

BAMBERG COUNTY, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

**BAMBERG COUNTY, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

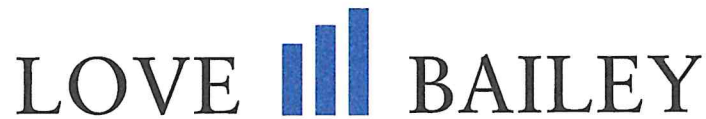
	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	3 - 34
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	35
Statement of Activities	36
Fund financial statements	
Balance sheet - governmental funds	37
Reconciliation of the governmental funds balance sheet to the statement of net position	38
Statement of revenues, expenditures, and changes in fund balances - governmental funds	39
Reconciliation of the statement of revenues, expenditures, and changes in fund balances - governmental funds to the statement of activities	40
Statement of revenues, expenditures, and changes in fund balance - budget and actual - general fund	41
Statement of revenues, expenditures, and changes in fund balance - budget and actual - major special revenue public works road maintenance fund	42
Statement of net position - proprietary fund	43
Statement of revenues, expenses, and changes in fund net position - proprietary fund	44 - 45
Statement of cash flows - proprietary fund	46
Statement of fiduciary assets and liabilities - Agency Funds	47
NOTES TO FINANCIAL STATEMENTS	48 - 97
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Schedule of changes in the County's total OPEB liability and related ratios	98
Schedule of the County's proportionate share of the net pension liability (SCRS)	99
Schedule of County contributions (SCRS)	100
Schedule of the County's proportionate share of the net pension liability (PORS)	101
Schedule of County contributions (PORS)	102

**BAMBERG COUNTY, SOUTH CAROLINA
YEAR ENDED JUNE 30, 2019**

TABLE OF CONTENTS

(continued)

	<u>Page</u>
OTHER SUPPLEMENTAL INFORMATION	
Combining and individual fund schedules:	
General and major funds	
Schedule of revenues, expenditures, and changes in fund balance - budget and actual -general fund	103 - 104
Schedule of expenditures, compared to budget - general fund	105 - 114
Schedule of revenues, expenditures, and changes in fund balance - project authorization and actual - sales tax and other capital projects fund	115 - 116
Schedule of revenues, expenditures, and changes in fund balance - budget and actual - capital reserve capital projects funds	117
Nonmajor governmental funds	
Combining balance sheet	118
Combining schedule of revenues, expenditures, and changes in fund balance	119
Schedule of revenues, expenditures, and changes in fund balance - budget and actual	
Special revenue fund	120
E-911 special revenue fund	121
Fire service special revenue fund	122
Debt service fund	123
Fiduciary funds	
Combining schedule of fiduciary assets and liabilities	124
Combining schedule of changes in fiduciary assets and liabilities	125 - 128
Schedule of court fines, assessments and surcharges	129
Computation of legal debt margin	130
Schedule of delinquent taxes receivable	131
 COMPLIANCE SECTION	
Independent auditor's report of internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i>	132 - 133
Schedule of findings and responses	134 - 136
Summary schedule of prior year findings	137 - 139



CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Bamberg County, South Carolina, as of and for the year ended June 30, 2019, 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. 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.

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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the major Special Revenue Public Works Road Maintenance Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The combining and individual nonmajor fund financial statements 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 nonmajor fund financial statements 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 April 29, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 County's internal control over financial reporting and compliance.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
April 29, 2020

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

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, 2019. 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, 2019 by \$7,338,839 (net position). The County's unrestricted net position portion of this amount is a deficit \$(2,615,792).
- The County's total net position increased \$2,460,028 over the previous year with a reduction of \$28,765 related to prior period adjustments.
- At June 30, 2019, the County's governmental fund balance sheet reported a combined ending fund balance of \$11,250,393, an increase of \$3,044,844 from the previous fiscal year with a reduction of \$10,400 related to a prior period adjustment. Of this amount, \$1,792,447 remains in the various funds of the County as unassigned.
- The General Fund reported a fund balance of \$3,309,287, an increase from last fiscal year of \$411,085. The unassigned fund balance is \$2,166,464.

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, 2019

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 36 and 37 of this report.

Fund financial statements

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

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

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

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

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

budgetary comparison schedules have been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental funds financial statements can be found on pages 38 through 43 of this report.

Proprietary fund: Bamberg County utilizes one proprietary fund for its landfill and solid waste and litter control programs related activities. This fund accounts for the assessed solid waste fees and the landfill usage fees. These statements are found on pages 44 through 47.

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 48 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 39 through 97 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 98 through 102 and the actual vs. budget schedules and combining and individual fund schedules can be found on pages 103 through 128 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 \$7,338,839 at the close of the most recent fiscal year. The County's increase in net position for this fiscal year amounts to \$2,460,028 with a reduction of \$28,765 related to prior period adjustments.

One portion of the County's net position (\$1,171,561) 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

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

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 (\$8,783,070) represents resources that are subject to restrictions on how they may be used. The remaining balance is a deficit of (\$2,615,792) unrestricted net position.

Bamberg County's Net Position
(Dollars in Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current and other assets	\$12,867	\$ 9,965	\$ (27)	\$ 82	\$12,840	\$10,047
Capital assets	13,351	12,860	796	863	14,147	13,723
Total Assets	<u>26,218</u>	<u>22,825</u>	<u>769</u>	<u>945</u>	<u>26,987</u>	<u>23,770</u>
Total deferred outflows of resources	<u>2,490</u>	<u>2,612</u>	<u>62</u>	<u>58</u>	<u>2,552</u>	<u>2,670</u>
Long-term liabilities outstanding	17,115	17,768	1,045	1,094	18,160	18,862
Other liabilities	3,677	2,233	215	258	3,892	2,491
Total liabilities	<u>20,792</u>	<u>20,001</u>	<u>1,260</u>	<u>1,352</u>	<u>22,052</u>	<u>21,353</u>
Total deferred inflows of resources	<u>140</u>	<u>170</u>	<u>8</u>	<u>9</u>	<u>148</u>	<u>179</u>
Net position						
Invested in capital assets, net of related debt	681	812	491	468	1,172	1,280
Restricted	8,783	6,508	-	-	8,783	6,508
Unrestricted	<u>(1,688)</u>	<u>(2,054)</u>	<u>(928)</u>	<u>(826)</u>	<u>(2,616)</u>	<u>(2,880)</u>
Total net position	<u>\$ 7,776</u>	<u>\$ 5,266</u>	<u>\$ (437)</u>	<u>\$ (358)</u>	<u>\$ 7,339</u>	<u>\$ 4,908</u>

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

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	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenue:						
Charges for services	\$ 1,052	\$ 786	\$ 935	\$ 999	\$ 1,987	\$ 1,785
Operating grants	353	407	47	285	400	692
Capital grants and contributions	1,480	536	-	-	1,480	536
General revenue:						
Taxes:						
Property taxes	8,314	7,289	-	-	8,314	7,289
Sales tax	1,056	961	-	-	1,056	961
State shared revenue	839	658	-	-	839	658
Gain on sale of assets	1	28	-	12	1	40
Interest earnings	85	35	-	-	85	35
Miscellaneous	111	82	-	-	111	82
Contributions	-	4	-	-	-	4
Total revenues	<u>13,291</u>	<u>10,786</u>	<u>982</u>	<u>1,296</u>	<u>14,273</u>	<u>12,082</u>
Expenses						
General government	3,755	2,677	-	-	3,755	2,677
Judicial	766	785	-	-	766	785
Public safety	3,567	3,333	-	-	3,567	3,333
Public works	447	697	-	-	447	697
Economic development	50	505	-	-	50	505
Culture and recreation	151	210	-	-	151	210
Miscellaneous	201	186	-	-	201	186
Health and welfare	475	556	-	-	475	556
Interest and charges	585	661	-	-	585	661
Depreciation and amortization	679	692	-	-	679	692
Landfill and solid waste	-	-	1,137	1,326	1,137	1,326
Total expenses	<u>10,676</u>	<u>10,302</u>	<u>1,137</u>	<u>1,326</u>	<u>11,813</u>	<u>11,628</u>
Transfers	<u>(94)</u>	<u>(84)</u>	<u>94</u>	<u>84</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 2,521</u>	<u>\$ 1,254</u>	<u>\$ (61)</u>	<u>\$ 54</u>	<u>\$ 2,460</u>	<u>\$ 454</u>

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

Primary Government Activities

Revenues for the County's governmental activities were \$13,291,382 for fiscal year 2019. Taxes constitute the largest source of County revenues, amounting to approximately \$8,313,894 for the fiscal year 2019. Real, personal property, and vehicle taxes of \$6,514,985 represent over 78% of total taxes and 49% of all revenue combined. The business-type activities had a decrease in net position for the year of \$60,485 with another decrease of \$18,365 related to prior period adjustments.

Financial Analysis of Bamberg County's Funds

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

Governmental funds

The focus of Bamberg County governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Bamberg County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2019, Bamberg County governmental funds reported combined fund balances of \$11,250,393, an increase of \$3,044,844 and a decrease of \$10,400 related to a prior period adjustment caused an overall increase in fund balances of \$3,034,444 over the prior year balances.

The General Fund is the chief operating fund of the County. At June 30, 2019, total fund balance in the General Fund was \$3,309,287, of which \$2,166,454 was unassigned. As a measure of the General Fund's liquidity, the total unassigned fund balances compared to total fund expenditures was 30%. The fund balance of the General Fund increased by \$411,085 during the current fiscal year.

The major Special Revenue Public Work Road Maintenance Fund is used to account fees assessed for roads for maintenance. The Fund balance for this fund increased by \$126,701 to arrive at a deficit fund balance of (\$222,746) at June 30, 2019.

The major Sales Tax and Other Capital Projects Fund is used to account for specific revenues and debt proceeds slated to fund the approved capital projects under the sales tax referendum. The fund balance for this fund increased by \$2,191,916 during the fiscal year resulting in an ending fund balance of \$6,930,774 at June 30, 2019.

The major Capital Reserve Capital Projects Fund is used to account for tax revenue levied for capital equipment needs. The fund balance for this fund decreased by \$187,927 to arrive at an ending fund balance of \$184,139 at June 30, 2019.

Other governmental funds are used to account for specific revenues and expenditures. Total fund balances of all other governmental funds increased by \$503,069 and a decrease of \$10,400 related to a prior period adjustment caused an overall increase of \$492,669 from the prior year.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

General Fund Budgetary Highlights

A budget to actual statement is provided for the General Fund on page 42. The expenditures incurred during the year were \$553,666 under the budgeted amounts and revenues received were \$89,020 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, 2019 is stated below.

	Governmental Activities	Business-Type Activities
	(Dollars in Thousands)	
Land	\$ 392	\$ 36
Construction in process	493	-
Buildings and improvements	7,855	139
Vehicles	708	193
Machinery and equipment	1,886	428
Infrastructure	2,017	-
Total capital assets, net	\$ 13,351	\$ 796

Additional information on the County's capital assets can be found in Note 8 on pages 63 through 64 of this report.

Long-term debt

At the end of the current fiscal year, Bamberg County had a total bonded debt outstanding of \$1,544,507, all of which is backed by the full faith and credit of the County. During the 18-19 fiscal year, the County issued \$160,500 general obligation bond Series 2019 to provide funding for payment of existing debt service on debt related to capital sales tax projects. The County also issued \$1,600,000 general obligation bond through a Bond Anticipation Note for the use of capital sales tax related projects. During the fiscal year, the County also executed an installment purchase contract of \$50,050 for two Dell servers.

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

	Governmental Activities		Business-type Activities	
	2019	2018	2019	2018
General obligation bonds	\$ 3,145	\$ 1,602	\$ -	\$ -
Installment purchase revenue bonds	9,340	9,870	-	-
Notes payable	161	343	48	58
Capital lease obligations	888	1,131	257	337
	\$13,534	\$12,946	\$ 305	\$ 395

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Additional information on Bamberg County's long-term debt can be found on Note 12 on pages 56 through 64 of this report.

Economic Factors and Next Year's Budgets and Rates

Physical Characteristics



County Profile:

Date Formed: 1897

County Seat: Bamberg

Form of Government: Council-Administrator

Method of Election: Single Member

Council of Government: Lower Savannah

Land Area (Square Miles): 393

Other Cities & Towns: Denmark, Ehrhardt, Govan, Olar

Council Members: 7

Term Length: 4 years

County History:

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

BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

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

Rail Service:

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

Air Service:

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

Utility Providers:

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

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

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

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.

