts, as follows:

	Governmental Activities	Business-type Activities
Other receivables	\$ 132	\$ -
Landfill fees	-	37,214
Solid waste fees	<u>-</u>	<u>127,890</u>
Total receivables	132	165,104
Less, allowance for uncollectible accounts		
Solid waste fees	<u>-</u>	<u>(25,578)</u>
Receivables, net	<u>\$ 132</u>	<u>\$ 139,526</u>

NOTE 5 - UNIDENTIFIABLE FUNDS

As of June 30, 2015, excess funds were on deposit in the checking accounts of several court-related funds and deficits occurred in three of these accounts. The net overages, totaling \$21,003, represent the amount of cash on deposit that exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.) The inmate trust escrow fund has a deficit of \$333 noting more funds should be on deposit in the bank account. These funds are reflected in the financials as follows:

	General Fund	Agency Fund
Included in bond deposits and prepayments:		
Magistrate	\$ 23,342	
Clerk of Court	(1,169)	
Sheriff (execution and fees)	620	
Included in unknown funds (deficit)		
Clerk of Court		\$ (2,416)
Inmate Trust Escrow	<u>-</u>	<u>(333)</u>
	<u>\$ 22,793</u>	<u>\$ (2,749)</u>

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

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

The Governmental Funds short-term interfund receivables and payables at June 30, 2015, were as follows:

	Interfund Receivable	Interfund Payable
Governmental Funds		
General Fund	\$ 455,003	\$ 360,050
Capital Projects Sales Tax Fund	297,969	-
Other Governmental Funds:		
Special Revenue Funds	-	18,122
E-911 Fund	-	9,813
Fire Service Fund	40,896	13,600
Road Maintenance	7,706	211,365
Hospital Capital Projects Fund	-	38,123
Capital Needs Equipment Replacement Fund	2,004	2,043
Debt Service Fund	20,382	-
Enterprise Funds	-	86,547
Agency Funds	<u>842</u>	<u>85,139</u>
Total	<u>\$ 824,802</u>	<u>\$ 824,802</u>

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

NOTE 7 - TRANSFERS TO/FROM OTHER FUNDS

	Transfers In	Transfers Out
General Fund	\$ 34,809	\$ -
Other Governmental Funds:		
Special Revenue Fund	7,599	20,064
E-911	20,064	-
Fire Service Fund	-	13,600
Capital Needs Equipment Replacement Fund	<u>-</u>	<u>28,808</u>
	<u>\$ 62,472</u>	<u>\$ 62,472</u>

Transfers between the funds were primarily to repay payments made in prior years by the general fund to support the operations of the fire department.

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

NOTE 8 - CAPITAL ASSETS

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

	July 1, 2014 Balance	Transfers/ Additions	Adjustments	Deletions	June 30, 2015 Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 622,788	\$ 166,494	\$ -	\$ -	\$ 789,282
Construction in progress	<u>425,360</u>	<u>780,229</u>	<u>(264,169)</u>	<u>-</u>	<u>941,420</u>
Total capital assets, not being depreciated	<u>1,048,148</u>	<u>946,723</u>	<u>(264,169)</u>	<u>-</u>	<u>1,730,702</u>
Capital assets, being depreciated					
Building & improvements	9,364,793	-	-	(115,000)	9,249,793
Vehicles	1,772,149	29,887	(8,000)	(24,813)	1,769,223
Machinery & equipment	968,676	83,527	272,169	-	1,324,372
Infrastructure	<u>2,657,603</u>	<u>301,349</u>	<u>-</u>	<u>-</u>	<u>2,958,952</u>
Total capital assets, being depreciated	<u>14,763,221</u>	<u>414,763</u>	<u>264,169</u>	<u>(139,813)</u>	<u>15,302,340</u>
Less accumulated depreciation					
Building & improvements	4,011,939	171,696	-	(28,750)	4,154,885
Vehicles	1,014,590	84,430	-	(17,824)	1,081,196
Machinery & equipment	792,619	78,442	-	-	871,061
Infrastructure	<u>2,657,603</u>	<u>10,045</u>	<u>-</u>	<u>-</u>	<u>2,667,648</u>
Total accumulated depreciation	<u>8,476,751</u>	<u>344,613</u>	<u>-</u>	<u>(46,574)</u>	<u>8,774,790</u>
Total capital assets being depreciated, net	<u>6,286,470</u>	<u>70,150</u>	<u>264,169</u>	<u>(93,239)</u>	<u>6,527,550</u>
Governmental activities capital assets, net	<u>\$ 7,334,618</u>	<u>\$ 1,016,873</u>	<u>\$ -</u>	<u>\$ (93,239)</u>	<u>\$ 8,258,252</u>

During the fiscal year, the County accepted several roads into their road system. This includes \$51,489 in land and \$301,349 in infrastructure included in the additions above. This was also recorded as a contribution of \$352,838 in the statement of activities for the governmental activities. Also, during the fiscal year the County exchanged a parcel of property with a net cost of \$86,250 (cost of \$115,000 net of accumulated depreciation of \$28,750) for a parcel of land valued at \$115,005. The exchange resulted in a net contribution to the County of \$28,755.

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

NOTE 8 - CAPITAL ASSETS (continued)

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

Governmental Activities:	
General government	\$ 66,013
Judicial	1,125
Public safety	126,328
Public works	51,489
Economic development	581
Culture and recreation	23,793
Health and welfare	<u>75,284</u>

Total depreciation expense – governmental activities	<u>\$ 344,613</u>
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A summary of changes in capital assets for the proprietary fund type follows:

	July 1, 2014 Balance	Additions	Transfers/ Adjustments	Deletions	June 30, 2015 Balance
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	187,838	37,500	-	-	225,338
Machinery & equipment	<u>210,590</u>	<u>194,496</u>	<u>-</u>	<u>-</u>	<u>405,086</u>
Total capital assets, being depreciated	<u>398,428</u>	<u>231,996</u>	<u>-</u>	<u>-</u>	<u>630,424</u>
Less accumulated depreciation					
Building & improvements	57,810	7,744	-	-	65,554
Machinery & equipment	<u>129,096</u>	<u>20,923</u>	<u>-</u>	<u>-</u>	<u>150,019</u>
Total accumulated depreciation	<u>186,906</u>	<u>28,667</u>	<u>-</u>	<u>-</u>	<u>215,573</u>
Total capital assets being depreciated, net	<u>211,522</u>	<u>203,329</u>	<u>-</u>	<u>-</u>	<u>414,851</u>
Business-type activities capital assets, net	<u>\$ 247,522</u>	<u>\$ 203,329</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 450,851</u>

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 8 - CAPITAL ASSETS (continued)

Certain real property owned by the County is 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 has been out of service. The land and building housing the former hospital is owned by the County, but the hospital is no longer in operation. The building is vacant. The net cost basis of the hospital idle property is \$14,250 (original cost of \$1,264,250 less accumulated depreciation of \$1,250,000).

NOTE 9 - 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 include \$100 advance rent being paid at commencement and \$100 due each October 28 of the lease term with a bargain purchase price of \$100. The arrangement has further job and investment requirements to be met by the Corporation. The “maintenance period” begins the earlier of the date the Corporation meets its job and investment requirement or June 2, 2016 and runs for a period of four years. Therefore, absent meeting the job/investment requirement, the maintenance period will end on June 3, 2016 at which time (June 2, 2020) the Corporation will have 60 days to notify the County of their intent to exercise the bargain purchase. 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.

NOTE 10 - OPERATING LEASES

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

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

The future minimum rental payments are as follows:

2016	\$ 64,533
2017	64,533
2018	64,533
2019	<u>63,455</u>
	<u>\$ 257,054</u>

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

NOTE 11 - CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2015 as follows:

	Contracted Price	Costs Incurred through June 30, 2015	Balance to Complete
Courthouse Renovations:			
Courthouse construction	\$ 2,946,464	\$ 735,567	\$ 2,210,897

NOTE 12 - LONG-TERM DEBT

Governmental Activities

Long-term debt transactions of the governmental activities of Bamberg County were as follows:

	Balance July 1, 2014 *(Restated)	Additions	Retirements	Balance June 30, 2015	Due within one year
Accrued Compensated Absences	\$ 174,969	\$ 17,515	\$ -	\$ 192,484	\$ 69,428
Closure and Postclosure Costs *	-	-	-	-	-
General Obligation Bonds	1,360,000	195,500	72,212	1,483,288	101,515
Revenue Bonds	8,435,000	-	130,000	8,305,000	210,000
Notes Payable	93,208	-	84,112	9,096	3,032
Capital leases	<u>346,766</u>	<u>471,996</u>	<u>79,590</u>	<u>739,172</u>	<u>168,018</u>
	<u>\$ 10,409,943</u>	<u>\$ 685,011</u>	<u>\$ 365,914</u>	<u>\$ 10,729,040</u>	<u>\$ 551,993</u>

General Obligation Bonds:

Bamberg County General Obligation Bonds, Series 2008 (for hospital revitalization) due in annual installments of \$20,000 to \$145,000 through April 1, 2028, interest at 4%	\$ 1,225,000
Bamberg County General Obligation Bond, Taxable Series 2014A (for capital projects of the County) due in annual principal installments ranging from \$16,288 to \$19,798 through March 1, 2019, interest at 3.9% due semiannually	73,712
Bamberg County General Obligation Bond, Taxable Series 2014B (for capital projects of the County) due in annual principal installments ranging from \$10,924 to \$30,432 through March 1, 2019, interest at 4.5% due semiannually	114,076

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

NOTE 12 - LONG-TERM DEBT (continued)

Bamberg County General Obligation Bond, Taxable Series 2015A (for capital projects of the County) due in annual principal installments ranging from \$12,759 to \$15,508 through March 1, 2020, interest at 4.25% due semiannually	<u>70,500</u>
	<u>\$ 1,483,288</u>

The following schedule lists the principal and interest outstanding for general obligation bonds at June 30, 2015:

	Annual Interest	Annual Principal
2016	\$ 62,003	\$ 101,515
2017	57,566	104,222
2018	53,175	112,043
2019	48,456	120,000
2020	43,406	105,508
2021-2025	151,890	555,000
2026-2028	<u>32,162</u>	<u>385,000</u>
	<u>\$ 448,658</u>	<u>\$ 1,483,288</u>

Revenue Bonds:

Bamberg Facilities Corporation Installment Purchase Revenue Bonds, taxable series 2013A, due in annual installments of \$5,000 to \$860,000 through September 1, 2032, interest at 8.875%	<u>\$ 8,305,000</u>
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The following schedule lists the principal and interest outstanding for revenue bonds at June 30, 2015:

	Annual Interest	Annual Principal
2016	\$ 727,750	\$ 210,000
2017	708,447	225,000
2018	687,590	245,000
2019	665,181	260,000
2020	640,775	290,000
2021-2025	2,755,466	1,855,000
2026-2030	1,729,072	2,835,000
2031-2033	<u>329,041</u>	<u>2,385,000</u>
	<u>\$ 8,243,322</u>	<u>\$ 8,305,000</u>

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

NOTE 12 - LONG-TERM DEBT (continued)

Notes Payable:

Non-interest bearing note payable to finance E911 equipment dated October, 2013, initial payment of \$4,232 and annual installments of \$3,032,	<u>\$ 9,096</u>
	<u>\$ 9,096</u>

The following schedule lists the principal outstanding for the non-interest bearing note payable at June 30, 2015:

	Annual Principal
2016	\$ 3,032
2017	3,032
2018	<u>3,032</u>
	<u>\$ 9,096</u>

Capital Leases:

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

The following is an analysis of equipment leased under capital leases as of June 30, 2015:

Furniture, fixtures and equipment	\$ 764,801
Less: accumulated depreciation	<u>(191,664)</u>
Carrying value	<u>\$ 573,137</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2015 were as follows:

2016	\$ 191,529
2017	190,355
2018	188,215
2019	140,627
2020	<u>88,959</u>
Total minimum lease payments	799,685
Less, amount representing interest	<u>(60,513)</u>
Present value of minimum lease payments	<u>\$ 739,172</u>

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

NOTE 12 - LONG-TERM DEBT (continued)

Capital leases payable at June 30, 2015 are comprised of the following individual leases:

Installment purchase contract, (two fire pumper trucks) dated November 10, 2008, interest at 3.90% payable in annual installments of \$44,132, due on or before March 7, 2018	\$ 122,664
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	138,385
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	6,230
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	38,730
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	425,702
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	<u>7,461</u>
Total	<u>\$ 739,172</u>

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

Additions to the County's governmental activities long-term debt during the fiscal year 2015 were as follows:

- On October 1, 2014, the County issued a \$125,000 general obligation bond, taxable series 2014B to provide funding for capital projects of the County.
- On February 13, 2015, the County issued a \$70,500 general obligation bond, taxable series 2015A to provide funding for capital projects of the County.
- On September 1, 2014, the County entered into a \$38,729 installment purchase contract for radio communication equipment.