Unique:

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

Largest Employers:

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

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.



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.

Freudenberg Sealing Technologies

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Phoenix Specialty

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

Black Water Barrels

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

Bamberg Barnwell Emergency Care Center

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



BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019

Southern Carolina Alliance

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

Unemployment

According to the S.C. Department of Employment and Workforce (DEW), Bamberg County’s unemployment rate was 6.7% in July 2018, 6.5% as of July 2019, and 5.7% as of February 2020. The state of South Carolina’s unemployment rate was 3.6% in July of 2018, 3.4% in July 2019, and 3.0% as of February 2020.

Planning

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

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



**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Vision

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

Mission

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



FY 20 Budget Detail

The FY 20 budget was developed to align resources (revenues) to Council’s goals and overall mission for the county. The County continued to address deferred equipment needs by following its capital replacement plan. It was established that the State continues to not fully fund local governments properly per State law, thus this fact made it very difficult to fully fund all the County’s needs with the local tax base. The County experienced increases to some operating costs such as health insurance, retirement costs, and general inflationary pressures to goods and services.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

The value of one mil remained relatively flat, from \$26,732 in FY 19 to \$26,715 for FY 20, thus there was no increase in revenues due to the lack of significant growth of the tax base.

The County continued to choose to cover the increases to employee health insurance premiums, as opposed to passing those costs to the employees. The FY 20 budget does not contain any across-the-board pay increases.

BAMBERG COUNTY BUDGET HIGHLIGHTS AND CHALLENGES

Health Insurance

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

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

YEAR	% INCREASE	LOAD FACTOR
2014	9.00%	1.000
2015	9.00%	1.063
2016	4.50%	1.029
2017	0.60%	1.000
2018	3.75%	1.500
2019	0.00%	1.500
2020	TBD	1.500

YEAR	PREMIUMS
FY18	\$ 737,000
FY19	\$ 1,013,000
FY20	\$ 1,061,000

In past years, the County has absorbed all (100%) of the premium increases, meaning that the employees have not had any insurance premium increases for many years.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Below is a table that depicts what the County could require the employees to pay, compared to what the employees actually do pay.

Insurance Breakdown				
Category	EE	ER	EE Actual	ER Actual
REGULAR				
Subscriber	146.52	604.06	8.77	741.81
Subs/Spouse	380.04	1,196.52	143.16	1,433.40
Subs/Child	215.80	927.10	33.66	1,109.24
Family	459.84	1,498.08	196.36	1,761.56

Retirement Contributions Continue to Increase

Retirement reform from 2018 continues to impact our budget. H.3726/S.394 made major changes to the SCRS and PORs. Below is a table that provides historical and future contribution rates for the employees and for the employer.

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

The cost to the County in FY19 is an additional \$90,350. Total retirement cost to the County in FY19 will be \$505,000. FY20 total retirement cost will be \$577,400, an increase of \$72,400.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Summary Health Insurance and Retirement

Combined, these two fringe benefits alone will increase by \$120,400.

Local Government Fund

- The Local Government Fund (LGF) helps counties offset the cost of state services and functions provided at the county level, thereby reducing the property tax burden for South Carolina residents.
- SC Code Section 6-27-40 provides that the Local Government Fund will be calculated at 4.5% of the previous year's state general fund revenues, divided between counties (83.3%) and cities (16.7%) and distributed based on population.
- Each year since 2009, the General Assembly has voted to suspend the LGF formula and has appropriated an amount far less than required under the formula as required by State law.
- Below is a table that depicts how much we should have received versus the amount we did receive from the State, based on the statutory formula.

BAMBERG COUNTY			
LOCAL GOVERNMENT FUND HISTORY			
	FORMULA	ACTUAL	SHORTFALL
FY08	960,547	960,547	-
FY09	1,027,847	960,498	67,349
FY10	986,436	787,785	198,651
FY11	854,439	692,302	162,137
FY12	638,723	517,625	121,098
FY13	721,668	603,962	117,706
FY14	750,704	603,962	146,742
FY15	819,636	603,997	215,639
FY16	840,725	603,997	236,728
FY17	893,572	634,522	259,050
FY18	See note	632,795	non-determinable
FY19	See note	632,795	non-determinable
FY20	See note	664,806	non-determinable
CUMULATIVE	8,494,297	8,899,593	1,525,100
VALUE OF MIL TODAY			26,715
TAX RELIEF WE COULD GIVE OUR CITIZENS			57.1 mils
EQUALS TAX ON AVERAGE HOME			143.892 PER YEAR
<p>Note: The SCAC stopped providing the "formula" calculations in FY17. Safe to assume that we would at least be receiving over \$900,000 had the formula been followed.</p>			

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Overall Comments

Due to the unprecedented increases to health insurance and retirement, this budget is a very difficult one to “balance”. Many departments have asked for increases to operating expenses but we have to hold them to last years’ amounts. In the General Fund total budget requests are \$8.2 million, compared to the current year’s budget of \$7,902,805. This is a requested increase of over \$300,000, which Health Insurance and Retirement account for \$120,400 (40%).

Revenues are mostly flat, aside from the uptick in the Local Government Fund, so suffice it to say that we will not be able to approve any departmental requests for increases, unless it is deemed to be vital to the ongoing operation of the County.

Outside agencies also requested increases to their allocations, such as the Solicitor and the Animal Shelter. We are proposing to continue to fund one mil for Denmark Technical College.

Our understanding is that it is the Council’s desire to not have a tax increase to fund this budget and we are committed to that goal, although for that to happen, there must be cuts made to the requested amounts. The Administrator and the Finance Team will work toward this goal and attempt to maintain a fiscally prudent budget plan.

Below is a chart that depicts the current budget versus the proposed FY20 Budget.

BUDGET TOTALS	FY19	Requested FY20	Proposed FY20
GENERAL FUND	\$ 7,902,805	\$ 8,198,115	\$ 7,963,590
SPECIAL REVENUE	3,390,820	6,659,565	6,565,370
ENTERPRISE FUND	1,501,530	1,521,010	1,514,120
DEBT SERVICE FUND	368,515	362,825	362,825
CAPITAL PROJECTS FUND	2,735,605	8,568,095	8,568,095
TOTAL	\$ 15,899,275	\$ 25,309,610	\$ 24,974,000

Special Revenue Fund is increasing because we are anticipating receiving multiple broadband grants from the Rural Utilities Service-Community Connect grant program.

Capital Projects is increasing as we are including all of the new approved capital project sales tax projects in the FY20 Budget.

General Fund

The General Fund is used to account and report all financial resources not accounted for and reported in another fund.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

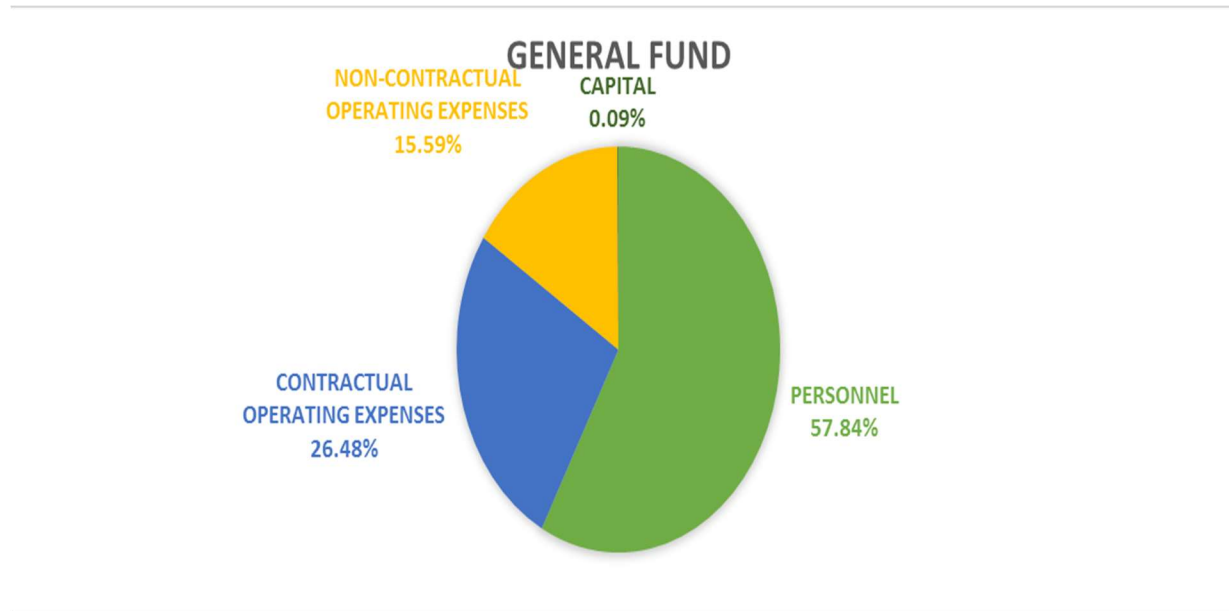
The General Fund is comprised of the following departments:

GENERAL FUND	
ADMINISTRATION	\$ 267,440
COUNTY AUDITOR	136,830
COUNTY TREASURER	235,080
CLERK OF COURT	332,210
PROBATE JUDGE	150,495
SHERIFF	1,203,035
DETENTION CENTER	986,440
MAGISTRATE	233,355
CORONER	48,025
ASSESSOR/RISK MANAGER/GIS	288,555
BUILDING & PLANNING	97,060
VOTER REGISTRATION	177,315
DISPATCHING	437,435
DELINQUENT TAX COLLECTOR	167,225
CENTRAL SERVICES AND UTILITIES	732,410
CONTRACT AGENCIES	877,315
NON-CONTRACT AGENCIES	164,225
CONTINGENCY AND GRANT MATCHES	15,000
UNALLOCATED BENEFITS	12,100
MOSQUITO CONTROL	6,300
FINANCE/ASST. COUNTY ADMINISTRATOR	456,230
BUILDING AND GROUNDS	295,275
COUNTY ATTORNEY	152,900
INFORMATION TECHNOLOGY	132,800
EMERGENCY SERVICES	91,405
COUNTY COUNCIL	228,490
VETERAN'S AFFAIRS OFFICER	32,295
TRANSFER OUT	6,345
GENERAL FUND TOTAL	\$ 7,963,590

The FY19 General Fund budget is \$7,902,805 compared to our FY20 proposed General Fund budget of \$7,963,590. This is an increase of \$60,785 which is less than 1% (.008) change over the previous year.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Below is a pie chart that depicts the breakdown of expenditures into the main categories.



Personnel accounts for close to 58% of the total general fund budget and includes salaries and all fringe benefits such as health insurance and retirement. This also includes payroll taxes that the County must pay such as social security, workers' compensation insurance and unemployment insurance.

We have broken down operating expenses into two main categories: contractual operating expenses and non-contractual operating expenses. Contractual operating expenses are close to 27% of the total general fund budget and would include firm commitments made to the Solicitor, Public Defender, the Medically Indigent Assistance Fund, the animal shelter, and Denmark Technical College. Other expenditures in this category include other contractually bound items such as the audit, service-type contracts such as those in the Detention Center, and computer and software maintenance in multiple departments such as Dispatching, the Sheriff's Office, Clerk of Court and Magistrate's Office.

This leaves what we are calling non-contractual operating expenses which are comprised of all remaining operating expenditures such as utilities, supplies, repairs, fuel, postage, and telephone. This also includes county support to agencies such as the Bamberg County Office on Aging, DSS, Health Department and Chamber of Commerce. This category is 16% of the total general fund budget.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Below is a summary of these expenditures broken down into the respective categories.

GENERAL FUND TOTAL				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ 4,234,520	\$ 4,605,915	\$ 4,605,915	\$ 371,395
OPERATING EXPENSES	3,635,165	3,585,039	3,350,515	284,650
CONTRACTUAL OPERATING EXPENSES	2,071,280	2,153,405	2,108,895	37,615
NON-CONTRACTUAL OPERATING EXPENSES	1,563,885	1,431,634	1,241,620	322,265
CAPITAL	33,120	7,160	7,160	25,960
TOTAL	\$ 7,902,805	\$ 8,198,114	\$ 7,963,590	\$ 60,785

You will note that we cut the total general fund operating budgets by \$284,650. This was necessary due to the continued increases in health insurance and retirement, and the Council's directive to produce a budget with no tax increase. Many, if not most departments will see a reduction in their operating budget. We made reductions based on a line by line analysis, comparing year-to-date actuals in the current year to the current year budget. Overall, this is a 7.8% reduction. (\$284,650/\$3,635,165)

Special Revenue Funds

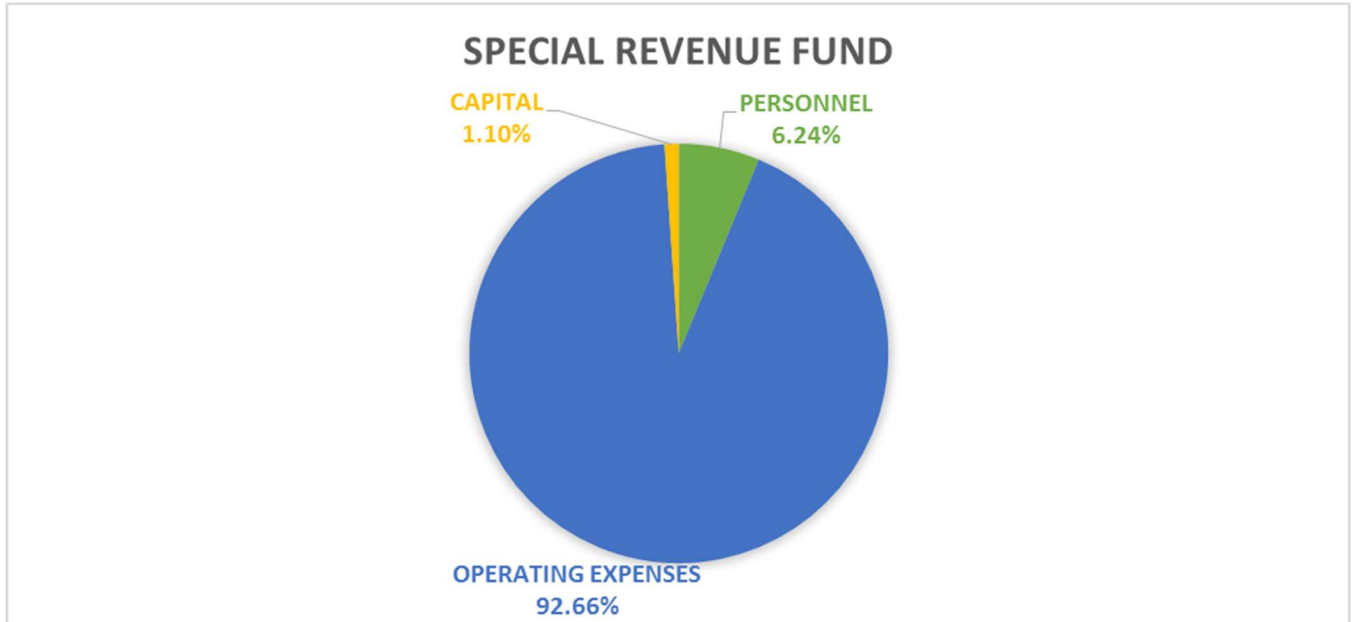
Special Revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

The County maintains numerous Special Revenue Funds as follows:

SPECIAL REVENUE FUND	
E911	\$ 255,870
PUBLIC WORKS - ROAD MAINTENANCE	414,500
FIRE/EMS COORDINATOR	472,130
"C" FUNDS	500,000
LEMPG GRANTS	80,110
S. C. DEPARTMENT OF NATURAL RESOURCES GRANTS	87,760
S.C. DEPARTMENT OF COMMERCE GRANTS	450,000
FY 20 POTENTIAL GRANTS	1,000,000
AIRPORT	305,000
RURAL UTILITIES SERVICE COMMUNITY CONNECTIVITY BROADBAND GRANT	3,000,000
SPECIAL REVENUE FUND TOTAL	\$ 6,565,370

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

As was shown in the General Fund, we have also compiled the Special Revenue Funds by category, shown below.



Operating expenses account for 93% of the Special Revenue Funds. This is due to the fact that we do not have as many employees in these funds, like we do in the General Fund. We have three departments with employees in these funds: Rural Fire, E911, and Public Works (Road Maintenance).

Below is a summary of all Special Revenue Funds; we will go into more detail on some of the larger departments.

SPECIAL REVENUE FUND TOTAL				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ 399,835	\$ 409,670	\$ 409,670	\$ 9,835
OPERATING EXPENSES	2,850,075	6,087,640	6,083,445	3,233,370
CAPITAL	140,910	162,255	72,255	68,655
TOTAL	\$ 3,390,820	\$ 6,659,565	\$ 6,565,370	\$ 3,174,550

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Rural Fire

Below is the Rural Fire proposed FY20 Budget, as compared to the FY19 Budget.

FIRE/EMS COORDINATOR - DEPT #02620				
	BUDGET	DEPARTMENT	PROPOSED	DIFF FY19
EXPENDITURE CATEGORY	FY 2018 - 2019	REQUEST FY20	FY 2019 - 2020	TO PROPOSED
PERSONNEL	\$ 70,085	\$ 70,755	\$ 70,755	\$ 670
OPERATING EXPENSES	293,215	329,575	329,120	35,905
CAPITAL	63,595	72,255	72,255	8,660
DEPARTMENT TOTAL	\$ 426,895	\$ 472,585	\$ 472,130	\$ 45,235

You will note an increase of \$35,905 under the Operating Expenses category. We are proposing an increase of \$28,860 to the contractual amounts that are appropriated for the Fire Departments. This increase was voted on and recommended by the Fire Advisory Board and the Public Safety Committee. This represents a 25% increase for Olar, Ehrhardt, Govan, Hunters Chapel and Clear Pond, and a 20% increase for Little Swamp and Colton. It will be a 5% increase for Bamberg and Denmark. The proposed annual amounts for each department are below:

	<u>FY19</u>	<u>FY20 PROPOSED</u>	<u>Increase</u>	<u>% Increase</u>
Bamberg	\$ 50,500.00	\$ 53,025.00	\$ 2,525.00	5%
Denmark	50,500.00	53,025.00	2,525.00	5%
Olar	15,700.00	19,625.00	3,925.00	25%
Ehrhardt	15,700.00	19,625.00	3,925.00	25%
Govan	15,700.00	19,625.00	3,925.00	25%
Hunters Chapel	15,700.00	19,625.00	3,925.00	25%
Clear Pond	12,475.00	15,593.75	3,118.75	25%
Little Swamp	12,475.00	14,970.00	2,495.00	20%
Colston	12,475.00	14,970.00	2,495.00	20%
	\$ 201,225.00	\$ 230,083.75	\$ 28,858.75	14%

The increase to Capital is needed to pay for a tower light upgrade as well as to fund the payments to the USDA for the new sub-station.

Other than these, most all other operating expenses remain flat from the FY19 Budget.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

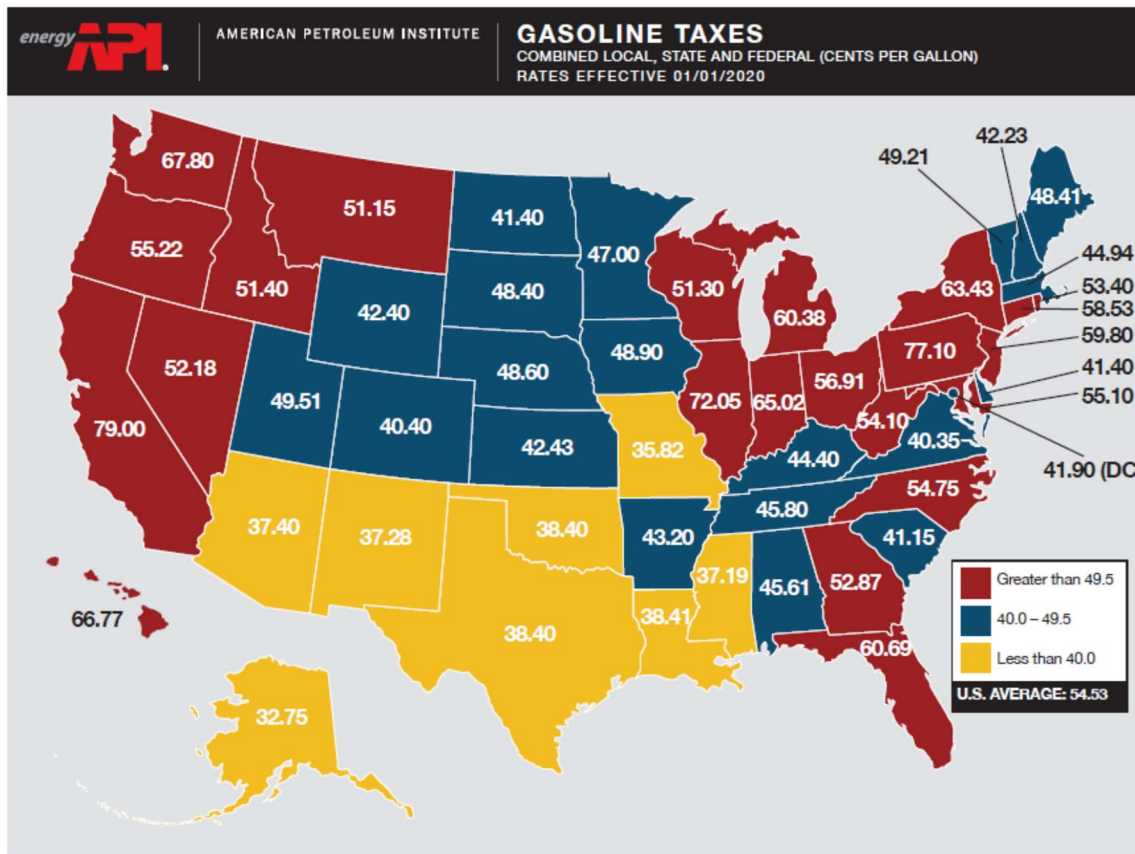
C Funds

The County took over the management of C Funds in the spring of 2019. This means that the County will not be paying the State an administrative fee for their service and we also will be better able to program projects and to know how much is available for projects, all on a more timely and efficient basis.

The gas/diesel tax increased 2 cents per gallon on 7/1/18 and will continue to increase each year until 2022 until it reaches 28 cents per gallon. It is currently \$0.22 cents per gallon. The federal gas tax is currently \$0.184 cents per gallon. There are two additional taxes/fees that you pay at the pump. They are a 0.25 cents per gallon inspection fee (\$0.0025) and a 0.50 cpg environment fee for underground storage tank cleanup.

So all in all, right now we all pay a total of \$0.4115 cents in taxes on each gallon for gasoline. Diesel is \$0.4715 cents per gallon.

These funds are collected and remitted to the Department of Revenue, who, in turn sends each county their portion of the taxes. Below is a map that shows each State's taxes.



Disclaimer: This report is posted for informational purposes only and should not be relied upon or used for compliance purposes.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

It is interesting to note that SC has the 4th largest State-owned system (41,500 miles and 8,300 bridges) in the US but had the 3rd lowest gasoline tax, before the increases that began in July 2018.

We are proposing to budget the same amount as last year in the C Fund department. Right now we don't have historical data to know how much we will receive each month in the gas tax, but we do know that we received \$71,278 in May that was inclusive of interest of \$7,445. We will build out our collection history as we receive the funds.

"C" FUNDS - DEPT # 01302				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	500,000	500,000	500,000	-
CAPITAL	-	-	-	-
DEPARTMENT TOTAL	\$ 500,000	\$ 500,000	\$ 500,000	\$ -

Grants

The County budgets its grants in the Special Revenue Fund group. Below are two new and connected grants proposed in the FY20 Budget. This is the broadband grant project that has been applied for through the Rural Utilities Service, under the Community Oriented Connectivity Broadband Grant Program. The grant is \$3,000,000 with a \$450,000 match requirement. The State Department of Commerce has stepped up to provide the \$450,000 match.

This project, once approved and built out, is going to change the internet landscape of the County. This is only Phase One and will be installed in the Hunter's Chapel community. There are also Phase Two and Three in the works.

RURAL UTILITIES SERVICE COMMUNITY CONNECTIVITY BROADBAND GRANT - DEPT #01310				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	-	3,000,000	3,000,000	3,000,000
CAPITAL	-	-	-	-
TOTAL	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

S.C. DEPARTMENT OF COMMERCE GRANTS - DEPT. #5013				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	247,950	450,000	450,000	202,050
CAPITAL	-	-	-	-
TOTAL	\$ 247,950	\$ 450,000	\$ 450,000	\$ 202,050

Below is an excerpt from the grant application.