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

NOTE 12 - LONG-TERM DEBT (continued)

- On April 29, 2015, the County entered into a \$7,565 installment purchase contract for a copier.
- On May 8, 2015, the County entered into a \$425,702 installment purchase contract for 13 vehicles.

Business-type Activities

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

	Balance July 1, 2014 *(Restated)	Additions	Retirements	Balance June 30, 2015	Due within one year
Accrued Compensated					
Absences	\$ 33,164	\$ -	\$ 2,513	\$ 30,651	\$ 7,610
Closure and Postclosure Cost	* 429,513	-	10,047	419,466	11,000
Capital Leases	<u>-</u>	<u>231,996</u>	<u>28,226</u>	<u>203,770</u>	<u>31,826</u>
	<u>\$ 462,677</u>	<u>\$ 231,996</u>	<u>\$ 40,786</u>	<u>\$ 653,887</u>	<u>\$ 50,436</u>

Capital Lease:

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

The following is an analysis of equipment leased under capital leases as of June 2015:

Furniture, fixtures and equipment	\$ 231,996
Less: accumulated depreciation	<u>(13,261)</u>
	<u>\$ 218,735</u>

The future minimum lease obligations and the net present value of the minimum lease payments as of June 2015 were as follows:

2016	\$ 39,379
2017	39,379
2018	39,379
2019	39,379
2020	<u>68,279</u>
Total minimum lease payments	225,795
Less, amount representing interest	<u>(22,025)</u>
Present value of minimum lease payments	<u>\$ 203,770</u>

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

NOTE 12 - LONG-TERM DEBT (continued)

Capital lease payables at June 30, 2015 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	\$ 173,595
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	<u>30,175</u>
	<u>\$ 203,770</u>

Additions to the County's business-type activities long-term debt during the fiscal year 2015 were as follows:

- On August 6, 2014, the County entered into a \$194,496 installment purchase contract for an excavator.
- On September 9, 2014, the County entered into a \$37,500 installment purchase contract for a modular office building.

NOTE 13 - FUND BALANCE REPORTING AND NET POSITION

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

	Governmental Activities	Business-type Activities
Invested in Capital Assets, Net of Related Debt		
Net capital assets	\$ 8,258,252	\$ 450,851
Less, general obligation bonds, TAN's and revenue bonds	(9,788,288)	-
Less, installment purchase contracts and notes payable	(748,268)	(203,770)
Unspent bond funds	<u>5,135,909</u>	<u>-</u>
Total invested in capital assets, net of related debt	<u>\$ 2,857,605</u>	<u>\$ 247,081</u>

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

NOTE 13 - FUND BALANCE REPORTING AND NET POSITION (continued)

Restricted	
Debt service	\$ 75,155
Capital Projects Sales Tax Fund	5,012,874
Capital projects Capital Needs	
Equipment Replacement Fund	827,715
E-911 services	342,157
Fire services	112,972
Tourism and community development	103,411
Property tax rollback program	525,577
Child support enforcement	<u>10,106</u>
 Total restricted net position	 <u>\$ 7,009,967</u>

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

The County's fund balances as of June 30, 2015 were classified as follows:

Description	General Fund	Capital Projects Sales Tax Fund	Other Govern- mental Funds	Total Govern- mental Funds
Restricted:				
Capital Projects Sales Tax Fund	\$ -	\$ 5,012,874	\$ -	\$ 5,012,874
Capital Needs Equipment Replacement Fund	-	-	827,715	827,715
Debt Service	-	-	75,155	75,155
E-911 Funds	-	-	238,800	238,800
Fire Services	-	-	110,528	110,528
Tourism and Community Development	103,411	-	-	103,411
Property Tax Rollbacks	525,577	-	-	525,577
Child Support Funds	10,106	-	-	10,106
Assigned:				
2015-2016 fiscal year stabilization	230,404		105,801	336,205
Unassigned	<u>2,369,066</u>	<u>-</u>	<u>(253,303)</u>	<u>2,115,763</u>
Total Fund Balances	<u>\$ 3,238,564</u>	<u>\$ 5,012,874</u>	<u>\$ 1,104,696</u>	<u>\$ 9,356,134</u>

The Road Maintenance Special Revenue Fund had a deficit fund balance at June 30, 2015 of \$215,180. The Hospital Capital Projects Fund had a deficit fund balance at June 30, 2015 of \$38,123. Both funds are nonmajor funds of the County.

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

NOTE 14 - LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION

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

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

Because the original landfill is closed, 100% of the liability for the above costs has been recognized as a long-term liability. The estimated liability for postclosure care costs is \$11,000 annually, or approximately \$99,000 as of June 30, 2015, for the remaining monitoring period of 9 years.

The County also operated a Construction Demolition and Land Clearing Debris (C & D) landfill which was converted and expanded to a Class II Landfill. This site is estimated to remain open for approximately 40 more years. The Class II landfill was 13.5 acres with an original capacity of 41,000 tons and the conversion and expansion resulted in an approximate capacity of 225,000 tons. At June 30, 2015, the estimated annual groundwater monitoring cost over the remaining life is approximately \$4,000 per year.

Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The County estimates the total costs for closure and post closure monitoring for the Class II landfill to be \$412,765. At June 30, 2015, the costs to be recognized as a liability based on engineering estimates of filled capacity of the Class II landfill is \$320,466.

Estimated total closure and postclosure care costs as of June 30, 2015, for the County’s landfill follows:

	Closed Landfill	C & D Class II Landfill	Total
Balance, June 30, 2014	\$ 110,000	\$ 319,513	\$ 429,513
Recognized current year costs	<u>(11,000)</u>	<u>953</u>	<u>(10,047)</u>
Balance, June 30, 2015	<u>\$ 99,000</u>	<u>\$ 320,466</u>	<u>\$ 419,466</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, 2015. 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 15 - PENSION PLANS

General Information about the Pension Plans

The County participates in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS). 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 issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available of 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, PO Box 11960, Columbia, SC 29211-1960.

Plan Descriptions

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

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

Membership

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 15 - PENSION PLANS (continued)

least 1,600 hours per year to this work, unless exempted by state 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 Provided

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

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

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

- PORS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or 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.

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

NOTE 15 - PENSION PLANS (continued)

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

Contributions

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

- Required **employee** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employee Class Two	8.00% of earnable compensation
Employee Class Three	8.00% of earnable compensation

PORS

Employee Class One	\$21 per month
Employee Class Two	8.41% of earnable compensation
Employee Class Three	8.41% of earnable compensation

- Required **employer** contribution rates for fiscal year 2014-2015 are as follows:

SCRS

Employer Class Two	10.75% of earnable compensation
Employer Class Three	10.75% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation

PORS

Employer Class One	7.80% of earnable compensation
Employer Class Two	13.01% of earnable compensation
Employer Class Three	13.01% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

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

NOTE 15 - PENSION PLANS (continued)

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

SCRS	2015	2014	2013
Employee Contributions	\$ 125,048	\$ 103,415	\$ 102,456
Employer Contributions	168,032	144,092	154,457
Employer Group Life Contributions	<u>2,345</u>	<u>2,068</u>	<u>2,217</u>
Total	<u>\$ 295,425</u>	<u>\$ 249,575</u>	<u>\$ 259,130</u>
PORS	2015	2014	2013
Employee Contributions	\$ 85,160	\$ 76,364	\$ 68,163
Employer Contributions	131,740	121,169	116,289
Employer Group Life Contributions	<u>4,050</u>	<u>3,896</u>	<u>3,909</u>
Total	<u>\$ 220,950</u>	<u>\$ 201,429</u>	<u>\$ 188,361</u>

The governmental unit 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, 2015, the County reported a liability of \$2,674,267 for its proportionate share of the net pension liability for SCRS and a liability of \$1,500,547 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, 2013, using membership as of that date projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental units, actuarially determined. At June 30, 2015, the County's proportion was .015533% and .07838 % for SCRS and PORS, respectively.

For the year ended June 30, 2015, the County recognized pension expense of \$318,715, including \$187,436 for SCRS and \$131,279 for PORS, respectively. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

NOTE 15 - PENSION PLANS (continued)

SCRS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 75,777	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	225,460
County Contributions Subsequent to the Measurement Date	<u>170,377</u>	<u>-</u>
Totals	<u>\$ 246,154</u>	<u>\$ 225,460</u>

PORS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 40,043	\$ -
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	173,624
County Contributions Subsequent to the Measurement Date	<u>135,790</u>	<u>-</u>
Totals	<u>\$ 175,833</u>	<u>\$ 173,624</u>

The amount of \$170,377 for SCRS and \$135,790 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, 2016.

The following schedule reflects the amortization of the net balance of remaining deferred outflows/(inflows) of resources at the measurement date. Average remaining service lives of all employees provided with pensions through the pension plans at the measurement date was 4.233 years for SCRS and 4.856 years for PORS.

Measurement Period Ending June 30,	SCRS	PORS
2015	\$ (35,361)	\$ (27,508)
2016	(35,361)	(27,508)
2017	(35,361)	(27,508)
2018	(35,361)	(27,508)
Thereafter	<u>(8,239)</u>	<u>(23,549)</u>
	<u>\$ (149,683)</u>	<u>\$ (133,581)</u>

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

NOTE 15 - PENSION PLANS (continued)

Actuarial Assumptions

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015 annual valuation is complete.

The most recent actuarial valuation reports adopted by PEBA Board and Budget and Control Board are as of July 1, 2013. The following provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS:

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	Levels off at 3.5%	Levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefits adjustments	Lesser of 1% or \$500	Lesser of 1% or \$500

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

Former Job Class	Males	Females
Educators and Judges	RP-2000 Males (with White Collar adjustment) multiplied by 110%	RP-2000 Females (with White Collar adjustment) multiplied by 95%
General Employees and Members of the General Assembly	RP-2000 Males multiplied by 100%	RP-2000 Females multiplied by 90%
Public Safety, Firefighters, and members of the South Carolina National Guard	RP-2000 Males (with Blue Collar adjustment) multiplied by 115%	RP-2000 Females (with Blue Collar adjustment) multiplied by 115%

Discount Rate

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

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

NOTE 15 - PENSION PLANS (continued)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment. The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Target Asset	Expected	LT Expected
Asset Class	Allocation	Arithmetic Real	Portfolio Real
		Rate of Return	Rate of Return
Short Term	5.0%		
Cash	2.0%	0.3	0.01
Short Duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core Fixed Income	7.0%	1.1	0.08
High Yield	2.0%	3.5	0.07
Bank Loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global Fixed Income	3.0%	0.8	0.02
Emerging Markets Debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32%		
Hedge Funds (Low Beta)	8.0%	4	0.32
Private Debt	7.0%	10.2	0.71
Private Equity	9.0%	10.2	0.92
Real Estate (Broad Market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
Total Expected Real Return	100.0%		5.88
Inflation for Actuarial Purposes			2.75
Total Expected Nominal Return			8.63

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

NOTE 15 - PENSION PLANS (continued)

Sensitivity Analysis

The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.50%)	Current Discount Rate (7.50%)	1.00% Increase (8.50%)
SCRS	\$ 3,460,668	\$ 2,674,268	\$ 2,018,184
PORS	\$ 2,096,949	\$ 1,500,547	\$ 1,007,039

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

As of June 30, 2015, the County had \$60,848 in payables outstanding to the pension plans for its legally required contributions.