B – EXECUTIVE SUMMARY

Much like telephone service was a necessary tool for economic growth in the 20th century, industry today will use broadband Internet as that tool for future. To attract industry and compete in the growing market, the proper infrastructure must be in place to provide access to services. The project targets the Hunter’s Chapel Community in the eastern portion of Bamber County SC.

Bamberg County is one of twelve counties in the state of South Carolina designated as a “Persistent Poverty County”. The S. C. Employment Security Commission reports that in January 2018, Bamberg County’s unemployment rate was at 8.1% compared to South Carolina’s unemployment rate of 4.3% and a U.S. rate of 4.1%. According to the U.S. Census Bureau, the median household income in Bamberg County is 35% below the national average and 31% of residents in Bamberg County live below the poverty level.

Growth in this region will depend on the marketability of services available to potential industry. County and local governments will be able to develop an extensive package of services based on advanced broadband access, a redundant core network, and up to 400 Gig of transport services. A 400 Gig redundant core network will allow for this region to attract technology companies with any bandwidth requirements.

Small businesses in rural America are disadvantaged in the aspect of direct customer access. Broadband access will be the number one way to gain access to a larger customer base. Marketing of services and products in the 21st century will continue to evolve over time to be directed at specific clientele through personalized access vehicles such as Facebook, MySpace, and Twitter. Entrepreneurs being able to market and apply services accordingly will provide equal opportunity to a customer base and will grow as well. Virtual office capabilities will also be available throughout the region.

Suffice it to say that this project will be transformative.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

There are other grants in the Special Revenue Funds including the following:

Airport Improvement Grant	\$	300,000
Local Emergency Planning Grant	\$	60,000
Unspecified Grants	\$	1,000,000

Public Works (Road Maintenance)

Below is the summary of the Public Works budget proposal. As you can see, the total budget is \$240,725 less than last year due to the one-time deficit levy that was imposed in FY19.

PUBLIC WORKS - ROAD MAINTENANCE - DEPT # 00200				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ 240,275	\$ 244,705	\$ 244,705	\$ 4,430
OPERATING EXPENSES	414,950	172,445	169,795	(245,155)
CAPITAL	-	-	-	-
DEPARTMENT TOTAL	\$ 655,225	\$ 417,150	\$ 414,500	\$ (240,725)

In addition, we have reduced the operating expenses in this budget by approximately \$11,000, with the bulk of that being in fuel, based on the fact that fuel prices have declined somewhat over the past few years.

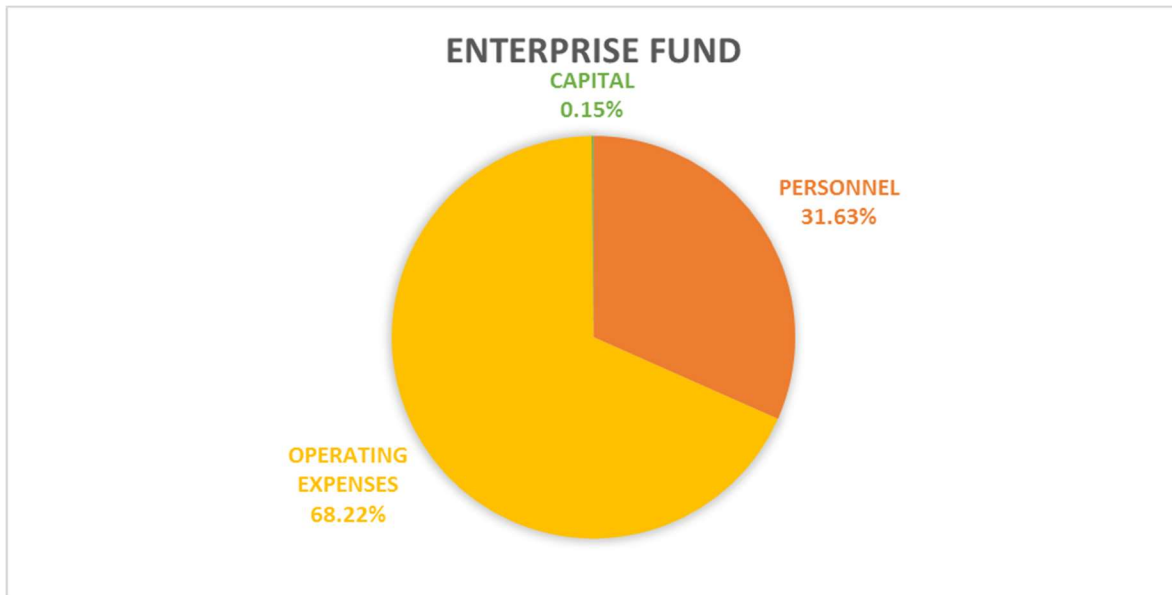
Enterprise Fund

An Enterprise Fund is used when the intent is to establish fees that will cover the expenses of the entity. In these funds, customers are generally the general public and private businesses. The County maintains one Enterprise Fund that is comprised of the Landfill/Solid Waste Department, Litter Control, and Keep Bamberg County Beautiful.

ENTERPRISE FUND	
LANDFILL & SOLID WASTE	\$ 1,317,875
LITTER CONTROL	76,895
KEEP AMERICA BEAUTIFUL	119,350
ENTERPRISE FUND TOTAL	\$ 1,514,120

On the next page is a pie chart that demonstrates the categories of expenses in our Enterprise Fund. As you can see, this fund is 32% Personnel and 68% Operating. This heavy make-up of operating expenses is due to the costs associated with owning and operating the landfill and all of the convenience center sites.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**



Here is the summary of the Enterprise Fund's FY20 Budget proposal, compared to FY19 budget.

LANDFILL & SOLID WASTE - DEPT # 00205				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ 381,680	\$ 376,815	\$ 376,815	\$ (4,865)
OPERATING EXPENSES	899,030	942,160	938,835	39,805
CAPITAL	2,225	2,225	2,225	0
DEPARTMENT TOTAL	\$ 1,282,935	\$ 1,321,200	\$ 1,317,875	\$ 34,940

Overall, we are proposing an increase of \$12,590 to this fund. We are budgeting for, and expecting an increase in the contracts for hauling waste from the eight Solid Waste Collection & Recycling Centers to the Three Rivers Solid Waste facility. We have increased this line item from \$140,000 to \$206,000, an increase of \$66,000. This is based on our knowledge, at this time, of what the new contract will cost. There are some offsetting reductions in this budget and some savings in health insurance which are helping to mitigate the impact of the \$66,000 increase.

Debt Service Funds

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The County maintains three debt service funds: General Obligation Bond-Hospital, USDA Rural Development-Community Facilities Loan (Sheriff's Vehicles), and the General Obligation-Mini Bonds.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

DEBT SERVICE FUND	
GENERAL OBLIGATION BOND : HOSPITAL	\$ 132,745
USDA RURAL DEVELOPMENT - COMMUNITY FACILITIES LOAN	41,715
INSTALLMENT PURCHASE REV. BOND - MINI BONDS	188,365
DEBT SERVICE FUND TOTAL	\$ 362,825

Below are the totals of all three of the County's debt service funds.

DEBT SERVICE FUND TOTAL				
EXPENDITURE CATEGORY	BUDGET FY 2018 - 2019	DEPARTMENT REQUEST FY20	PROPOSED FY 2019 - 2020	DIFF FY19 TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	368,515	362,825	362,825	(5,690)
CAPITAL	-	-	-	-
TOTAL	\$ 368,515	\$ 362,825	\$ 362,825	\$ (5,690)

The total requirement for debt service went down by \$5,690 from FY19 to FY20. This is due to the following:

General Obligation-Mini Bonds payments went down by \$38,335 (one bond is paid in full)
General Obligation-Hospital payments went up by \$32,645 due to principal amounts increasing.

Capital Projects Funds

Capital Project Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including acquisition or construction of capital facilities or other capital assets.

CAPITAL PROJECTS FUND	
CAPITAL RESERVE - FUND #033	\$ 1,071,205
CAPITAL PROJECTS - FUND #030	7,496,890
CAPITAL PROJECTS FUND	\$ 8,568,095

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Capital Projects Sales Tax Fund

The County utilizes two Capital Projects Fund accounts. The first one is for the projects related to the capital project sales tax proceeds. There are ten approved projects as follows:

Law Enforcement, Health & Human Services Complex (Phase 1)	\$ 3,800,000
Reno Old City Hall and Relocation of Police Dept (Denmark)	400,000
Upgrade of Water System (Olar)	71,000
Reno Community Center (Little Swamp)	15,000
Welcome Center/Tourism Bldg (Bamberg)	150,000
Completion of Ehrhardt Park	105,000
Reno Town Hall (Govan)	50,000
Walking Berm, Lighting, Ditch Repair/Walkway (Bamberg)	125,000
Raider Park-Bike/Walking Trail, Fountain Lighting (Bamberg)	125,000
Reno Town Hall (Olar)	3,000
	\$ 4,844,000

Below are the totals of the Capital Project Sales Tax Fund. The reason that FY20 is so much larger than FY19 is due to the inclusion of all of the above projects.

CAPITAL PROJECTS - FUND #030, DEPT #02600				
	BUDGET	DEPARTMENT	PROPOSED	DIFF FY19
EXPENDITURE CATEGORY	FY 2018 - 2019	REQUEST FY20	FY 2019 - 2020	TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	1,651,400	7,496,890	7,496,890	5,845,490
CAPITAL	-	-	-	-
DEPARTMENT TOTAL	\$ 1,651,400	\$ 7,496,890	\$ 7,496,890	\$ 5,845,490

Capital Reserve Fund

The second Capital Projects Fund is the County's Capital Reserve Fund. The County uses this fund to pay for the following:

CAPITAL RESERVE FUND				
LEASE PAYMENTS FOR CAPITAL ITEMS FOR FY20				
	DESCRIPTION	PRIN	INT	TOTAL
1	Vehicles-General Fund	\$ 92,635	\$ 5,821	\$ 98,456
2	Vehicles-Enterprise Fund-Litter Control Truck	7,133	180	7,313
3	Vehicles-Enterprise Fund-4 Ford F-150-s added in FY18	22,092	4,367	26,459
4	Heavy Equipment-Road Maint.	155,825	23,677	179,503
5	Heavy Equipment-Landfill/Waste	114,614	5,973	120,587
	TOTAL PAYMENTS	\$ 392,300	\$ 40,018	\$ 432,317

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

In addition, this fund also pays for equipment replacement, improvements and repairs. We have kept this fund flat, with no increase over FY19.

CAPITAL RESERVE - FUND #033, DEPT # 02600				
	BUDGET	DEPARTMENT	PROPOSED	DIFF FY19
EXPENDITURE CATEGORY	FY 2018 - 2019	REQUEST FY20	FY 2019 - 2020	TO PROPOSED
PERSONNEL	\$ -	\$ -	\$ -	\$ -
OPERATING EXPENSES	1,071,205	1,071,205	1,071,205	-
CAPITAL	-	-	-	-
DEPARTMENT TOTAL	\$ 1,071,205	\$ 1,071,205	\$ 1,071,205	\$ -

Summary

If you look at the budget in its entirety, and sum up all of the funds, this is what it looks like:

Bamberg County - FY20 Budget Totals by Fund			
	FY19	FY20	FY19 TO FY20 VARIANCE
GENERAL FUND	\$ 7,902,805	\$ 7,963,590	\$ 60,785
SPECIAL REVENUE	3,390,820	6,565,370	3,174,550
ENTERPRISE FUND	1,501,530	1,514,120	12,590
DEBT SERVICE FUND	368,515	362,825	(5,690)
CAPITAL PROJECTS FUND	2,735,605	8,568,095	5,832,490
GRAND TOTAL COUNTY BUDGET	\$ 15,899,275	\$ 24,974,000	\$ 9,074,725

Proposed Tax Levies

MILLAGE		
	BUDGET	ESTIMATED MILLAGE
	2018-2019	2019-2020
CURRENT MILLAGE		
OPERATIONS	129.9	129.9
UNFUNDED STATE MANDATES	28.9	28.9
EMS/RESCUE	18.5	18.5
CAPITAL RESERVE	32.0	32.0
DEBT SERVICE	12.3	12.1
FIRE SERVICE (UNINCORPORATED)	24.0	24.0
ROAD MAINTENANCE-PRIOR YEAR DEFICIT	9.5	0.0
TOTALS	255.1	245.4

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

Fiscal Year 2020 Budget

GENERAL FUND	
ADMINISTRATION	\$ 267,440
COUNTY AUDITOR	136,830
COUNTY TREASURER	235,080
CLERK OF COURT	332,210
PROBATE JUDGE	150,495
SHERIFF	1,203,035
DETENTION CENTER	986,440
MAGISTRATE	233,355
CORONER	48,025
ASSESSOR/RISK MANAGER/GIS	288,555
BUILDING & PLANNING	97,060
VOTER REGISTRATION	177,315
DISPATCHING	437,435
DELINQUENT TAX COLLECTOR	167,225
CENTRAL SERVICES AND UTILITIES	732,410
CONTRACT AGENCIES	877,315
NON-CONTRACT AGENCIES	164,225
CONTINGENCY AND GRANT MATCHES	15,000
UNALLOCATED BENEFITS	12,100
MOSQUITO CONTROL	6,300
FINANCE/ASST. COUNTY ADMINISTRATOR	456,230
BUILDING AND GROUNDS	295,275
COUNTY ATTORNEY	152,900
INFORMATION TECHNOLOGY	132,800
EMERGENCY SERVICES	91,405
COUNTY COUNCIL	228,490
VETERAN'S AFFAIRS OFFICER	32,295
TRANSFER OUT	6,345
GENERAL FUND TOTAL	\$ 7,963,590

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2019**

SPECIAL REVENUE FUND	
E911	\$ 255,870
PUBLIC WORKS - ROAD MAINTENANCE	414,500
FIRE/EMS COORDINATOR	472,130
"C" FUNDS	500,000
LEMPG GRANTS	80,110
S. C. DEPARTMENT OF NATURAL RESOURCES GRANTS	87,760
S.C. DEPARTMENT OF COMMERCE GRANTS	450,000
FY 20 POTENTIAL GRANTS	1,000,000
AIRPORT	305,000
RURAL UTILITIES SERVICE COMMUNITY CONNECTIVITY BROADBAND GRANT	3,000,000
SPECIAL REVENUE FUND TOTAL	\$ 6,565,370

ENTERPRISE FUND	
LANDFILL & SOLID WASTE	\$ 1,317,875
LITTER CONTROL	76,895
KEEP AMERICA BEAUTIFUL	119,350
ENTERPRISE FUND TOTAL	\$ 1,514,120

DEBT SERVICE FUND	
GENERAL OBLIGATION BOND : HOSPITAL	\$ 132,745
USDA RURAL DEVELOPMENT - COMMUNITY FACILITIES LOAN	41,715
INSTALLMENT PURCHASE REV. BOND - MINI BONDS	188,365
DEBT SERVICE FUND TOTAL	\$ 362,825

CAPITAL PROJECTS FUND	
CAPITAL RESERVE - FUND #033	\$ 1,071,205
CAPITAL PROJECTS - FUND #030	7,496,890
CAPITAL PROJECTS FUND	\$ 8,568,095

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,180,205	\$ 233,565	\$ 1,413,770
Restricted cash and cash equivalents	8,836,941	-	8,836,941
Receivables:			
Property taxes	987,879	-	987,879
Other receivables	10,599	202,642	213,241
Due from other governments	1,373,063	8,755	1,381,818
Due from Agency Funds	6,285	-	6,285
Internal balances	472,385	(472,385)	-
Total current assets	<u>12,867,357</u>	<u>(27,423)</u>	<u>12,839,934</u>
Non-current assets:			
Capital assets			
Non-depreciable - Note 8	885,080	36,000	921,080
Depreciable - net - Note 8	12,465,498	760,144	13,225,642
Total non-current assets	<u>13,350,578</u>	<u>796,144</u>	<u>14,146,722</u>
Total assets	<u>26,217,935</u>	<u>768,721</u>	<u>26,986,656</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on bond refunding	1,326,656	-	1,326,656
Related to OPEB	20,434	785	21,219
Related to pension	1,143,292	61,624	1,204,916
Total deferred outflows of resources	<u>2,490,382</u>	<u>62,409</u>	<u>2,552,791</u>
LIABILITIES			
Current liabilities:			
Accounts payable	333,543	72,540	406,083
Accrued expenses	269,549	16,738	286,287
Accrued interest payable	135,123	7,720	142,843
Due to other governments	70,244	-	70,244
Due to Agency Funds	306	-	306
Bond deposits and prepayments	15,402	-	15,402
Unearned grant revenue	-	18,514	18,514
Accrued claims	25,000	-	25,000
Current portion of accrued compensated absences	95,466	5,160	100,626
Current portion of long-term liabilities	2,732,544	94,868	2,827,412
Total current liabilities	<u>3,677,177</u>	<u>215,540</u>	<u>3,892,717</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion	102,204	3,531	105,735
Long-term liabilities, net of current portion	10,967,553	714,155	11,681,708
Net pension liability	5,834,266	314,471	6,148,737
Net OPEB obligation	210,974	12,438	223,412
Total non-current liabilities	<u>17,114,997</u>	<u>1,044,595</u>	<u>18,159,592</u>
Total liabilities	<u>20,792,174</u>	<u>1,260,135</u>	<u>22,052,309</u>
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	10,518	830	11,348
Related to pensions	129,947	7,004	136,951
Total deferred inflows of resources	<u>140,465</u>	<u>7,834</u>	<u>148,299</u>
NET POSITION			
Invested capital assets, net of related debt	680,480	491,081	1,171,561
Restricted	8,783,070	-	8,783,070
Unrestricted (deficit)	(1,687,872)	(927,920)	(2,615,792)
Total net position	<u>\$ 7,775,678</u>	<u>\$ (436,839)</u>	<u>\$ 7,338,839</u>

The accompanying notes are an integral part of these financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEARE ENDED JUNE 30, 2019**

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		
					Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 3,755,018	\$ 66,647	\$ 11,344	\$ -	\$ (3,677,027)		\$ (3,677,027)
Judicial	765,690	273,275	148,807	-	(343,608)		(343,608)
Public safety	3,566,980	126,758	193,274	-	(3,246,948)		(3,246,948)
Public works	447,607	586,198	-	1,479,502	1,618,093		1,618,093
Economic development	50,000	-	-	-	(50,000)		(50,000)
Culture and recreation	150,800	-	-	-	(150,800)		(150,800)
Miscellaneous	201,155	-	-	-	(201,155)		(201,155)
Health and welfare	475,000	-	-	-	(475,000)		(475,000)
Depreciation and amortization	678,812	-	-	-	(678,812)		(678,812)
Interest	585,641	-	-	-	(585,641)		(585,641)
Total governmental activities	<u>10,676,703</u>	<u>1,052,878</u>	<u>353,425</u>	<u>1,479,502</u>	<u>(7,790,898)</u>		<u>(7,790,898)</u>
Business-type Activity							
Landfill and solid waste and litter control	<u>1,136,902</u>	<u>934,890</u>	<u>47,217</u>	<u>-</u>	<u>-</u>	<u>(154,795)</u>	<u>(154,795)</u>
Total business-type activity	<u>1,136,902</u>	<u>934,890</u>	<u>47,217</u>	<u>-</u>	<u>-</u>	<u>(154,795)</u>	<u>(154,795)</u>
Total primary government	<u>\$ 11,813,605</u>	<u>\$ 1,987,768</u>	<u>\$ 400,642</u>	<u>\$ 1,479,502</u>	<u>\$ (7,790,898)</u>	<u>\$ (154,795)</u>	<u>\$ (7,945,693)</u>
GENERAL REVENUES							
Taxes:							
Property taxes					8,313,894	-	8,313,894
Sales tax					1,056,228	-	1,056,228
State shared revenues					838,451	-	838,451
Interest earnings					84,905	144	85,049
Miscellaneous					110,764	-	110,764
Gain on disposal of assets					1,335	-	1,335
Transfers					(94,166)	94,166	-
Total general revenues, capital contributions, and transfers					<u>10,311,411</u>	<u>94,310</u>	<u>10,405,721</u>
Change in net position					2,520,513	(60,485)	2,460,028
Net position, beginning of year					<u>5,265,565</u>	<u>(357,989)</u>	<u>4,907,576</u>
Prior period adjustment (Note 22)					(10,400)	(18,365)	(28,765)
Net position, beginning of year (as restated)					<u>5,255,165</u>	<u>(376,354)</u>	<u>4,878,811</u>
Net position, end of year					<u>\$ 7,775,678</u>	<u>\$ (436,839)</u>	<u>\$ 7,338,839</u>

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General Fund</u>	<u>Special Revenue Public Works Road Maintenance Fund</u>	<u>Sales Tax and Other Capital Projects Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents:						
Unrestricted	\$ 1,180,205	\$ -	\$ -	\$ -	\$ -	\$ 1,180,205
Restricted	1,187,373	5,054	6,433,401	304,257	906,856	8,836,941
Receivables						
Property taxes	777,690	17,393	-	88,374	104,422	987,879
Other receivables	10,599	-	-	-	-	10,599
Due from other governments	647,730	-	504,322	234	220,777	1,373,063
Due from other funds	1,031,880	7,197	-	12,000	257,724	1,308,801
Due from Agency Funds	6,285	-	-	-	-	6,285
Total assets	<u>\$ 4,841,762</u>	<u>\$ 29,644</u>	<u>\$ 6,937,723</u>	<u>\$ 404,865</u>	<u>\$ 1,489,779</u>	<u>\$ 13,703,773</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 178,696	\$ 13,868	\$ -	\$ 1,022	\$ 139,957	\$ 333,543
Accrued expenses	256,437	13,112	-	-	-	269,549
Bond deposits and prepayments	15,402	-	-	-	-	15,402
Due to other governments	70,244	-	-	-	-	70,244
Due to other funds	257,724	216,836	6,949	131,330	223,579	836,418
Due to Agency Funds	306	-	-	-	-	306
Accrued claims	25,000	-	-	-	-	25,000
Total liabilities	<u>803,809</u>	<u>243,816</u>	<u>6,949</u>	<u>132,352</u>	<u>363,536</u>	<u>1,550,462</u>
Deferred inflows of resources:						
Unavailable revenue - property taxes	<u>728,666</u>	<u>8,574</u>	<u>-</u>	<u>88,374</u>	<u>77,304</u>	<u>902,918</u>
Total deferred inflows of resources	<u>728,666</u>	<u>8,574</u>	<u>-</u>	<u>88,374</u>	<u>77,304</u>	<u>902,918</u>
Fund balances:						
Restricted	604,958	-	6,930,774	-	983,744	8,519,476
Assigned	537,865	-	-	216,335	184,270	938,470
Unassigned (deficit)	2,166,464	(222,746)	-	(32,196)	(119,075)	1,792,447
Total fund balances	<u>3,309,287</u>	<u>(222,746)</u>	<u>6,930,774</u>	<u>184,139</u>	<u>1,048,939</u>	<u>11,250,393</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,841,762</u>	<u>\$ 29,644</u>	<u>\$ 6,937,723</u>	<u>\$ 404,865</u>	<u>\$ 1,489,779</u>	<u>\$ 13,703,773</u>

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balance - total governmental funds		\$ 11,250,393
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 periods' expenditures and deferred outflows in the funds.		
Delinquent taxes receivable.		902,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
		13,350,578
Long-term liabilities, related deferred charges on bond refunding, and accrued interest payable are not due and payable in the current period and, therefore, are not reported in the funds:		
Deferred charges on bond refunding	\$ 1,326,656	
Interest payable	(135,123)	
Accrued compensated absences	(197,670)	
Due within a year	(2,732,544)	
Due in more than one year	<u>(10,967,553)</u>	(12,706,234)
Other Post Employment Benefits (OPEB) liability, net of related deferred inflows and outflows, represents the future unfunded costs associated with current benefits.		
		(201,057)
Pension liability, net of related deferred inflows and outflows, represents the proportionate share of the future unfunded costs associated with the County's participation in the South Carolina Retirement System.		
		<u>(4,820,920)</u>
Total net position - total governmental activities		<u><u>\$ 7,775,678</u></u>