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 16 - POST EMPLOYMENT BENEFITS

Background

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

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

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

Other Plan Provisions

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

Funding Policy

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

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

NOTE 16 - POST EMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation

The annual cost of other post employment benefits (OPEB) under GASB 45 is called the annual required contribution or ARC. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The County's annual OPEB cost for the fiscal year ended June 30, 2015 is as follows:

Annual required contribution	\$ 11,211
Interest on net OPEB obligation	1,736
Adjustment to annual required contribution	<u>(1,609)</u>
Annual OPEB cost (expense) end of year	11,338
Net estimated employer contributions	<u>(2,840)</u>
Increase (decrease) in net OPEB obligation	8,498
Net OPEB obligation, beginning of year	<u>38,582</u>
Net OPEB obligation, end of year	<u>\$ 47,080</u>

The County's annual OPEB cost, the amount contributed by the employer, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015 and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Amount Contributed	Percentage Contributed	Net OPEB Obligation
June 30, 2013	\$ 10,642	\$ 2,677	25.2%	\$ 30,355
June 30, 2014	\$ 10,984	\$ 2,757	25.1%	\$ 38,582
June 30, 2015	\$ 11,338	\$ 2,840	25.0%	\$ 47,080

Funded Status

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

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 16 - POST EMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions

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

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

NOTE 17 - 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.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 17 - RISK MANAGEMENT (continued)

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, 2015, 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, 2015, and that the amount of the premiums is reasonably estimable, have not been satisfied.

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

NOTE 18 - CONTINGENCIES

Accrued Claims

Bamberg County is the defendant in an ongoing lawsuit regarding contracts the County signed for services to be rendered in prior years to the Bamberg County Hospital. In prior years, due to the unknown potential for an unfavorable outcome against the County, a liability of \$312,000 was recorded in the financial statements. In February, 2015, a settlement was reached whereby the County agreed to pay \$200,000 over the next six fiscal years as follows:

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

NOTE 18 - CONTINGENCIES (continued)

For Year Ended June 30,	Amount
2016	\$ 60,000
2017	85,000
2018	-
2019	30,000
2020	<u>25,000</u>
	<u>\$ 200,000</u>

Pending Legal Cases

The County currently has two pending legal cases. One case involves a lawsuit filed against the County which is too early in the discovery phase to predict an outcome. Part of this matter falls under tort claims which is covered by the state insurance reserve fund but one claim under this lawsuit will not be covered under insurance if judgement results against the County. The second case involves a condemnation by the County. The County has already deposited \$75,000 with the Clerk of Court for the condemnation. The final cost of the condemnation is not determinable at this time in the proceedings.

Federal and State Assisted Programs

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

Such audits could result in the refund of grant monies to the grantor agencies. However, management believes that any required refunds would be immaterial and no provision has been made in the accompanying financial statements for the refund of grant monies.

NOTE 19 - 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 20 - RESTATEMENT OF PRIOR YEAR BALANCES

Effective July 1, 2014, the County adopted GASB Statement 68 *Accounting and Financial Reporting for Pensions*. As a result of implementing GASB 68, the County recorded a total net pension liability in the amount of \$4,409,883 which is the County's total proportionate share of the net pension liability for the SC Retirement System of \$2,785,066 and the SC Police Retirement System of \$1,624,817 as of June 30, 2013. This liability has been allocated to the County's governmental activities in the amount of \$4,148,087 and business-type activities in the amount of \$261,796. The effect of this net pension liability reduced the net position of the County's governmental activities by \$3,891,532 and business-type activities by \$247,832 (net of \$256,555 and \$13,964, respectively, which represents employer contributions to the retirement systems during the fiscal year June 30, 2014).

Governmental fund balances and governmental activities net position for June 30, 2014 were restated as follows:

	Governmental Activities Net Position	General Fund Balance
Balance, June 30, 2014	\$ 5,715,078	\$ 2,784,163
To correct amount receivable from tax sale escrow	179,432	179,432
To reclass landfill closure/postclosure obligation to Enterprise Fund	429,513	-
To record pension liability	(3,891,532)	-
To record OPEB obligation	<u>(37,281)</u>	<u>-</u>
Balance June 30, 2014, restated	<u>\$ 2,395,210</u>	<u>\$ 2,963,595</u>

Business-type activities net position for June 30, 2014 was restated as follows:

	Enterprise Fund Net Position
Balance, June 30, 2014	\$ 273,298
To reclass landfill closure/postclosure obligation from governmental activities	(429,513)
To record pension liability	(247,832)
To record OPEB obligation	<u>(1,300)</u>
Balance June 30, 2014, restated	<u>\$ (405,347)</u>

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

NOTE 20 - RESTATEMENT OF PRIOR YEAR BALANCES (continued)

Agency Funds

	As Previously Stated June 30, 2014	Restatement	As Restated June 30, 2014
Tax Sale Escrow			
Assets:			
Cash and cash equivalents	\$ 234,669	\$ (11,982)	\$ 222,687
Due from General Fund	<u>100,000</u>	<u>(100,000)</u>	<u>-</u>
Total assets	<u>\$ 334,669</u>	<u>\$ (111,982)</u>	<u>\$ 222,687</u>
Liabilities:			
Funds held for others	\$ -	\$ 143,255	\$ 143,255
Unknown funds held/(deficit)	334,669	(334,669)	-
Due to General Fund	<u>-</u>	<u>79,432</u>	<u>79,432</u>
Total liabilities	<u>\$ 334,669</u>	<u>\$ (111,982)</u>	<u>\$ 222,687</u>

NOTE 21 - SUBSEQUENT EVENTS

The County has issued the following debt subsequent to June 30, 2015 fiscal year end:

- \$145,000 General Obligation Bond taxable series 2015B with the proceeds used for the debt service payments due for capital sales tax project related debt outstanding.
- \$120,000 General Obligation Bond taxable series 2016 with the proceeds used for the debt service payments due for capital sales tax project related debt outstanding.
- \$1,030,849 installment purchase contract for six pieces of heavy equipment
- Bamberg Facilities Corporation (blended component unit of County) issued \$6,280,000 installment purchase revenue bonds series 2015A and \$4,515,000 installment purchase revenue bonds taxable series 2015B with proceeds used to refund the outstanding balance of the \$8,440,000 installment purchase revenue bond series 2013. The proceeds were also used to pay the call premium to the holder of the 2013 bond, finance the costs of completing the 2013 capital sales tax projects, and pay the costs of issuing the 2015 bonds.

The County received \$425,702 in lease proceeds prior to June 30, 2015 to purchase thirteen County vehicles. In October and November, 2015, these funds were used to purchase the listed vehicles.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 21 - SUBSEQUENT EVENTS (continued)

In May, 2015 the County was awarded a \$1,303,039 grant through the Neighborhood Initiative Program of the SC State Housing Finance and Development Authority to assist with cleaning up vacant properties in the County. None of these funds were received or spent prior to June 30, 2015.

In October, 2015, an historic storm causing massive flooding passed through the state of South Carolina. The area encompassing the County was in the path of the storm and was severely impacted. The County anticipates receiving approximately \$117,000 of grant funds from the SC Emergency Management Division to offset the clean up costs for repairing flooded County roads.

REQUIRED SUPPLEMENTARY INFORMATION

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREE HEALTH PLAN
YEAR ENDED JUNE 30, 2015

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

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

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

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County's proportion of the net pension liability (asset)	0.015533%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 2,674	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	1,379	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	193.91%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	59.9%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
POLICE OFFICERS RETIREMENT SYSTEM (PORS)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
County's proportion of the net pension liability (asset)	0.078380%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset)	\$ 1,501	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's covered-employee payroll	974	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	154.11%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Plan fiduciary net position as a percentage of the total pension liability	67.50%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

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

Source: Audit report on the schedules of employer allocations, schedules of pension amounts per employer, and related notes of the South Carolina Retirement Systems, as administered by the SC Public Employee Benefits Authority for the year ended June 30, 2014.

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

SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 146	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(146)	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 1,379	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	10.59%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
POLICE OFFICERS RETIREMENT SYSTEM (PORS)										
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually required contribution	\$ 125	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions in relation to the contractually required contribution	(125)	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 974	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*
Contributions as a percentage of covered-employee payroll	12.83%	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*	NA*

NA* - Not Available

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

Source: County's quarterly retirement contribution reports.

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

**BAMBERG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>Special Revenue Funds</u>				<u>Capital Project Funds</u>			<u>Total</u>
	<u>Special Revenue Fund</u>	<u>E-911 Fund</u>	<u>Road Maintenance Fund</u>	<u>Fire Service Fund</u>	<u>Hospital Fund</u>	<u>Capital Needs Equipment Replacement Fund</u>	<u>Debt Service Fund</u>	
ASSETS								
Cash and cash equivalents	\$ -	\$ 257,174	\$ -	\$ 96,728	\$ -	\$ 827,541	\$ 52,835	\$ 1,234,278
Due from other governments	54,357	99,748	-	-	-	-	-	154,105
Due from other funds	-	-	7,706	40,896	-	2,004	20,382	70,988
Delinquent taxes receivable	-	-	-	46,546	-	21,039	27,877	95,462
TOTAL ASSETS	<u>\$ 54,357</u>	<u>\$ 356,922</u>	<u>\$ 7,706</u>	<u>\$ 184,170</u>	<u>\$ -</u>	<u>\$ 850,584</u>	<u>\$ 101,094</u>	<u>\$ 1,554,833</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ 31,500	\$ 2,263	\$ 3,950	\$ 12,993	\$ -	\$ -	\$ -	\$ 50,706
Accrued expenses	-	2,689	7,571	1,121	-	-	-	11,381
Due to other funds	18,122	9,813	211,365	13,600	38,123	2,043	-	293,066
Unearned revenue - grants	4,735	-	-	-	-	-	-	4,735
Total Liabilities	<u>54,357</u>	<u>14,765</u>	<u>222,886</u>	<u>27,714</u>	<u>38,123</u>	<u>2,043</u>	<u>-</u>	<u>359,888</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - property taxes	-	-	-	43,484	-	20,826	25,939	90,249
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,484</u>	<u>-</u>	<u>20,826</u>	<u>25,939</u>	<u>90,249</u>
FUND BALANCES								
Restricted	-	238,800	-	110,528	-	827,715	75,155	1,252,198
Assigned	-	103,357	-	2,444	-	-	-	105,801
Unassigned	-	-	(215,180)	-	(38,123)	-	-	(253,303)
Total Fund Balances	<u>-</u>	<u>342,157</u>	<u>(215,180)</u>	<u>112,972</u>	<u>(38,123)</u>	<u>827,715</u>	<u>75,155</u>	<u>1,104,696</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 54,357</u>	<u>\$ 356,922</u>	<u>\$ 7,706</u>	<u>\$ 184,170</u>	<u>\$ -</u>	<u>\$ 850,584</u>	<u>\$ 101,094</u>	<u>\$ 1,554,833</u>

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				Capital Project Funds			Total
	Special Revenue Fund	E-911 Fund	Road Maintenance Fund	Fire Service Fund	Hospital Fund	Capital Needs Equipment Replacement Fund	Debt Service Fund	
Revenue								
Property taxes	\$ 115	\$ -	\$ -	\$ 383,319	\$ -	\$ 27,577	\$ 225,449	\$ 636,460
Charges for services	-	37,800	332,070	-	-	-	-	369,870
Intergovernmental - State	99,571	250,760	-	-	-	-	-	350,331
Intergovernmental - Federal	96,797	-	-	-	-	-	-	96,797
Other	181	-	-	-	-	-	-	181
Interest income	-	462	-	49	-	268	33	812
Total revenue	<u>196,664</u>	<u>289,022</u>	<u>332,070</u>	<u>383,368</u>	<u>-</u>	<u>27,845</u>	<u>225,482</u>	<u>1,454,451</u>
Expenditures								
Current:								
General government	13,560	-	-	-	-	15,390	-	28,950
Public safety	71,733	251,109	-	-	-	-	-	322,842
Public works	77,500	-	341,442	-	-	-	-	418,942
Culture and recreation	21,406	-	-	-	-	-	-	21,406
Health and welfare	-	-	-	321,182	-	-	-	321,182
Debt service:								
Principal	-	-	-	-	-	-	153,291	153,291
Interest	-	-	-	-	-	-	62,230	62,230
Total expenditures	<u>184,199</u>	<u>251,109</u>	<u>341,442</u>	<u>321,182</u>	<u>-</u>	<u>15,390</u>	<u>215,521</u>	<u>1,328,843</u>
Excess (deficiency) of revenue over expenditures	<u>12,465</u>	<u>37,913</u>	<u>(9,372)</u>	<u>62,186</u>	<u>-</u>	<u>12,455</u>	<u>9,961</u>	<u>125,608</u>
Other Financing Sources (Uses)								
Proceeds from issuance of debt	-	7,565	-	-	-	425,702	-	433,267
Transfer in (out)	(12,465)	20,064	-	(13,600)	-	(28,808)	-	(34,809)
Total other financing sources (uses)	<u>(12,465)</u>	<u>27,629</u>	<u>-</u>	<u>(13,600)</u>	<u>-</u>	<u>396,894</u>	<u>-</u>	<u>398,458</u>
Net change in fund balance	-	65,542	(9,372)	48,586	-	409,349	9,961	524,066
Fund balance, beginning of year	<u>-</u>	<u>276,615</u>	<u>(205,808)</u>	<u>64,386</u>	<u>(38,123)</u>	<u>418,366</u>	<u>65,194</u>	<u>580,630</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 342,157</u>	<u>\$ (215,180)</u>	<u>\$ 112,972</u>	<u>\$ (38,123)</u>	<u>\$ 827,715</u>	<u>\$ 75,155</u>	<u>\$ 1,104,696</u>

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local Sources				
Taxes				
Real estate taxes	\$ 3,040,986	\$ 3,040,986	\$ 2,910,632	\$ (130,354)
Local option sales tax credit	217,000	217,000	186,934	(30,066)
Vehicle taxes	553,614	553,614	506,125	(47,489)
Vehicle decal income	9,500	9,500	9,293	(207)
Delinquent taxes	300,000	300,000	279,462	(20,538)
Delinquent tax execution cost reimbursement	52,125	52,125	50,151	(1,974)
Payment in lieu of taxes	-	-	27,725	27,725
Treasurer's cost to cities	29,500	29,500	28,638	(862)
State motor carrier	46,000	46,000	52,410	6,410
Manufacturer reimbursement	22,000	22,000	29,022	7,022
Merchant's inventory tax	26,475	26,475	26,475	-
Homestead exemption reimbursement	280,000	280,000	340,939	60,939
Total taxes	<u>4,577,200</u>	<u>4,577,200</u>	<u>4,447,806</u>	<u>(129,394)</u>
Intergovernmental				
State				
Accommodations tax	80,000	80,000	94,294	14,294
State aid and allocations	604,010	604,010	594,244	(9,766)
Salary supplements	6,300	6,300	6,300	-
Vital records fees	5,725	5,725	-	(5,725)
State election commission	24,000	24,000	46,097	22,097
Veterans affairs	-	-	4,556	4,556
EMS grant	-	-	6,663	6,663
Rural infrastructure grant	-	-	100,000	100,000
Federal				
FEMA grant	-	-	699,412	699,412
DSS filing fees	-	-	11,700	11,700
DSS - Clerk of Court	-	-	13,033	13,033
DSS - Sheriff	-	-	4,802	4,802
DSS - IV-D Incentives	-	-	57,742	57,742
DSS - Rent/Utilities reimbursement	26,000	26,000	56,893	30,893
Total intergovernmental	<u>746,035</u>	<u>746,035</u>	<u>1,695,736</u>	<u>949,701</u>
Licenses and permits				
Moving and other permits	1,500	1,500	2,025	525
Franchise fees	2,000	2,000	3,713	1,713
Building permits	38,500	38,500	41,401	2,901
Total licenses and permits	<u>42,000</u>	<u>42,000</u>	<u>47,139</u>	<u>5,139</u>
Charges for services				
Probate fees	21,000	21,000	24,407	3,407
Municipal inmate housing	42,000	42,000	36,592	(5,408)
Total charges for services	<u>63,000</u>	<u>63,000</u>	<u>60,999</u>	<u>(2,001)</u>

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	<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	187,000	187,000	115,220	(71,780)
Magistrate fines and fees	106,000	106,000	157,909	51,909
Sex offender registration fees	-	-	1,267	1,267
Victim's Advocate funds	16,500	16,500	21,467	4,967
Service fees	2,000	2,000	2,039	39
Total fines and forfeitures	<u>311,500</u>	<u>311,500</u>	<u>297,902</u>	<u>(13,598)</u>
Investment income	<u>2,500</u>	<u>2,500</u>	<u>2,783</u>	<u>283</u>
Miscellaneous				
Miscellaneous revenue	2,000	2,000	78,231	76,231
Forfeited Land Commission sales	10,000	10,000	4,381	(5,619)
GIS mapping	-	2,400	4,369	1,969
Reimbursement From Mun. Judge	-	-	25,689	25,689
Detention Center phone	-	-	4,626	4,626
Detention Center concessions commissions	-	-	2,427	2,427
Total miscellaneous	<u>12,000</u>	<u>14,400</u>	<u>119,723</u>	<u>105,323</u>
TOTAL REVENUES	<u>5,754,235</u>	<u>5,756,635</u>	<u>6,672,088</u>	<u>915,453</u>
EXPENDITURES				
Current:				
General government	2,400,546	2,373,837	2,356,808	17,029
Judicial	678,209	680,158	685,963	(5,805)
Public safety	1,957,089	1,988,515	1,865,780	122,735
Economic development	50,000	50,000	137,500	(87,500)
Culture and recreation	150,800	150,800	150,100	700
Miscellaneous	177,452	173,186	169,252	3,934
Health and welfare	475,000	475,000	1,161,118	(686,118)
TOTAL EXPENDITURES	<u>5,889,096</u>	<u>5,891,496</u>	<u>6,526,521</u>	<u>(635,025)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(134,861)</u>	<u>(134,861)</u>	<u>145,567</u>	<u>280,428</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	25,000	25,000	-	(25,000)
Proceeds from issuance of debt	-	-	38,729	38,729
Insurance recoveries	48,000	48,000	55,864	7,864
Transfers in(out)	(224,295)	(224,295)	34,809	259,104
TOTAL OTHER FINANCING SOURCES (USES)	<u>(151,295)</u>	<u>(151,295)</u>	<u>129,402</u>	<u>280,697</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ (286,156)</u>	<u>\$ (286,156)</u>	<u>274,969</u>	<u>\$ 561,125</u>
Fund Balance at Beginning of Year - Restated - Note 20			<u>2,963,595</u>	
Fund Balance at End of Year			<u>\$ 3,238,564</u>	

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
GENERAL GOVERNMENT				
Administration:				
Salaries	\$ 31,851	\$ 35,628	\$ 34,240	\$ 1,388
State retirement	3,472	3,861	3,801	60
FICA and Medicare	2,437	2,695	2,549	146
Health insurance	5,481	5,223	5,073	150
Unemployment comp insurance	177	177	52	125
Workers comp insurance	729	729	740	(11)
Training	2,000	2,000	1,646	354
Supplies	2,500	2,111	1,674	437
Capital Improvement	500	38	28	10
Administrator operations	3,000	3,462	3,772	(310)
Personnel operations	500	1,074	1,074	-
Gas and fuel	900	326	-	326
Administrator contract	108,150	108,150	106,528	1,622
	<u>161,697</u>	<u>165,474</u>	<u>161,177</u>	<u>4,297</u>
County Auditor:				
Salaries	59,680	59,680	52,986	6,694
State retirement	6,505	6,505	5,919	586
FICA and Medicare	4,566	4,566	3,716	850
Health insurance	11,868	11,868	10,660	1,208
Unemployment comp insurance	530	530	207	323
Workers comp insurance	1,069	1,069	1,044	25
Meals	75	75	47	28
Training	400	400	-	400
Travel	426	426	288	138
Photocopy maintenance	744	744	250	494
Lodging	800	800	670	130
Registration	840	664	405	259
Supplies	1,400	1,576	1,576	-
	<u>88,903</u>	<u>88,903</u>	<u>77,768</u>	<u>11,135</u>
County Treasurer:				
Salaries	72,490	80,437	77,336	3,101
State retirement	7,901	8,707	8,574	133
FICA and Medicare	5,545	5,545	5,455	90
Health insurance	21,855	20,671	18,565	2,106
Unemployment comp insurance	530	530	227	303
Workers comp insurance	1,660	1,660	1,588	72
Meals	175	175	70	105
Travel	1,000	1,000	1,192	(192)
Photocopy maintenance	510	510	-	510
Lodging	1,250	1,250	1,267	(17)
Registration	1,000	1,000	950	50
Dues and publications	150	150	75	75
Supplies	1,600	1,978	1,978	-
Equipment maintenance	530	530	-	530
	<u>116,196</u>	<u>124,143</u>	<u>117,277</u>	<u>6,866</u>

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
County Tax Assessor/GIS/Risk Manager:				
Salaries	126,022	132,841	127,850	4,991
State retirement	13,736	13,736	14,167	(431)
FICA and Medicare	9,641	9,641	9,364	277
Health insurance	24,422	24,422	23,869	553
Unemployment comp insurance	707	707	270	437
Workers comp insurance	2,885	2,885	2,929	(44)
Meals	200	200	115	85
Training	900	942	860	82
Travel	1,200	1,218	1,102	116
Photocopy maintenance	550	550	529	21
Lodging	760	760	627	133
Registration	300	300	225	75
Dues and publications	1,200	1,140	853	287
Supplies	2,700	2,700	2,604	96
Service contracts	10,475	10,475	8,975	1,500
Contract appraisers	38,000	31,181	30,042	1,139
Equipment maintenance	720	720	-	720
Postage	2,500	2,500	-	2,500
	236,918	236,918	224,381	12,537
Building/Zoning/Code Enforcement:				
Salaries	39,650	44,481	42,598	1,883
State retirement	4,322	4,322	4,732	(410)
FICA and Medicare	3,033	3,033	3,156	(123)
Health insurance	5,481	5,481	5,173	308
Unemployment comp insurance	177	177	97	80
Workers comp insurance	908	908	922	(14)
Meals	300	300	-	300
Training	700	69	69	-
Travel	800	-	-	-
Photocopy maintenance	400	400	-	400
Registration	200	200	-	200
Dues and publications	600	-	-	-
Supplies	700	900	947	(47)
Gas and fuel	1,500	1,500	1,617	(117)
Uniforms	-	-	821	(821)
Auto maintenance	750	750	623	127
Software maintenance	2,900	2,900	2,894	6
Telephone	600	-	-	-
	63,021	65,421	63,649	1,772
Mosquito Control	6,300	6,300	5,054	1,246