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Special Revenue Public Works Road Maintenance Fund	Sales Tax and Other Capital Projects Fund	Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 6,026,482	\$ -	\$ 649,421	\$ 799,340	\$ 812,380	\$ 8,287,623
Sales tax	-	-	944,495	-	-	944,495
Intergovernmental revenue	1,113,239	-	-	-	1,669,872	2,783,111
Licenses and permits	66,647	-	-	-	-	66,647
Charges for services	118,982	586,198	-	-	34,152	739,332
Fines, fees, and forfeitures	246,899	-	-	-	-	246,899
Investment income	5,205	7	78,500	227	966	84,905
Other	107,361	3,403	-	-	-	110,764
Total revenues	<u>7,684,815</u>	<u>589,608</u>	<u>1,672,416</u>	<u>799,567</u>	<u>2,517,370</u>	<u>13,263,776</u>
EXPENDITURES						
Current						
General government	3,108,362	-	-	149,022	20,000	3,277,384
Judicial	765,690	-	-	-	-	765,690
Public safety	2,489,145	-	-	-	1,077,835	3,566,980
Public works	-	447,607	-	-	-	447,607
Economic development	50,000	-	-	-	-	50,000
Culture and recreation	150,800	-	-	-	-	150,800
Miscellaneous	199,176	-	1,528	451	-	201,155
Health and welfare	475,000	-	-	-	-	475,000
Capital outlay	9,500	15,300	238,466	278,824	647,211	1,189,301
Debt service:						
Principal	36,380	-	530,000	415,178	241,786	1,223,344
Interest and fiscal charges	1,251	-	471,006	47,869	69,234	589,360
Total expenditures	<u>7,285,304</u>	<u>462,907</u>	<u>1,241,000</u>	<u>891,344</u>	<u>2,056,066</u>	<u>11,936,621</u>
Excess of revenues over (under) expenditures	<u>399,511</u>	<u>126,701</u>	<u>431,416</u>	<u>(91,777)</u>	<u>461,304</u>	<u>1,327,155</u>
OTHER FINANCING (USES) SOURCES						
Proceeds from sale of assets	1,335	-	-	-	-	1,335
Proceeds from issuance of debt	-	-	1,760,500	50,020	-	1,810,520
Transfers in (out)	10,239	-	-	(146,170)	41,765	(94,166)
Total other financing (uses) sources	<u>11,574</u>	<u>-</u>	<u>1,760,500</u>	<u>(96,150)</u>	<u>41,765</u>	<u>1,717,689</u>
Net change in fund balances	411,085	126,701	2,191,916	(187,927)	503,069	3,044,844
Fund balances, beginning of year	<u>2,898,202</u>	<u>(349,447)</u>	<u>4,738,858</u>	<u>372,066</u>	<u>556,270</u>	<u>8,215,949</u>
Prior period adjustment (Note 22)	-	-	-	-	(10,400)	(10,400)
Fund balances, beginning of year (as restated)	<u>2,898,202</u>	<u>(349,447)</u>	<u>4,738,858</u>	<u>372,066</u>	<u>545,870</u>	<u>8,205,549</u>
Fund balances, end of year	<u>\$ 3,309,287</u>	<u>\$ (222,746)</u>	<u>\$ 6,930,774</u>	<u>\$ 184,139</u>	<u>\$ 1,048,939</u>	<u>\$ 11,250,393</u>

The accompanying notes are an integral part of these financial statements.

**BAMBERG COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHARGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Net changes in fund balances - total governmental funds		\$ 3,044,844
Amounts reported for governmental activities in the statement of activities are different		
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	1,189,301	
Contribution of capital assets		
Less, current year depreciation	<u>(699,012)</u>	490,289
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	1,335	
Gain on disposal	<u>(1,335)</u>	-
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Debt proceeds	(1,760,500)	
Increase in capital lease obligations	(50,020)	
Capital lease obligation principal payments	293,313	
Note payable principal payments	182,123	
Bond principal payment	747,908	
Deferred charges on bond refunding	(191,889)	
Bond premium/discount	<u>20,200</u>	(758,865)
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	3,719	
Change in compensated absences	15,478	
Change in OPEB liability and related deferred inflows/outflows	(1,522)	
Change in Pension liability and related deferred inflows/outflows	<u>(299,701)</u>	(282,026)
Some receivables will not be collected for several months after the County's fiscal year-end; they are not considered "available" revenues in the governmental funds. Change in - property taxes		<u>26,271</u>
Change in net position of governmental activities		<u>\$ 2,520,513</u>

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
GENERAL FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 5,961,090	\$ 5,961,090	\$ 6,026,482	\$ 65,392
Intergovernmental revenue	1,040,765	1,040,765	1,113,239	72,474
Licenses and permits	66,200	66,200	66,647	447
Charges for services	129,300	129,300	118,982	(10,318)
Fines, fees and forfeitures	307,650	307,650	246,899	(60,751)
Investment income	2,340	2,340	5,205	2,865
Other	88,450	88,450	107,361	18,911
Total revenues	<u>7,595,795</u>	<u>7,595,795</u>	<u>7,684,815</u>	<u>89,020</u>
EXPENDITURES				
Current:				
General government	3,370,155	3,370,155	3,117,862	252,293
Judicial	798,296	798,296	765,690	32,606
Public safety	2,760,484	2,760,484	2,526,776	233,708
Economic development	50,000	50,000	50,000	-
Culture and recreation	150,800	150,800	150,800	-
Miscellaneous	234,235	234,235	199,176	35,059
Health and welfare	475,000	475,000	475,000	-
Total expenditures	<u>7,838,970</u>	<u>7,838,970</u>	<u>7,285,304</u>	<u>553,666</u>
Excess of revenues over (under) expenditures	<u>(243,175)</u>	<u>(243,175)</u>	<u>399,511</u>	<u>(464,646)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	30,000	30,000	1,335	(28,665)
Transfers in (out)	213,175	213,175	10,239	(202,936)
Total other financing sources (uses)	<u>243,175</u>	<u>243,175</u>	<u>11,574</u>	<u>(231,601)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	411,085	<u>\$ (696,247)</u>
Fund balances, beginning of year			<u>2,898,202</u>	
Fund balances, end of year			<u>\$ 3,309,287</u>	

The accompanying notes are an integral part of these financial statement.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCES
BUDGET AND ACTUAL -
MAJOR SPECIAL REVENUE PUBLIC WORKS ROAD MAINTENANCE FUND
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Charges for services	\$ 591,390	\$ 591,390	\$ 586,198	\$ (5,192)
Timber Sales	-	-	3,403	3,403
Intergovernmental - Federal	63,835	63,835	-	(63,835)
Interest income	-	-	7	7
Total revenues	<u>655,225</u>	<u>655,225</u>	<u>589,608</u>	<u>(65,617)</u>
EXPENDITURES				
Current:				
Public works:				
Salaries	140,760	140,760	174,772	(34,012)
Overtime	7,500	7,500	23,502	(16,002)
State retirement	21,586	21,586	25,774	(4,188)
FICA and Medicare	11,342	11,342	14,773	(3,431)
Health insurance	54,728	54,728	59,593	(4,865)
Unemployment comp insurance	952	952	259	693
Workers comp insurance	3,407	3,407	3,406	1
Operations	12,000	12,000	74	11,926
Repair equipment	35,000	35,000	38,834	(3,834)
Roads	35,000	35,000	18,861	16,139
Gas and fuel	55,000	55,000	48,230	6,770
Uniforms	12,000	12,000	10,908	1,092
IT consulting	1,500	1,500	-	1,500
Contractual services	10,500	10,500	1,313	9,187
Airport operations	65,000	65,000	27,308	37,692
Capital outlay:				
Roads equipment	-	-	15,300	(15,300)
Total expenditures	<u>466,275</u>	<u>466,275</u>	<u>462,907</u>	<u>3,368</u>
OTHER FINANCING SOURCES (USES)				
Sales of assets	65,000	65,000	-	(65,000)
Transfers in (out)	(253,950)	(253,950)	-	253,950
Total other financing sources (uses)	<u>(188,950)</u>	<u>(188,950)</u>	<u>-</u>	<u>188,950</u>
Revenue over (under) expenditures and other financing sources (uses)	<u>\$ -</u>	<u>\$ -</u>	126,701	<u>\$ 126,701</u>
Fund balances, beginning of year			<u>(349,447)</u>	
Fund balances, end of year			<u>\$ (222,746)</u>	

The accompanying notes are an integral part of the financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

ASSETS	<u>Enterprise Fund</u>
Current assets:	
Cash	\$ 233,565
Accounts receivable, net of allowance for doubtful accounts	202,642
Due from other funds	21,637
Due from other governments	8,755
Total current assets	<u>466,599</u>
Non-current assets:	
Non-depreciable - Note 8	36,000
Depreciable - net - Note 8	760,144
Total non-current assets	<u>796,144</u>
Total assets	<u>1,262,743</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Related to pensions	61,624
Related to other post employment benefits (OPEB)	785
Total deferred outflows of resources	<u>62,409</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	72,540
Accrued expenses	16,738
Accrued interest	7,720
Due to other funds	494,022
Unearned revenue	18,514
Current portion of capital lease payable	56,068
Current portion of note payable	11,046
Current portion of accrued compensated absences	5,160
Current portion of landfill closure and postclosure costs	27,754
Total current liabilities	<u>709,562</u>
Non-current liabilities	
Capital lease payable, net of current portion	201,409
Note payable, net of current portion	36,540
Net pension liability	314,471
Net OPEB obligation	12,438
Accrued compensated absences, net or current portion	3,531
Landfill closure/postclosure costs, net of current portion	476,206
Total non-current liabilities	<u>1,044,595</u>
Total liabilities	<u>1,754,157</u>
 DEFERRED INFLOWS OF RESOURCES	
Related to pensions	7,004
Related to other post employment benefits (OPEB)	830
Total deferred inflows of resources	<u>7,834</u>
 NET POSITION	
Invested in capital assets, net of related debt	491,081
Unrestricted	<u>(927,920)</u>
Total net position	<u>\$ (436,839)</u>

The accompanying notes are an integral part of the financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

	Enterprise Fund Landfill and Solid Waste
OPERATING REVENUES	
Landfill and solid waste fees	\$ 934,890
Operating grants - landfill and solid waste	42,427
Operating grants and revenues - litter control	3,990
Operating grants and revenues - Keep America Beautiful	800
	982,107
 OPERATING EXPENSE	
Landfill and Solid Waste	
Salaries and benefits	276,950
Workers compensation insurance	8,277
Operations and supplies	1,758
Equipment replacement	2,000
Landfill	18,463
Gas and fuel	2,987
Solid waste contracts	372,226
LADS operation and contracts	128,158
Landfill engineer services	46,369
Grant expenses	41,103
Consulting services	63
Depreciation expense	66,549
Miscellaneous expense	7,003
	971,906
 Litter Control	
Salaries and benefits	50,632
Meals	366
Training	406
Travel	662
Registration	370
Dues and publications	211
Operations and supplies	1,120
Gas and fuel	3,171
Uniforms	533
Radio communication and maintenance	1,028
Auto maintenance	1,775
Telephone	1,107
	61,381

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

	<u>Enterprise Fund Landfill and Solid Waste</u>
OPERATING EXPENSES (continued)	
Keep America Beautiful	
Salaries and benefits	61,393
Meals	771
Training	966
Travel	1,332
Registration fees	25
Grant expenses	19,723
Operations and supplies	6,681
Equipment replacement	-
Green business programs	-
Gas and fuel	1,828
Auto maintenance	259
Consulting services	-
Contractual services	93
Advertising and legal notices	529
Telephone	655
Lease	172
	94,427
Keep America Beautiful	94,427
Total operating expenses	1,127,714
Operating income (loss)	(145,607)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	144
Interest expense	(9,188)
	(9,044)
Net non-operating revenues (expenses)	(9,044)
Net income before transfers	(154,651)
Transfers in (out)	94,166
Change in net position	(60,485)
Net position, beginning of year	(357,989)
Prior period adjustment (Note 22)	(18,365)
Net position, beginning of year (as restated)	(376,354)
Net position, end of year	\$ (436,839)

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2019

	Enterprise Fund
OPERATING ACTIVITIES	
Receipts from customers	\$ 918,980
Payments to suppliers	(717,074)
Payments to employees	(369,755)
Receipts from operating grants and revenues	47,217
Internal activity-receipts from other funds	401,466
	280,834
Net cash provided by operations	280,834
CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal payments on debt	(10,559)
Interest paid on debt	(9,188)
Principal payments on capital leases	(79,471)
	(99,218)
Net cash used for capital and related financing activities	(99,218)
INVESTING ACTIVITIES	
Investment income	144
	144
Net cash provided by investing activities	144
Net increase in cash and cash equivalents	181,760
Cash and cash equivalents, beginning of year	51,805
Cash and cash equivalents, end of year	\$ 233,565
Reconciliation of operating income (loss) to cash flows from operating activities:	
Operating income (loss)	\$ (145,607)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operations:	
Depreciation and amortization	66,549
Changes in certain assets and liabilities:	
(Increase) decrease in accounts receivable	(15,910)
Increase (decrease) in accounts payable	(41,722)
Increase (decrease) in due to other funds	401,466
Increase (decrease) landfill closure/postclosure costs	(8,477)
Increase (decrease) in accrued expenses	5,315
Increase (decrease) in OPEB liability	(2,120)
Increase (decrease) in net pension liability	21,340
	21,340
Net cash provided by operations	\$ 280,834

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$ 2,438,507
Delinquent property taxes	1,873,302
Unknown funds (overage) deficit - Note 4	3,563
Due from General Fund	<u>178</u>
Total assets	<u><u>\$ 4,315,550</u></u>

LIABILITIES

Amounts due to others	\$ 4,309,395
Due to General Fund	<u>6,155</u>
Total liabilities	<u><u>\$ 4,315,550</u></u>

The accompanying notes are an integral part of these financial statements.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

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

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

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – 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.