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
GENERAL GOVERNMENT				
Voter Registration:				
Salaries	36,800	38,785	37,327	1,458
State retirement	4,011	15,738	15,497	241
FICA and Medicare	2,815	2,815	2,726	89
Health insurance	5,481	5,481	5,173	308
Unemployment comp insurance	177	177	87	90
Workers comp insurance	843	843	856	(13)
Training	500	500	180	320
Travel	500	500	218	282
Operations	2,000	2,000	735	1,265
Supplies	4,500	4,668	3,914	754
Capital improvements	1,500	600	137	463
Board travel	5,500	6,232	6,232	-
Election commission	10,500	10,500	10,500	-
Voting machine maintenance	13,000	13,000	22,777	(9,777)
Equipment maintenance	7,000	5,015	4,093	922
Poll worker stipend	2,400	(9,327)	18,725	(28,052)
	<u>97,527</u>	<u>97,527</u>	<u>129,177</u>	<u>(31,650)</u>
Delinquent Tax Collector:				
Salaries	55,315	57,933	55,741	2,192
State retirement	6,029	6,283	6,187	96
FICA and Medicare	4,232	4,232	3,879	353
Health insurance	17,403	16,846	16,711	135
Unemployment comp insurance	354	354	135	219
Workers comp insurance	1,266	1,266	1,204	62
Operations	2,000	2,303	2,303	-
Supplies	1,000	1,000	808	192
Capital improvements	500	500	151	349
Equipment maintenance	400	400	-	400
Service Contracts	4,250	5,125	5,125	-
	<u>92,749</u>	<u>96,242</u>	<u>92,244</u>	<u>3,998</u>
Central Services & Utilities:				
Development and IT	6,000	(4,047)	-	(4,047)
Telephone Lease	18,000	11,315	11,027	288
Telephone	115,000	119,185	123,851	(4,666)
Electricity	172,000	172,000	198,296	(26,296)
Postage	30,000	27,274	25,283	1,991
Printing/legal	-	-	943	(943)
Photocopy Lease/Maintenance	3,000	5,726	6,007	(281)
Bonding	3,800	3,800	4,468	(668)
Computer - taxes	105,000	115,047	119,156	(4,109)
Computer - payroll	4,600	1,865	1,864	1
Computer - Family Court	7,500	11,524	10,957	567
Computer - Voter Registration	1,000	1,000	391	609
Computer - Admin	2,300	1,011	1,010	1

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Central Services & Utilities: (continued)				
Copy machine	7,000	7,000	10,183	(3,183)
Insurance	80,000	80,000	81,537	(1,537)
Meeting Exp	10,000	14,266	14,266	-
Risk Management	1,000	1,000	620	380
Miscellaneous supplies	-	-	1,475	(1,475)
	<u>566,200</u>	<u>567,966</u>	<u>611,334</u>	<u>(43,368)</u>
Contingency & Grant Matches:				
Cola and merit increases	63,000	6,283	-	6,283
Contingency	46,135	22,881	29,968	(7,087)
Grant Matches	22,881	19,728	6,336	13,392
	<u>132,016</u>	<u>48,892</u>	<u>36,304</u>	<u>12,588</u>
Finance:				
Salaries	117,200	131,080	125,696	5,384
State retirement	12,775	14,096	13,963	133
FICA and Medicare	8,966	8,966	9,121	(155)
Health insurance	14,247	14,247	13,610	637
Unemployment comp insurance	354	354	413	(59)
Workers comp insurance	2,683	1,362	1,362	-
Training	500	500	98	402
Travel	250	250	114	136
Lodging	1,500	1,500	727	773
Registration Fee	1,460	280	280	-
Dues & Publications	865	865	865	-
Supplies	3,000	3,000	2,192	808
Gas and fuel	250	250	72	178
Supplies	1,000	1,000	912	88
Audits	40,000	48,550	48,550	-
Internal audit	36,000	50,157	61,603	(11,446)
Maintenance - County buildings	-	-	384	(384)
	<u>241,050</u>	<u>276,457</u>	<u>279,962</u>	<u>(3,505)</u>
Buildings and Grounds:				
Salaries	36,140	37,640	36,176	1,464
State Retirement	3,939	3,939	4,048	(109)
FICA & Medicare	2,765	2,765	2,402	363
Health Insurance	13,070	13,070	12,088	982
Unemployment Comp Insurance	354	354	31	323
Workers Comp Insurance	827	827	701	126
Communication tower upgrade	-	-	43,033	(43,033)
Uniforms	2,400	900	-	900
Salaries	-	-	430	(430)
Building Grounds & Supplies	38,450	39,798	39,816	(18)
Maintenance - County Buildings	60,000	58,652	62,011	(3,359)
Custodial Contract	2,500	2,500	2,840	(340)
	<u>160,445</u>	<u>160,445</u>	<u>203,576</u>	<u>(43,131)</u>
County Attorney:				
Salaries	40,000	41,200	39,592	1,608
Health Ins Reimbursement	9,839	9,839	-	9,839
State Retirement	4,360	4,360	4,405	(45)

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
County Attorney: (continued)				
FICA & Medicare	3,060	3,060	2,980	80
Unemployment Comp	177	177	213	(36)
Workers Comp	916	916	56	860
Legal Service Fee	75,000	72,925	28,790	44,135
	<u>133,352</u>	<u>132,477</u>	<u>76,036</u>	<u>56,441</u>
County Council:				
Salaries	83,443	87,843	84,508	3,335
State Retirement	9,095	9,095	4,747	4,348
FICA & Medicare	6,383	6,383	5,111	1,272
Health Insurance	43,213	43,213	42,650	563
Unemployment Comp	902	902	156	746
Workers Comp	1,910	1,910	1,940	(30)
Council Operations	1,000	1,000	410	590
Clerk to Council Operation	1,500	1,500	1,685	(185)
Service Contracts	8,500	4,100	-	4,100
Advertising & Legal	6,000	6,000	3,996	2,004
District 1	2,500	1,618	290	1,328
District 2	2,500	2,500	2,577	(77)
District 3	2,500	2,500	3,367	(867)
District 4	2,500	2,500	1,516	984
District 5	2,500	2,500	2,105	395
District 6	2,500	2,500	1,050	1,450
District 7	2,500	2,500	-	2,500
Council Approved Projects	-	882	882	-
	<u>179,446</u>	<u>179,446</u>	<u>156,990</u>	<u>22,456</u>
Veterans Affairs				
Salaries	21,640	21,640	21,941	(301)
State Retirement	2,359	2,359	2,433	(74)
FICA & Medicare	1,655	1,655	1,646	9
Unemployment Comp Insurance	177	177	30	147
Workers Comp Insurance	495	495	503	(8)
Photocopy Maintenance	2,000	2,000	454	1,546
Supplies	750	750	149	601
	<u>29,076</u>	<u>29,076</u>	<u>27,156</u>	<u>1,920</u>
Information Technology				
Supplies	2,400	400	371	29
Capital Improv.	27,450	32,590	31,446	1,144
Software Exp.	12,800	9,037	4,680	4,357
Equipt. Maintenance	5,000	1,160	1,158	2
IT Consulting Services	48,000	54,963	57,068	(2,105)
	<u>95,650</u>	<u>98,150</u>	<u>94,723</u>	<u>3,427</u>
Total General Government	<u>2,400,546</u>	<u>2,373,837</u>	<u>2,356,808</u>	<u>17,029</u>

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
JUDICIAL				
Clerk of Court:				
Salaries	129,174	138,995	135,346	3,649
State retirement	14,080	15,213	14,980	233
FICA and Medicare	9,882	9,882	9,769	113
Health insurance	35,954	32,821	31,186	1,635
Unemployment comp insurance	884	884	252	632
Workers comp insurance	2,957	2,957	2,944	13
Operations	1,000	1,000	1,829	(829)
Supplies	6,500	6,500	6,192	308
Capital improvements	20,000	20,000	18,785	1,215
Court expenses	18,000	10,179	10,137	42
IV-D expenditures	-	-	3,680	(3,680)
Case Management System Expense	18,000	18,000	18,000	-
Equipment Maintenance	400	400	-	400
	<u>256,831</u>	<u>256,831</u>	<u>253,100</u>	<u>3,731</u>
Probate Judge:				
Salaries	65,316	67,265	66,253	1,012
State retirement	7,119	8,025	7,902	123
FICA and Medicare	4,997	4,997	4,691	306
Health insurance	17,403	17,403	16,853	550
Unemployment comp insurance	354	354	243	111
Workers comp insurance	1,495	1,555	1,555	-
Meals	150	193	12	181
Travel	250	300	358	(58)
Lodging	600	600	600	-
Dues & Publications	320	320	100	220
Registration	500	695	695	-
Supplies	3,240	2,334	1,436	898
Advertising & Legal Notices	750	597	553	44
Case Management System Expense	13,500	13,500	13,500	-
Court Expenses	1,360	1,165	1,186	(21)
Photocopy Lease	1,400	1,400	1,298	102
	<u>118,754</u>	<u>120,703</u>	<u>117,235</u>	<u>3,468</u>
Magistrate:				
Salaries	124,687	124,687	143,124	(18,437)
State retirement	15,159	9,483	9,338	145
FICA and Medicare	9,539	15,815	14,840	975
Health insurance	18,551	17,398	17,320	78
Unemployment comp insurance	707	707	258	449
Workers comp insurance	2,855	3,408	3,408	-
Training	500	500	75	425
Photocopy Maintenance	300	300	-	300
Lodging	500	500	-	500
Operations	2,000	2,000	1,803	197
Registration	200	200	100	100
Supplies	1,000	1,000	959	41
Case management system	18,000	18,000	18,000	-
Capital improvements	1,500	1,500	162	1,338
Court expense	2,500	2,500	1,615	885
	<u>197,998</u>	<u>197,998</u>	<u>211,002</u>	<u>(13,004)</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Contract Agencies - Judicial:				
Public Defender	31,000	31,000	31,000	-
Solicitor	72,726	72,726	72,726	-
Court Library	900	900	900	-
	<u>104,626</u>	<u>104,626</u>	<u>104,626</u>	<u>-</u>
Total Judicial	<u>678,209</u>	<u>680,158</u>	<u>685,963</u>	<u>(5,805)</u>
PUBLIC SAFETY				
County Sheriff:				
Salaries	501,658	501,658	484,824	16,834
Overtime	36,000	38,199	38,199	-
State retirement	72,100	72,100	72,608	(508)
FICA and Medicare	41,131	41,131	38,837	2,294
Health insurance	109,105	109,105	106,435	2,670
Unemployment comp insurance	2,828	6,536	10,649	(4,113)
Workers comp insurance	11,485	11,485	11,063	422
Operations	6,000	6,000	4,006	1,994
Supplies	5,000	5,000	4,102	898
Capital improvements	10,200	10,200	33	10,167
Investigations	3,500	3,500	36	3,464
Victim's services	32,000	32,000	29,538	2,462
Gasoline	65,000	54,889	44,235	10,654
Auto maintenance	20,000	23,387	20,231	3,156
Uniforms	8,000	8,000	3,742	4,258
Radio maintenance	4,000	5,000	4,019	981
Radio Communications	7,200	7,200	3,534	3,666
Software	4,800	6,816	4,896	1,920
Photocopy Lease	3,000	3,000	2,610	390
	<u>943,007</u>	<u>945,206</u>	<u>883,597</u>	<u>61,609</u>
Detention Center:				
Salaries	328,181	365,956	352,412	13,544
Overtime	35,000	21,825	21,173	652
State retirement	48,703	51,121	50,340	781
FICA and Medicare	27,783	28,635	27,087	1,548
Health insurance	74,848	71,578	70,750	828
Unemployment comp insurance	2,619	2,619	630	1,989
Workers comp insurance	7,513	8,795	8,795	-
Travel	3,500	521	448	73
Operations	3,500	3,637	4,281	(644)
Supplies	2,000	891	499	392
Capital improvements	3,000	5,842	5,476	366
Gas and fuel	5,000	4,857	2,153	2,704
Auto maintenance	3,000	2,827	792	2,035
Uniforms	5,000	5,000	3,240	1,760
Department of Youth Services	1,500	1,500	150	1,350
Inmate meals	83,000	80,481	71,196	9,285
County physician	4,500	4,500	418	4,082
Jail Service Contract	5,500	5,878	5,878	-

BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Detention Center: (continued)				
Janitorial Supplies	3,000	3,143	3,143	-
Jail Supplies	3,000	4,255	4,255	-
Maint - County Buildings	3,000	3,886	7,064	(3,178)
Inmate medical and drugs	15,000	15,000	10,587	4,413
	<u>668,147</u>	<u>692,747</u>	<u>650,767</u>	<u>41,980</u>
County Coroner:				
Salaries	15,470	16,113	17,023	(910)
State retirement	1,686	1,686	1,887	(201)
FICA and Medicare	1,183	1,183	796	387
Health insurance	6,535	6,535	6,023	512
Unemployment comp insurance	177	177	39	138
Workers comp insurance	354	354	331	23
Operations	1,000	1,000	110	890
Supplies	10,000	14,627	14,626	1
Gas and fuel	400	400	498	(98)
Equipment maintenance	1,000	357	132	225
	<u>37,805</u>	<u>42,432</u>	<u>41,465</u>	<u>967</u>
Dispatching:				
Salaries	193,788	201,488	194,203	7,285
Overtime	14,500	14,500	12,701	1,799
State retirement	22,703	15,003	11,471	3,532
FICA and Medicare	15,934	15,934	14,813	1,121
Health insurance	48,206	48,206	47,244	962
Unemployment comp insurance	1,562	1,562	319	1,243
Workers comp insurance	4,437	4,437	4,172	265
Operations	4,000	4,450	4,100	350
Supplies	1,500	1,050	342	708
Uniforms	1,000	1,000	586	414
Equipment maintenance	500	500	-	500
	<u>308,130</u>	<u>308,130</u>	<u>289,951</u>	<u>18,179</u>
Total Public Safety	<u>1,957,089</u>	<u>1,988,515</u>	<u>1,865,780</u>	<u>122,735</u>
ECONOMIC DEVELOPMENT				
South Carolina Alliance	50,000	50,000	37,500	12,500
State RIF grant expenditures	-	-	100,000	(100,000)
Total Economic Development	<u>50,000</u>	<u>50,000</u>	<u>137,500</u>	<u>(87,500)</u>
CULTURE AND RECREATION				
Local Recreation & Tourism	14,000	14,000	13,300	700
ABBE Regional Library	136,800	136,800	136,800	-
Total Culture and Recreation	<u>150,800</u>	<u>150,800</u>	<u>150,100</u>	<u>700</u>

**BAMBERG COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
MISCELLANEOUS				
Lower Savannah Council of Governments	11,991	11,991	11,991	-
SC Association of Counties	6,700	6,700	9,157	(2,457)
National Association of Counties	450	450	450	-
Willow Swamp Contract	2,120	2,120	2,120	-
Soil & Water Conservation District	6,000	6,000	6,000	-
Mary Ann Morris Animal Society	24,000	24,000	24,000	-
Medically Indigent Assistance Fund	34,291	34,291	34,864	(573)
Health Department	6,000	1,734	1,170	564
Chamber of Commerce	800	800	800	-
Tri-County Comm. Alcohol & Drug Abuse	1,800	1,800	1,800	-
Western Carolina Higher Ed Commission	1,800	1,800	1,800	-
OCAB-Community Action	1,800	1,800	1,800	-
Denmark Technical College	1,800	1,800	1,800	-
Bamberg Co. Disabilities & Special Needs	1,800	1,800	1,800	-
CASA	800	800	800	-
Clemson Extension	1,100	1,100	1,100	-
Bamberg Co. Council on Aging	64,000	64,000	64,000	-
Bamberg Co. DSS - Emergency Relief	6,400	6,400	-	6,400
Heritage Corridor	800	800	800	-
Cheese & Cracker Box	1,800	1,800	1,800	-
Little Swamp Community Center	1,200	1,200	1,200	-
Total Miscellaneous	<u>177,452</u>	<u>173,186</u>	<u>169,252</u>	<u>3,934</u>
HEALTH AND WELFARE				
EMS Grant expenditures	-	-	6,663	(6,663)
EMS/Rescue	475,000	475,000	475,000	-
Winter storm cleanup - FEMA	-	-	679,455	(679,455)
Total Health and Welfare	<u>475,000</u>	<u>475,000</u>	<u>1,161,118</u>	<u>(686,118)</u>
TOTAL EXPENDITURES	<u>\$ 5,889,096</u>	<u>\$ 5,891,496</u>	<u>\$ 6,526,521</u>	<u>\$ (635,025)</u>

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Infrastructure grant	\$ 96,055	\$ 96,055	\$ -	\$ (96,055)
C-funds	500,000	500,000	77,500	(422,500)
2013 LEMPG	25,000	25,000	43,637	18,637
2014 LEMPG	64,064	64,064	27,638	(36,426)
Program revenues	2,973,964	2,973,964	-	(2,973,964)
State grants	-	-	22,071	22,071
Federal grants	-	-	25,522	25,522
Taxes				
Fee in lieu	690,237	690,237	-	(690,237)
Manufacturer reimbursement - industrial parks	-	-	115	115
Sales tax	630,000	630,000	-	(630,000)
Other				
Veterans monument	5,000	5,000	-	(5,000)
Insurance fund	25,584	25,584	-	(25,584)
Donations	-	-	181	181
TOTAL REVENUES	5,009,904	5,009,904	196,664	(4,813,240)
EXPENDITURES				
Current:				
General government				
Mfg. reimbursement - industrial parks to other governments	-	-	115	(115)
Litter control and enforcement - state grants	-	-	8,264	(8,264)
Litter control and enforcement - local sources	-	-	181	(181)
Economic development grant expenditures	-	-	5,000	(5,000)
Capital penny sales tax collection	630,000	630,000	-	630,000
FILOT collections	690,237	690,237	-	690,237
Mini bond issuance	127,000	127,000	-	127,000
Program expenditures	2,973,964	2,973,964	-	2,973,964
Public Safety				
LEMPG expenditures	25,000	25,000	51,211	(26,211)
JAG grant expenditures	64,064	64,064	20,522	43,542
Public Works				
Roads and paving	500,000	500,000	77,500	422,500
Infrastructure	96,055	96,055	-	96,055
Capital replacement reserve fund	25,584	25,584	-	25,584
Culture and recreation				
PARD grant expenditures	-	-	21,406	(21,406)
Veterans monument	5,000	5,000	-	5,000
TOTAL EXPENDITURES	5,136,904	5,136,904	184,199	4,952,705
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(127,000)	(127,000)	12,465	139,465
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	127,000	127,000	-	(127,000)
Transfers in (out)	-	-	(12,465)	(12,465)
TOTAL OTHER FINANCING SOURCES (USES)	127,000	127,000	(12,465)	(139,465)
EXCESS (DEFICIENCY) OF REVENUE 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
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 176,680	\$ 176,680	\$ 250,760	\$ 74,080
Charges for services	37,800	37,800	37,800	-
Interest income	-	-	462	462
TOTAL REVENUES	214,480	214,480	289,022	74,542
EXPENDITURES				
Current:				
Public Safety				
Salaries	59,640	70,540	68,954	1,586
State retirement	7,395	7,395	8,489	(1,094)
FICA and Medicare	4,562	4,562	4,377	185
Health insurance	5,481	5,481	5,427	54
Unemployment comp insurance	354	354	134	220
Workers comp insurance	1,366	1,366	1,633	(267)
Meals	1,000	1,000	414	586
Training	1,000	1,000	472	528
Photocopy maintenance	700	700	-	700
Lodging	2,000	2,000	1,096	904
Registration Fee	1,000	-	-	-
Dues and publications	510	510	274	236
Supplies	2,500	2,500	670	1,830
Equipment replacement and improvements	6,000	(3,900)	671	(4,571)
Auto maintenance	800	800	260	540
Gas and fuel	2,500	2,500	953	1,547
Uniforms	500	500	146	354
Photocopy lease	-	-	7,565	(7,565)
Equipment maintenance	15,000	15,000	18,291	(3,291)
Telephone	30,000	30,000	36,493	(6,493)
Civil defense	1,500	1,500	982	518
E911 upgrade	158,602	158,602	93,808	64,794
TOTAL EXPENDITURES	302,410	302,410	251,109	51,301
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(87,930)	(87,930)	37,913	125,843
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of debt	-	-	7,565	7,565
Transfers in (out)	-	-	20,064	20,064
TOTAL OTHER FINANCING SOURCES (USES)	-	-	27,629	27,629
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ (87,930)	\$ (87,930)	65,542	\$ 153,472
Fund Balance at Beginning of Year			276,615	
Fund Balance at End of Year			\$ 342,157	

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
ROAD MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Charges for services	\$ 343,740	\$ 343,740	\$ 332,070	\$ (11,670)
TOTAL REVENUES	<u>343,740</u>	<u>343,740</u>	<u>332,070</u>	<u>(11,670)</u>
EXPENDITURES				
Current:				
Public works:				
Salaries	163,550	158,794	144,843	13,951
Overtime	7,500	12,256	11,717	539
State retirement	18,644	18,644	18,922	(278)
FICA and Medicare	13,085	13,085	12,689	396
Health insurance	42,563	42,563	32,539	10,024
Unemployment comp insurance	1,061	1,061	250	811
Workers comp insurance	3,744	3,744	3,936	(192)
Operations	1,000	1,000	431	569
Repair equipment	35,000	41,086	43,003	(1,917)
Roads	40,000	26,044	4,425	21,619
Gas and fuel	55,000	55,000	50,056	4,944
Uniforms	5,000	12,466	12,466	-
Road projects (rocks)	5,000	5,000	-	5,000
Airport operations	10,000	10,404	6,165	4,239
TOTAL EXPENDITURES	<u>401,147</u>	<u>401,147</u>	<u>341,442</u>	<u>59,705</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(57,407)</u>	<u>(57,407)</u>	<u>(9,372)</u>	<u>48,035</u>
OTHER FINANCING SOURCES (USES)				
Transfers in(out)	57,407	57,407	-	(57,407)
TOTAL OTHER FINANCING SOURCES (USES)	<u>57,407</u>	<u>57,407</u>	<u>-</u>	<u>(57,407)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>(9,372)</u>	<u>\$ (9,372)</u>
Fund Balance at Beginning of Year			<u>(205,808)</u>	
Fund Balance at End of Year			<u>\$ (215,180)</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
FIRE SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	<u>Budgeted</u>		<u>Actual</u>	Variance
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 326,992	\$ 326,992	\$ 383,319	\$ 56,327
Interest income	-	-	49	49
TOTAL REVENUES	<u>326,992</u>	<u>326,992</u>	<u>383,368</u>	<u>56,376</u>
EXPENDITURES				
Current:				
Health and welfare:				
Salaries	32,780	35,105	33,805	1,300
State retirement	3,573	3,573	4,500	(927)
FICA and Medicare	2,508	2,508	2,444	64
Health insurance	147	147	-	147
Unemployment comp insurance	177	177	81	96
Workers comp insurance	750	750	1,054	(304)
Training	50	50	-	50
Operations	100	100	-	100
Supplies	250	250	58	192
Equipt. Replacement	44,132	44,132	44,848	(716)
Gas and fuel	2,000	2,000	973	1,027
Auto maintenance	200	200	500	(300)
Equipment maintenance	4,500	4,500	16,941	(12,441)
Telephone	600	600	213	387
Fire service	201,225	201,225	201,524	(299)
Tort insurance - trucks	7,500	5,175	3,833	1,342
Tort insurance - firefighters	1,500	1,500	1,218	282
Physicals	9,000	9,000	9,190	(190)
Workers comp insurance	1,300	1,300	-	1,300
TOTAL EXPENDITURES	<u>312,292</u>	<u>312,292</u>	<u>321,182</u>	<u>(8,890)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>14,700</u>	<u>14,700</u>	<u>62,186</u>	<u>47,486</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(14,700)</u>	<u>(14,700)</u>	<u>(13,600)</u>	<u>1,100</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(14,700)</u>	<u>(14,700)</u>	<u>(13,600)</u>	<u>1,100</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>48,586</u>	<u>\$ 48,586</u>
Fund Balance at Beginning of Year			<u>64,386</u>	
Fund Balance at End of Year			<u>\$ 112,972</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 213,848	\$ 213,848	\$ 225,449	\$ 11,601
Interest income	-	-	33	33
TOTAL REVENUES	<u>213,848</u>	<u>213,848</u>	<u>225,482</u>	<u>11,634</u>
EXPENDITURES				
Debt service:				
Principal	161,143	161,143	153,291	7,852
Interest	52,705	52,705	62,230	(9,525)
TOTAL EXPENDITURES	<u>213,848</u>	<u>213,848</u>	<u>215,521</u>	<u>(1,673)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	9,961	<u>\$ 9,961</u>
Fund Balance at Beginning of Year			<u>65,194</u>	
Fund Balance at End of Year			<u>\$ 75,155</u>	