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

Measurement Focus and Basis of Accounting

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

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

Government-wide Financial Statements

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

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

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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 Sales Tax and Other Capital Projects Fund.

Government Major Funds:

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

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

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

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

Other Non-major Governmental Funds:

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

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

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Proprietary Fund Types:

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

Fiduciary Fund Types:

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

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

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

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

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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 adjustments 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.

Assets, Liabilities, Deferred Inflows/Outflows, and Equity

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 judgement liabilities among other accounts. Actual results could differ from those estimates.

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

(Continued)

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

The County has not formally adopted deposit and investment policies that limit the County's allowable deposits or investments and address the specific types of risk to which the County is exposed, but instead, adhere to state statutes regarding allowable investments. State statutes authorize the County to invest in (a) obligations of the United States and agencies thereof, (b) general obligations of the State of South Carolina or any of its political units, (c) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government, (d) Certificates of Deposit and funds in deposit accounts with banking institutions provided that such certificates and funds in deposit accounts are collaterally secured of the type described in (a) and (b) above held by a third party as escrow agent, e) Collateralized repurchase agreements when collateralized by securities as set forth in (a) and (b) above and held by the governmental entity or a third party as escrow agent or custodian, and (f) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in (a), (b), and (c) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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. (Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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 reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of resources that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

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

The County reports the following items as deferred outflows:

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

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

The County reports the following items as deferred inflows:

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

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

(Continued)

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

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.

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 Measured 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.

(Continued)

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

Other Post Employment Benefits – The County has implemented GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

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 position is the amount estimated to be useful the following year. The non-current portion is the amount estimated to be used in the subsequent fiscal years. Both the current and the non-current estimated accrued compensated absences amounts for government 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 Equity

Fund Balances

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

Nonspendable Fund Balance – includes amounts that are (a) not 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 into 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 the resource providers.

Committed Fund Balance – includes amounts that can only be used for 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).

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Unassigned – includes amounts that are not considered 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 imposed by law through state statute. The County first utilizes restricted resources to finance qualifying activities. The government-wide statement of net positions reports \$7,338,839 of which \$8,783,070 is restricted. Restricted resources are used first to fund appropriations.

Property Tax – 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 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 the value of taxable property within the County is taken from the records of the County Assessor. Taxes are levied on July 1 with the passage of the fiscal year budget and millage ordinance, billed in October, and are due by January 15 in the year following their levy. A penalty of 3% is added to the tax bill on January 16; with an additional 7% added on February 2; and an additional 5% to the tax bill on March 17.

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

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

(Continued)

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

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES, Continued

Program and General Revenue

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

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

1. Each year, the County Administrator submits to the County Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and means of financing them.
2. Three public readings are conducted by the County Council and one public hearing to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The County Administrator is authorized to transfer budgeted amounts between departments within any fund. Transfers in excess of \$5,000 are reported to County Council; however, any revisions that alter the total expenditures of any fund must be approved by County Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, some Special Revenue Funds (Special Revenue, E911, Road Maintenance, and Fire Service), and Debt Service Fund. The County also budgets the Landfill and Solid Waste Fund which is a Proprietary Fund.
6. The budget for the General Fund is adopted on the 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.

(Continued)

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, Continued

Budget to Actual Deficits

For the year ended June 30, 2019, there were no general fund division expenditures that exceeded appropriations.

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

Deficit Fund Equity

The Special Revenue Public Works Road Maintenance has a deficit fund balance of \$222,746 and the E-911 has a deficit fund balance of \$14,260. The Proprietary Fund has a deficit net position. The General Fund will fund these deficits if revenues do not make up for them in subsequent years.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

At June 30, 2019, the carrying amount of the County’s deposits and investments was \$12,363,085. To reconcile this information to the financial statements, we include the following:

Cash and investments	\$	12,363,085
Cash on hand		165,515
Less: fiduciary cash and investments		<u>(2,777,889)</u>
	\$	<u>9,750,711</u>

Custodial Credit Risk for Deposit

Custodial credit risk is the risk that in the event of bank failure, the County’s deposits may not be recovered. The County does not have a formal deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. State law requires that all of the County’s deposits be covered by FDIC insurance or by collateral held in the pledging financial institutions’ trust departments in the County’s name. At June 30 2019, the carrying amount of the County’s deposits was \$12,363,085 for the primary government and \$2,777,889 for Agency Funds. The bank balances for these funds total \$13,805,717. Of the bank balance of \$13,805,717, \$946,410 is secured by FDIC and \$12,859,307 is secured by collateral pledged in the County’s name.

Investments

As of June 30, 2019, the County had the following investments:

Investment Type	Fair Value Level	Credit Rating*	Fair Value	Investment Maturity (in Years)			
				Less than 1	1 - 3	3 - 5	Over 5
Money Market Funds	Level 1	AAAm/ Aaa-mf/ AAAmf	\$ 4,981,094	\$ 4,981,094	\$ -	\$ -	\$ -
Certificate of Deposit	Level 1	-	<u>495,000</u>	<u>495,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total			<u>\$ 5,476,094</u>	<u>\$ 5,476,094</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

(Continued)

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

NOTE 3 – DEPOSITS AND INVESTMENTS, Continued

Investment Policy, Risk, and Concentration Information

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. The County does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2019, none of the county's investments were exposed to custodial credit risk. The County has no investment policy that would further limit its investment choices other than state law. The County invests in money market mutual funds that invest in U.S. Treasury Obligations and certificates of deposits which are secured by FDIC and collateral pledged in the County's name. The County places no limit on the amount the County may invest in in any one issuer. As of June 30, 2019, the County had \$4,981,094 invested in securities backed by the U.S. government.

NOTE 4 – RECEIVABLES

Other receivables at June 30, 2019, are shown below less an estimated allowance for uncollectible accounts as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Other receivables	\$ 10,599	\$ -
Landfill fees	-	53,522
Solid waste fees	-	186,400
Total receivables	<u>10,599</u>	<u>239,922</u>
Less, allowance for uncollectible accounts		
Solid waste fees	-	(37,280)
Receivables, net	<u>\$ 10,599</u>	<u>\$ 202,642</u>

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

NOTE 5 – BONDS HELD AND UNIDENTIFIABLE OVERAGES AND DEFICITS

As of June 30, 2019, excess funds were on deposit in the checking accounts of several court related funds and deficits occurred in three of these accounts. The overages represent the amount of cash on deposit that exceeds identifiable liabilities. (These monies will remain within the funds until proper identification can be made of the court or individual to whom they belong.) These funds are reflected in the financials as follows:

	General Fund
Included in bond deposits and prepayments:	
Bonds held:	
Magistrate	\$ 6,983
Clerk of Court	4,400
Bonds held	11,383
 Overage (deficit) of funds held:	
Magistrate (Criminal) and Civil	2,882
Clerk of Court (Fines and General)	1,113
Sherriff (execution and fees)	24
Overage (deficit) of funds held	4,019
	\$ 15,402

The Clerk of Court Agency Fund had a net deficit of \$3,558 at June 30, 2019. This is comprised of an unidentified overage in the Special Referee account of \$556 and an unidentified deficit of \$4,114 in the Family Court account involving cash on deposit not reconciling to the identifiable liabilities held for these accounts.

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

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

The Governmental Funds short-term interfund receivables and payables at June 30, 2019, were as follows:

	Interfund Receivable	Interfund Payable
Governmental Funds		
General Fund	\$ 1,038,165	\$ 258,030
Road Maintenance	7,197	216,836
Sales Tax and Other Capital Projects Fund	-	6,949
Capital Needs Equipment Replacement Fund	12,000	131,330
Other Governmental Funds:		
Special Revenue Funds	-	45,442
E-911 Fund	-	178,137
Fire Service Fund	60,397	-
Hospital Capital Projects Fund	-	-
Debt Service Fund	197,327	-
Enterprise Funds	21,637	494,022
Agency Funds	178	6,155
	\$ 1,336,901	\$ 1,336,901

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	\$ 10,239	\$ -
Road Maintenance	-	146,170
Other Governmental Funds:		
Special Revenue Funds	-	20,478
E-911 Fund	10,239	-
Hospital Capital Projects Fund	12,268	-
Debt Service Fund	39,736	-
Enterprise Funds	94,166	-
	\$ 166,648	\$ 166,648

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

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

NOTE 8 – CAPITAL ASSETS

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

	<u>July 1, 2018</u> <u>Balance</u>	<u>Additions</u>	<u>Transfers/ Adjustments</u>	<u>Deletions</u>	<u>June 30, 2019</u> <u>Balance</u>
Governmental Activities:					
Capital assets, not being depreciated					
Land	\$ 392,420	\$ -	\$ -	\$ -	\$ 392,420
Construction in progress	314,531	885,462	(707,333)	-	492,660
Total capital assets, not being depreciated	<u>706,951</u>	<u>885,462</u>	<u>(707,333)</u>	<u>-</u>	<u>885,080</u>
Capital assets, being depreciated					
Building & improvements	12,639,155	221,788	37,000	-	12,897,943
Vehicles	2,178,918	-	-	(41,849)	2,137,069
Machinery & equipment	2,945,261	66,751	-	-	3,012,012
Infrastructure	4,081,936	15,300	670,333	-	4,767,569
Total capital assets, being depreciated	<u>21,845,270</u>	<u>303,839</u>	<u>707,333</u>	<u>(41,849)</u>	<u>22,814,593</u>
Less accumulated depreciation					
Building & improvements	4,788,161	254,863	-	-	5,043,024
Vehicles	1,244,304	226,888	-	(41,849)	1,429,343
Machinery & equipment	923,188	203,355	-	-	1,126,543
Infrastructure	2,736,279	13,906	-	-	2,750,185
Total accumulated depreciation	<u>9,691,932</u>	<u>699,012</u>	<u>-</u>	<u>(41,849)</u>	<u>10,349,095</u>
Total capital assets, being depreciated, net	<u>12,153,338</u>	<u>(395,173)</u>	<u>707,333</u>	<u>-</u>	<u>12,465,498</u>
Governmental activities, capital assets, net	<u>\$ 12,860,289</u>	<u>\$ 490,289</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,350,578</u>

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

Governmental Activities:	
General Government	\$ 210,039
Judicial	1,350
Public Safety	212,243
Public Works	153,617
Economic Development	581
Culture and Recreation	22,198
Health and Welfare	98,984
Total Depreciation Expense – Governmental Activities	<u>\$ 699,012</u>

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

(Continued)

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

NOTE 8 – CAPITAL ASSETS, Continued

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

	<u>July 1, 2018 Balance</u>	<u>Additions</u>	<u>Transfers/ Adjustments</u>	<u>Deletions</u>	<u>June 30, 2019 Balance</u>
Business-type Activities:					
Capital assets, not being depreciated					
Land	\$ 36,000	\$ -	\$ -	\$ -	\$ 36,000
Total capital assets, not being depreciated	36,000	-	-	-	36,000
Capital assets, being depreciated					
Building & improvements	233,663	-	-	-	233,663
Vehicles	229,165	-	-	-	229,165
Machinery & equipment	632,568	-	-	-	632,568
Total capital assets, being depreciated	1,095,396	-	-	-	1,095,396
Less accumulated depreciation					
Building & improvements	87,250	7,293	-	-	94,543
Vehicles	13,366	23,030	-	-	36,396
Machinery & equipment	168,087	36,226	-	-	204,313
Total accumulated depreciation	268,703	66,549	-	-	335,252
Total capital assets, being depreciated, net	826,693	(66,549)	-	-	760,144
Business-type activities, capital assets, net	\$ 862,693	\$ (66,549)	\$ -	\$ -	\$ 796,144

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. Since this lease with the County as lessor, qualifies as a capitalized lease, the land and building with a total cost of \$1,550,000 are not included in the capital assets of the County. On June 2, 2016 the Corporation was determined by the South Carolina Coordinating Council for Economic Development to have met the job and investment requirements as a stipulation to receiving these funds which closed the grant period and commenced the maintenance period. The “maintenance period” runs for a period of four years (to June 2, 2020) at which time the Corporation will have 60 days to notify the County of their intent to exercise the bargain purchase.