BAMBERG COUNTY, SOUTH CAROLINA
PROPRIETARY FUND
LANDFILL AND SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Operating Revenues				
Charges for services				
Solid waste fees	\$ 425,964	\$ 425,964	\$ 372,070	\$ (53,894)
Solid waste fees - delinquent	50,000	50,000	119,020	69,020
Sales of recycling	5,000	5,000	4,601	(399)
Landfill dumping fees	370,000	370,000	439,164	69,164
Miscellaneous fees	115,587	115,587	-	(115,587)
Operating grants				
Used oil grant	6,650	6,650	-	(6,650)
Waste tire grant	750	750	10,902	10,152
Solid waste grant	11,000	11,000	12,494	1,494
Total operating revenues	<u>984,951</u>	<u>984,951</u>	<u>958,251</u>	<u>(26,700)</u>
Operating Expenses				
Salaries	302,160	305,281	291,575	13,706
Overtime	10,000	6,879	1,512	5,367
State retirement	32,935	32,935	17,700	15,235
FICA	23,498	23,498	20,036	3,462
Health insurance	38,885	38,885	34,574	4,311
Unemployment	3,055	3,055	806	2,249
Workers compensation	6,918	6,918	7,334	(416)
Operations	1,000	1,000	360	640
Supplies	2,000	2,000	32	1,968
Equipment replacement & improvement	36,000	8,162	341	7,821
Landfill	70,000	70,000	30,805	39,195
Gas and fuel	3,000	3,000	1,534	1,466
C&D chipping	45,000	-	-	-
Solid waste contract	280,000	344,834	354,224	(9,390)
LADS operation	1,500	1,500	1,209	291
LADS contract	145,000	140,805	141,809	(1,004)
Landfill engineer	50,000	50,000	26,838	23,162
FEMA cleanup	-	4,195	4,195	-
Keep America Beautiful supplies	-	8,004	8,174	(170)
Depreciation	-	-	28,667	(28,667)
Total operating expenses	<u>1,050,951</u>	<u>1,050,951</u>	<u>971,725</u>	<u>79,226</u>
Operating Net Income (Loss)	<u>(66,000)</u>	<u>(66,000)</u>	<u>(13,474)</u>	<u>52,526</u>
Non-operating revenues (expenses)				
Interest expense	-	-	(7,197)	(7,197)
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>(7,197)</u>	<u>(7,197)</u>
Net Income before Transfers	(66,000)	(66,000)	(20,671)	45,329
Transfers in(out)	<u>66,000</u>	<u>66,000</u>	<u>-</u>	<u>(66,000)</u>
CHANGE IN NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>(20,671)</u>	<u>\$ (20,671)</u>
Net Position at Beginning of Year - As restated			<u>(405,347)</u>	
Net Position - End of Year			<u>\$ (426,018)</u>	

BAMBERG COUNTY, SOUTH CAROLINA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015

	<u>School District 1</u>	<u>School District 2</u>	<u>Town of Bamberg</u>	<u>Town of Denmark</u>	<u>Town of Ehrhardt</u>	<u>Town of Olar</u>	<u>Clerk of Court</u>	<u>Delinquent Tax Sale Escrow</u>	<u>Inmate Trust Escrow</u>	<u>Total</u>
ASSETS										
Cash	\$ 969,532	\$ 515,693	\$ -	\$ -	\$ -	\$ -	\$ 116,485	\$ 324,925	\$ 3,632	\$ 1,930,267
Delinquent property taxes	931,537	526,133	-	-	-	-	-	-	-	1,457,670
Unknown funds deficit	-	-	-	-	-	-	2,416	-	333	2,749
Due from General Fund	114	64	-	-	-	-	-	-	664	842
TOTAL ASSETS	<u>\$ 1,901,183</u>	<u>\$ 1,041,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,901</u>	<u>\$ 324,925</u>	<u>\$ 4,629</u>	<u>\$ 3,391,528</u>
LIABILITIES										
Due to Trust Fund holders	\$ 1,901,183	\$ 1,041,890	\$ -	\$ -	\$ -	\$ -	\$ 112,614	\$ 246,073	\$ 4,629	\$ 3,306,389
Due to General Fund	-	-	-	-	-	-	6,287	78,852	-	85,139
TOTAL LIABILITIES	<u>\$ 1,901,183</u>	<u>\$ 1,041,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,901</u>	<u>\$ 324,925</u>	<u>\$ 4,629</u>	<u>\$ 3,391,528</u>

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
School District Number 1				
Assets:				
Cash and cash equivalents	\$ 1,153,020	\$ 5,811,127	\$ 5,994,615	\$ 969,532
Due from General Fund	114	-	-	114
Delinquent taxes receivable	870,058	61,479	-	931,537
Total Assets	<u>\$ 2,023,192</u>	<u>\$ 5,872,606</u>	<u>\$ 5,994,615</u>	<u>\$ 1,901,183</u>
Liabilities:				
Funds held for others	\$ 2,023,192	\$ 5,872,606	\$ 5,994,615	\$ 1,901,183
Total Liabilities	<u>\$ 2,023,192</u>	<u>\$ 5,872,606</u>	<u>\$ 5,994,615</u>	<u>\$ 1,901,183</u>
School District Number 2				
Assets:				
Cash and cash equivalents	\$ 384,602	\$ 2,980,589	\$ 2,849,498	\$ 515,693
Due from General Fund	64	-	-	64
Delinquent taxes receivable	523,232	2,901	-	526,133
Total Assets	<u>\$ 907,898</u>	<u>\$ 2,983,490</u>	<u>\$ 2,849,498</u>	<u>\$ 1,041,890</u>
Liabilities:				
Funds held for others	\$ 907,898	\$ 2,983,490	\$ 2,849,498	\$ 1,041,890
Total Liabilities	<u>\$ 907,898</u>	<u>\$ 2,983,490</u>	<u>\$ 2,849,498</u>	<u>\$ 1,041,890</u>
Town of Bamberg				
Assets:				
Due from General Fund	\$ -	\$ 523,254	\$ 523,254	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 523,254</u>	<u>\$ 523,254</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 523,254	\$ 523,254	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 523,254</u>	<u>\$ 523,254</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, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Town of Denmark				
Assets:				
Due from General Fund	\$ -	\$ 223,536	\$ 223,536	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 223,536</u>	<u>\$ 223,536</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 223,536	\$ 223,536	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 223,536</u>	<u>\$ 223,536</u>	<u>\$ -</u>
Town of Ehrhardt				
Assets:				
Due from General Fund	\$ -	\$ 50,583	\$ 50,583	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 50,583</u>	<u>\$ 50,583</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 50,583	\$ 50,583	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 50,583</u>	<u>\$ 50,583</u>	<u>\$ -</u>
Town of Olar				
Assets:				
Due from General Fund	\$ -	\$ 22,967	\$ 22,967	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 22,967</u>	<u>\$ 22,967</u>	<u>\$ -</u>
Liabilities:				
Funds held for others	\$ -	\$ 22,967	\$ 22,967	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 22,967</u>	<u>\$ 22,967</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, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
Clerk of Court				
Assets:				
Cash and cash equivalents	\$ 165,231	\$ 1,588,865	\$ 1,637,611	\$ 116,485
Unknown funds deficit	1,790	626	-	2,416
Total Assets	<u>\$ 167,021</u>	<u>\$ 1,589,491</u>	<u>\$ 1,637,611</u>	<u>\$ 118,901</u>
Liabilities:				
Funds held for others	\$ 161,070	\$ 1,518,043	\$ 1,566,499	\$ 112,614
Due to General Fund	5,951	71,448	71,112	6,287
Total Liabilities	<u>\$ 167,021</u>	<u>\$ 1,589,491</u>	<u>\$ 1,637,611</u>	<u>\$ 118,901</u>
Tax Sale Escrow				
Assets:				
Cash and cash equivalents	As Restated \$ 222,687	\$ 527,153	\$ 424,915	\$ 324,925
Total Assets	<u>\$ 222,687</u>	<u>\$ 527,153</u>	<u>\$ 424,915</u>	<u>\$ 324,925</u>
Liabilities:				
Funds held for others	\$ 143,255	\$ 527,153	\$ 424,335	\$ 246,073
Due to General Fund	79,432	-	580	78,852
Total Liabilities	<u>\$ 222,687</u>	<u>\$ 527,153</u>	<u>\$ 424,915</u>	<u>\$ 324,925</u>
Inmate Trust Escrow				
Assets:				
Cash and cash equivalents	\$ 2,053	\$ 27,178	\$ 25,599	\$ 3,632
Due from General Fund	22	644	2	664
Unknown funds deficit	6,005	-	5,672	333
Total Assets	<u>\$ 8,080</u>	<u>\$ 27,822</u>	<u>\$ 31,273</u>	<u>\$ 4,629</u>
Liabilities:				
Funds held for others	\$ 8,080	\$ 27,822	\$ 31,273	\$ 4,629
Total Liabilities	<u>\$ 8,080</u>	<u>\$ 27,822</u>	<u>\$ 31,273</u>	<u>\$ 4,629</u>

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2015</u>
TOTALS - AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 1,927,593	\$ 10,934,912	\$ 10,932,238	\$ 1,930,267
Due from General Fund	200	820,984	820,342	842
Unknown funds deficit	7,795	626	5,672	2,749
Delinquent taxes receivable	1,393,290	64,380	-	1,457,670
Total Assets	<u>\$ 3,328,878</u>	<u>\$ 11,820,902</u>	<u>\$ 11,758,252</u>	<u>\$ 3,391,528</u>
Liabilities:				
Funds held for others	\$ 3,243,495	\$ 11,749,454	\$ 11,686,560	\$ 3,306,389
Due to General Fund	85,383	71,448	71,692	85,139
Total Liabilities	<u>\$ 3,328,878</u>	<u>\$ 11,820,902</u>	<u>\$ 11,758,252</u>	<u>\$ 3,391,528</u>

SUPPLEMENTAL SECTION

**BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>CLERK OF COURT</u>	<u>MAGISTRATES</u>	<u>TOTAL</u>
Court Fines			
Court fines	\$ 87,317	\$ 128,994	\$ 216,311
Court fines retained by the County	<u>(32,055)</u>	<u>(128,684)</u>	<u>(160,739)</u>
Court fines remitted to State Treasurer	<u>\$ 55,262</u>	<u>\$ 310</u>	<u>\$ 55,572</u>
Court Assessments			
Court assessments collected	\$ 4,052	\$ 103,452	\$ 107,504
Court assessments retained by the County	<u>(1,413)</u>	<u>(11,332)</u>	<u>(12,745)</u>
Court assessments remitted to State Treasurer	<u>\$ 2,639</u>	<u>\$ 92,120</u>	<u>\$ 94,759</u>
Court Surcharges			
Court surcharges collected	\$ 4,604	\$ 81,150	\$ 85,754
Court surcharges retained by the County	<u>(2,461)</u>	<u>(6,261)</u>	<u>(8,722)</u>
Court surcharges remitted to State Treasurer	<u>\$ 2,143</u>	<u>\$ 74,889</u>	<u>\$ 77,032</u>
Surcharges and Assessment retained for Victims' Services			
Court surcharges allocated to Victims' Services	\$ 2,461	\$ 6,261	\$ 8,722
Court assessments allocated to Victims' Services	<u>1,413</u>	<u>11,332</u>	<u>12,745</u>
Funds available	<u>\$ 3,874</u>	<u>\$ 17,593</u>	<u>\$ 21,467</u>
Victims' Services			
Beginning Balance - July 1, 2014		\$ -	
Funds available		21,467	
Expenditures for victims' services		<u>(21,467)</u>	
Ending Balance - June 30, 2015		<u>\$ -</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2015**

Real and Other Personal Property Assessed Value	\$ 25,424,990
Vehicles Assessed Value	<u>4,341,820</u>
Total Taxable Assessed Value	<u>29,766,810</u>
Debt Limit - Eight Percent (8%) of Total Taxable Assessed Value	2,381,345
Amount of Debt Applicable to Debt Limit: Total Bonded Debt - Note 12	<u>1,483,288</u>
LEGAL DEBT MARGIN	<u><u>\$ 898,057</u></u>

**BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2015**

Tax Year	Delinquent Taxes
2005	\$ 65,204
2006	84,129
2007	134,866
2008	108,417
2009	116,369
2010	79,176
2011	174,381
2012	207,801
2013	287,475
2014	<u>899,869</u>
 DELINQUENT TAXES RECEIVABLE, JUNE 30, 2015	 \$ <u>2,157,687</u>
 Delinquent taxes, June 30, 2014	 \$ 2,045,297
Add executions, March 15, 2015	1,152,741
Supplementals	29,866
Less:	
Collections	944,252
Errors	66,755
Nulla Bonaes	<u>59,210</u>
 DELINQUENT TAXES RECEIVABLE, JUNE 30, 2015	 \$ <u>2,157,687</u>
 Distribution	
General Fund	\$ 604,555
Fire Service Special Revenue Fund	46,546
Capital Needs Capital Projects Fund	21,039
Debt Service	27,877
School Districts	<u>1,457,670</u>
 TOTAL	 \$ <u>2,157,687</u>

COMPLIANCE SECTION

**BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

Grantor	Grant Number	Federal CFDA Number	Award Amount	Total Awards Expended
U. S. DEPARTMENT OF JUSTICE:				
Through SC Department of Public Safety:				
JAG - Detention Center Security System Upgrade	2014-MU-BX-0831	16.738	\$ 20,522	\$ 20,522
U.S. DEPARTMENT OF HOMELAND SECURITY:				
Through SC Emergency Management Division:				
LEMPG 2013 - Supplemental	13EMPG01	97.042	14,000	14,000
LEMPG 2013	13EMPG01	97.042	53,379	29,637
LEMPG 2014	14EMPG01	97.042	64,064	27,638
Severe Winter Storm	PA-04-SC-4166-PW-00279	97.036	850,530	699,412
U. S. DEPARTMENT OF AGRICULTURE:				
Rural Development Enterprise Grants:				
Bamberg County Technical Assistance	N/A	10.769	40,000	5,000
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Through Department of Social Services:				
Office of Child Support Enforcement:				
Filing Fees	G-04SC404	93.563	11,700	11,700
Federal Financial Assistance	G-04SC404	93.563	56,893	56,893
Clerk of Court Incentive (IV-D)	G-04SC404	93.563	13,033	13,033
Family Court	G-04SC404	93.563	57,742	57,742
Sheriff's Department	G-04SC404	93.563	4,802	4,802
TOTAL FEDERAL ASSISTANCE				\$ 940,379

BAMBERG COUNTY, SOUTH CAROLINA
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Bamberg County, South Carolina and is presented on the modified accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

C.C. McGregor, CPA 1906-1968	PARTNERS			ASSOCIATES		
	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	J.R. Matthews II, CPA	M.L. Goode, CPA
	B.T. Kight, CPA	E.C. Inabinet, CPA	J.P. McGuire, CPA	G.N. Mundy, CPA	G.P. Davis, CPA	B.A.G. Felch, CPA
	G.D. Skipper, CPA	S.S. Luoma, CPA	L.H. Kelly, CPA	M.L. Layman, CPA	H.J. Darver, CPA	H.S. Mims, CPA
	L.R. Leaphart, Jr, CPA	T.M. McCall, CPA		P.A. Betette, Jr, CPA	D.M. Herpel, CPA	
	M.J. Binnicker, CPA	H.D. Brown, Jr, CPA		S. Wo, CPA	H.O. Crider, Jr, CPA	
	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	F.C. Gillam, 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, 2015, and the related notes to the financial statements, which collectively comprise Bamberg County, South Carolina’s basic financial statements and have issued our report thereon dated March 29, 2016.

Internal Control Over Financial Reporting

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

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

**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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies 2015-1 and 2015-2 described in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

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

Bamberg County, South Carolina's Response to Findings

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

Purpose of this Report

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

McGregor + Company LLP

Orangeburg, South Carolina
March 29, 2016

	PARTNERS			ASSOCIATES		
C.C. McGregor, CPA 1906-1968	W.C. Stevenson, CPA	D.L. Richardson, CPA	D.K. Strickland, CPA	V.K. Laroche, CPA	J.R. Matthews II, CPA	M.L. Goode, CPA
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	W.W. Francis, CPA	L.B. Salley, CPA		C.D. Hinchee, CPA	F.C. Gillam, CPA	

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited Bamberg County, South Carolina’s (“the County’s”) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2015. The County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

(continued)

Opinion on Each of the Other Major Federal Programs

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

McGregor + Company LLP

Orangeburg, South Carolina
March 29, 2016

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

- A. An unmodified opinion was issued on the basic financial statements of Bamberg County, South Carolina.
- B. Our audit of the basic financial statements disclosed two reportable conditions in internal control over financial reporting.
- C. Our audit of the basic financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that were material to the basic financial statements.
- D. Our audit disclosed no reportable conditions in internal control over compliance applicable to Bamberg County, South Carolina's major federal programs.
- E. An unmodified opinion was issued on Bamberg County, South Carolina's compliance with the types of compliance requirements applicable to its Major Federal programs.
- F. Our audit disclosed two audit findings that are required to be reported.
- G. Major federal programs for Bamberg County, South Carolina for the fiscal year ended June 30, 2015 are:

Program Name	CFDA#
U.S. Department of Homeland Security FEMA Severe Winter Storm	97.036

- H. The threshold for determining Type A programs for Bamberg County, South Carolina is \$300,000.
- I. Bamberg County, South Carolina did not qualify as a low risk auditee under Section 530 of Circular No. A-133.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2015-1 Accounting and Financial Reporting System Issues Resulting in Material Audit Adjustments

Condition: The County's accounting and financial reporting process could not generate timely annual information in order for it to report the overall financial position and results of operations as of and for the year ended June 30, 2015. This condition includes improper recording of beginning balances in the general ledger for some funds and improper recording of activity into appropriate funds which both create an unbalanced general ledger and unbalanced internal balances between funds. Also, activity in two offices is not being included in the general ledger. These combined deficiencies create an environment that makes it difficult to record transactions and prevent, detect and correct misstatements in the County's financial statements on a timely basis. Accordingly, material corrections were proposed for the audit.

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

Cause: The County has several funds including special revenue, capital projects, and debt service, and several agency funds. The County attempted to record the activity in the respective funds. During the year, the individual funds were not balanced but the County made year end adjustments to balance the funds with some balancing entries recorded in accounts payable. The result was due to and from accounts between the various funds did not agree and accounts payable accounts were incorrect. Material corrections were needed in order to present the County's activity properly.

The County experienced software issues in rolling beginning balances forward in the general ledger. Most funds were corrected with journal entries by the County except for the two school district agency funds which were out of balance \$6,925,004 and the E911 Fund which was out of balance \$5,019. Material adjustments were necessary to balance the agency fund.

The County currently maintains multiple ledger systems. The main ledger system is in the Finance Department and Treasurer's office for all bank activity handled in those offices. Several departments have check books and memorandum systems which are summarized by the Controller and recorded into the County's general ledger system. For two of these offices, the Clerk of Court and Magistrate, the activity was not summarized or recorded in the County's general ledger system.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2015-1 Accounting and Financial Reporting System Issues Resulting in Material Audit Adjustments (continued)

Auditor’s recommendation: We recommend County Council establish policies and procedures that improve the transfer/incorporation of the various departments’ financial activities into the general ledger system to include the practice of monitoring the transactions to ensure the general ledger for each fund remains in balance and properly recorded.

County response: The County concurs with the auditors recommendation that Bamberg County develop and recommend policies and procedures that improve the transfer/incorporation of the various departments’ financial activities into a “single” unified general ledger system. Toward that end, the County notes that some improvements have been made in this area. For example, the County ended its practice of recording tax and other revenues on a separate general ledger known as the DBS (Delinquent Bookkeeping System). The County began using a single general ledger with its July 2013 receipts. In addition the County instituted a more comprehensive and detailed budget beginning with fiscal year 2014. Additionally, the County set up proper and separate funds with its FY14 Budget.

The County recognizes this issue as a severe impediment to moving forward with many of its financial-related goals. 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. This is a challenge and one that the Finance staff will take very seriously.

The County concurs with this finding and wishes to express that significant improvements have been made over the course of the past couple of 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. Finance staff did make, for the first time, many of the year-end entries before turning the general ledger over for the audit. However, there were additional entries that staff did not make but will make for the next fiscal year.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION II – FINANCIAL STATEMENT FINDINGS

Material Weaknesses

2015-2 Preparation of Financial Statements

Condition: The AICPA issued Statement on Auditing Standards No. 115, *Communicating Internal Control Related Matters Identified in an Audit*. This standard emphasizes the need for the County to have internal controls over financial reporting in place that will provide reasonable assurance that the County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). In order for these controls to be effective, County personnel need to receive adequate training to allow them to prepare the County's financial statements in accordance with GAAP.

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

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

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

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

SECTION III –MAJOR FEDERAL AWARD PROGRAMS FINDINGS

None

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

FINDINGS - FINANCIAL STATEMENT AUDIT:

Material Weaknesses

2014-1 Accounting and Financial Reporting System Issues Resulting in Material Audit Adjustments

Condition: The County's accounting and financial reporting process could not generate timely annual information in order for it to report the overall financial position and results of operations as of and for the year ended June 30, 2014. The County has historically relied on "outside" accountants to gather information from its various departments and combine that data with its ledger systems in order to compile the annual financial statements. This process creates very long delays after fiscal year-end to have meaningful annual financial information. This condition is further compounded by: improper recording of beginning balances in the general ledger and improper recording of activity into appropriate funds which both create an unbalanced general ledger. Also, activity in several bank accounts is not being included in the general ledger and the activity in several bank accounts is not reconciled as for whom the funds are held. These combined deficiencies create an environment that makes it difficult to record transactions and prevent, detect and correct misstatements in the County's financial statements on a timely basis. Accordingly, material corrections were proposed for the audit.

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

Auditor's recommendation: We recommend County Council establish policies and procedures that improve the transfer/incorporation of the various departments' financial activities into a "single" unified general ledger system. The system would be the foundation for the County's accounting and financial statement reporting throughout the organization and would be managed by the Finance Department. We also recommend the County improve its practice of monitoring the transactions to ensure the general ledger for each fund remains in balance and properly recorded.

Current Status: The County has made improvements in the 14-15 fiscal year but issues resulting in material audit adjustments remain. See Finding 2015-1.

2014-2 Preparation of Financial Statements

Condition: The County did not prepare its own financial statements and note disclosures due to lack of necessary training. Because the County does not have the necessary knowledge of generally accepted accounting principles, misstatements may not be known until the audit.

Auditor's recommendation: The County's inability to prepare financial statements and disclosures does not reflect upon the County's ability to maintain accounting records and subsidiary ledgers. Appropriate County personnel should attend training courses that will enhance their ability to prepare the County's annual financial statements and footnote disclosures in accordance with GAAP

Current status: Sustained. See Finding 2015-2.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015**

FINDINGS - FINANCIAL STATEMENT AUDIT:

Material Weaknesses

2014-3 Detention Center Inmate Funds

Condition: A bank account is maintained for the custody of inmate funds. The 2013-2014 activity in the bank account was reconciled to the inmate funds listings. Such reconciliations in prior years had not been performed. At June 30, 2014, the bank account was short by \$6,005 based on amounts collected that are listed as held for inmates or owed to vendors. Funds are still noted as held for many former inmates from years past. Proper recording of all transactions in the accounting system and timely reconciliation of the bank activity to an accurate listing of funds held in trust for inmates provides a preventative control for misappropriation of funds.

Auditor's recommendation: During the 2013-2014 fiscal year, the County implemented a new card system to aid in tracking inmate funds during the time of incarceration. Past years of reconciliations still need to be performed to determine the source of the deficit and accuracy of listing of funds held. Also, proper resolution should be determined for funds held for former inmates no longer housed at the Detention Center.

Current status: Not sustained in current year.

Significant Deficiencies

2014-4 Segregation of Duties

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

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

Current status: Not sustained in current year.