NOTE 10 – OPERATING LEASES

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

Copier/printer equipment for use at the Judge of Probate’s Office. The 60-month lease term began July 19, 2013. Monthly lease payments are \$106. The lease terms ended on July 19, 2018. As of the date of this report, the County has not renewed this lease.

Copier/printer equipment for use at the Detention Center. The 60-month lease term began May 24, 2016. Monthly lease payments are \$124.

(Continued)

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

NOTE 10 – OPERATING LEASES, Continued

Copier/printer equipment for use at the Voter’s Registration Office. The 48-month lease term began November 2016. Monthly lease payments are \$45.

Copier/printer equipment for use at the Administration Office. The 60-month lease term began February 2014. Monthly lease payments are \$281.

Copier/printer equipment for use at the Finance Office. The 60-month lease term began April 2014. Monthly lease payments are \$133. The lease terms ended in April 2019. As of the date of this report, the County has not renewed this lease.

Copier/printer equipment for use at the Finance Office. The 60-month lease term began April 2014. Monthly lease payments are \$104. The lease terms ended in April 2019. As of the date of this report, the County has not renewed this lease.

Copier/printer equipment for use in various Annex Offices. The 60-month lease term began August 3, 2016. Monthly lease payments are \$797.

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 60-month lease term is due in quarterly payments of \$15,839. The lease terms ended in June 2019. The County renewed this lease in the subsequent year.

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

- Finance Office – monthly lease payment of \$478
- Detention Center – monthly lease payment of \$427
- Assessor’s office – monthly lease payment of \$361
- Maintenance – monthly lease payment of \$393
- Pooled County use – monthly lease payment of \$501

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

	<u>Equipment</u>	<u>Vehicles</u>	<u>Total</u>
2020	\$ 11,605	\$ 25,922	\$ 37,527
2021	11,038	25,922	36,960
2022	797	25,922	26,719
2023	-	19,441	19,441
2024	-	-	-
	<u>\$ 23,440</u>	<u>\$ 97,207</u>	<u>\$ 120,647</u>

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

NOTE 11 – CONSTRUCTION COMMITMENTS

The County was committed under construction contracts at June 30, 2019, as follows:

	Contracted Price	Costs Incurred Through June 30, 2019	Balance to Complete
Paving and road projects	\$ 100,000	\$ 55,000	\$ 45,000
Conversion of old hospital	273,780	17,500	256,280
Veteran’s Memorial	250,000	185,000	65,000
	\$ 623,780	\$ 257,500	\$ 366,280

NOTE 12 – LONG-TERM DEBT

Governmental Activities

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

	Balance July 30, 2018	Additions	Retirements	Balance June 30, 2019	Due Within One Year
General Obligation Bonds	\$ 1,601,915	\$ 1,760,500	\$ 217,908	\$ 3,144,507	\$ 1,853,542
Revenue Bonds	9,870,000	-	530,000	9,340,000	550,000
Notes Payable	343,444	-	182,123	161,321	57,720
Capitalized Leases	1,131,125	50,020	293,313	887,832	251,766
	12,946,484	1,810,520	1,223,344	13,533,660	2,713,028
Unamortized Premium (Discount) for Bonds	186,637	-	20,200	166,437	19,516
Total Bonds, Notes Payable And Capitalized Leases	13,133,121	1,810,520	1,243,544	13,700,097	2,732,544
Accrued Compensated Absences	213,147	88,843	104,321	197,669	95,466
	\$ 13,346,268	\$ 1,899,363	\$ 1,347,865	\$ 13,897,766	\$ 2,828,010

General Obligation Bonds:

For hospital revitalization:

Bamberg County General Obligation Bonds, \$1,500,000 Series 2008 due in annual installments of \$20,000 to \$145,000 through April 1, 2028, interest at 4%. \$ 1,030,000

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

For support of installment purchase revenue bonds:

Bamberg County General Obligation Bond, \$90,000 Taxable Series 2014A due in annual principal installments ranging from \$16,288 to \$19,798 through March 1, 2019, interest at 3.9% due semiannually.	-
Bamberg County General Obligation Bond, \$125,000 Taxable Series 2014B due in annual principal installments ranging from \$10,924 to \$30,432 through March 1, 2019, interest at 4.5% due semiannually.	-
Bamberg County General Obligation Bond, \$70,500 Taxable Series 2015A due in annual principal installments ranging from \$12,759 to \$15,508 through March 1, 2020, interest at 4.25% due semiannually.	15,508
Bamberg County General Obligation Bond, \$145,000 Taxable Series 2015B due in annual principal installments ranging from \$16,233 to \$34,226 through March 1, 2020, interest at 4.25% due semiannually.	34,226
Bamberg County General Obligation Bond, \$120,000 Taxable Series 2016 due in annual principal installments ranging from \$21,552 to \$26,443 through March 1, 2021, interest at 2.85% due semiannually.	51,620
Bamberg County General Obligation Bond, \$176,000 Taxable Series 2016B due in annual principal installments ranging from \$30,670 to \$39,037 through March 1, 2021, interest at 3.74% due semiannually.	111,608
Bamberg County General Obligation Bond, \$162,500 Taxable Series 2018 due in annual principal installments ranging from \$21,455 to \$37,956 through March 1, 2023, interest at 4.40% due semiannually.	141,045
Bamberg County General Obligation Bond, \$160,500 Taxable Series 2019 due in annual principal installments ranging from \$20,586 to \$37,708 through March 1, 2024, interest at 4.30% due semiannually.	160,500
Bamberg County General Obligation Bond Anticipation Note, \$1,600,000 due in an annual principal installment of \$1,600,000 on February 20, 2019, interest at 6.00% due annually.	<u>1,600,000</u>
	<u>\$ 3,144,507</u>

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

The following schedule lists the principal and interest outstanding for general obligation bonds at June 30, 2019:

	Annual Interest	Annual Principal
2020	\$ 105,775	\$ 1,853,542
2021	53,410	225,293
2022	44,412	209,179
2023	35,750	193,785
2024	27,559	157,708
Thereafter	53,120	505,000
	\$ 320,026	\$ 3,144,507

Revenue Bonds:

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

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

The reacquisition price exceeded the net carrying amount of the old debt by \$1,861,850; this amount is being amortized over the life of the new debt. Bond premium, discount, and deferred loss on refunding are amortized using the effective interest method over the life of the debt. The deferred loss on refunding at June 30, 2019 was \$1,326,656.

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

The following schedule lists the principal and interest outstanding for revenue bonds at June 30, 2019:

	Annual Interest	Annual Principal
2020	\$ 331,528	\$ 550,000
2021	318,650	555,000
2022	304,806	570,000
2023	289,698	580,000
2024	273,145	600,000
Thereafter	1,309,404	6,485,000
	\$ 2,827,231	\$ 9,340,000

Notes Payable:

\$30,938 note payable to finance a vehicle (carrying value of \$25,150) for Coroner’s office dated June 28, 2017, due in six annual installments of \$6,059.92 through June 28, 2023, including interest at 4.75%.

\$ 21,577

\$170,650 note payable to finance various capital projects (carrying value of \$169,472) in the County dated June 2017, due in sixteen quarterly installments of \$8,440.68 through April 2021, including interest at 6%, and one additional payment of \$50,650 due July 10, 2018. The amount was due on June 30, 2019 due to a lawsuit requiring payment by June 30, 2019.

-

\$63,000 USDA Rural Community Facilities direct loan for the purchase of three new Sheriff’s Department vehicles (carrying value of \$92,327), dated June 28, 2017, due in seven annual installments of \$9,876 through June 28, 2024, including interest at 2.375%.

46,242

\$62,900 USDA Rural Community Facilities direct loan for the purchase of three new Sheriff’s Department vehicles (carrying value of \$82,954), dated June 28, 2017, due in seven annual installments of \$9,860 through June 28, 2024, including interest at 2.375%.

46,171

\$57,634 note payable to finance two public works vehicles (carrying value of \$51,179), dated October 31, 2017, due in five annual installments of \$13,170.89 through October 21, 2022, including interest at 4.55%.

47,331

\$ 161,321

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

The following schedule lists the principal and interest outstanding for the notes payable at June 30, 2019:

	Annual Interest	Annual Principal
2020	\$ 5,411	\$ 33,613
2021	4,244	34,779
2022	3,027	35,996
2023	1,767	37,257
2024	458	19,676
Thereafter	-	-
	\$ 14,907	\$ 161,321

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, 2019:

Furniture, fixtures and equipment	\$ 1,826,958
Less: accumulated depreciation	(657,604)
Carrying value	\$ 1,169,354

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

2020	\$ 279,524
2021	415,929
2022	181,721
2023	67,482
2024	1,881
Total minimum lease payments	946,537
Less, amount representing interest	(58,705)
Present value of minimum lease payments	\$ 887,832

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

Capital leases payable at June 30, 2019 are comprised of the following individual leases:

Installment purchase contract (E911 radio console), dated December 5, 2013, interest at 3.45% payable in annual installments of \$37,631, due on or before November 1, 2018.	\$ -
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.	-
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 September 1, 2018.	-
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 principle payments of \$85,140.40, with semi-annual interest payments due each October 1 and April 1, due on or before April 1, 2020.	85,141
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.	1,419
Installment purchase contract (five pieces of heavy equipment), dated April 29, 2016, interest on each contract at 2.95%; each payable in annual installments totaling \$112,968; final payments due on or before April 29, 2021.	428,759
Installment purchase contract (heavy equipment), dated September 9, 2016, interest at 2.95%, payable in annual installments of \$39,198.85 and a final payment of \$143,118.85 due on or before September 9, 2021.	206,225
Installment purchase contract (heavy equipment), dated September 28, 2017, interest at 3.99%, payable in four annual installments of \$25,335.67 and a final payment of \$56,215.67 due on or before September 28, 2022.	123,945
Installment purchase contract (two Dell servers), dated September 20, 2018, interest at 4.95% payable in monthly installments of \$938.88, due on or before September 30, 2023.	42,343
Total	<hr style="border: 0.5px solid black;"/> <u>\$ 887,832</u>

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

All general obligation bonds serviced by the County’s General Fund are collateralized by the full faith, credit, and taxing power of the County. 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 2019 were as follows:

- On February 20, 2019, the County issued \$1,600,000 general obligation bond, Bond Anticipation Note.
- On February 5, 2019, the County issued \$160,500 general obligation bond, taxable series 2019 GO Bond in support of the installment purchase revenue bond debt outstanding.
- On September 28, 2017, the County executed an installment purchase contract for \$50,020 for two Dell servers

Business-type Activities

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

	<u>Balance July 30, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Accrued compensated absences	\$ 4,092	\$ 9,759	\$ 5,160	\$ 8,691	\$ 5,160
Closure and post-closure cost	512,437	19,277	27,754	503,960	27,754
Notes Payable	57,889	-	10,303	47,586	11,046
Capitalized Leases	336,948	-	79,471	257,477	56,068
	<u>\$ 911,366</u>	<u>\$ 29,036</u>	<u>\$ 122,688</u>	<u>\$ 817,714</u>	<u>\$ 100,028</u>

Note Payable:

\$58,145 note payable to finance two vehicles (carrying value of \$51,164) dated October 31, 2017, due in five annual payments of \$13,288 through October 21, 2022, including interest at 4.55%.

\$ 47,586

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

The following schedule lists the principle and interest outstanding for the note payable at June 30, 2019:

	Annual Interest	Annual Principal
2020	\$ 2,183	\$ 11,046
2021	1,679	11,551
2022	1,141	12,088
2023	583	12,901
2024	-	-
Thereafter	-	-
	\$ 5,586	\$ 47,586

Capital Lease:

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

The Following is an analysis of equipment leased under capital leases as of June 30, 2019:

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

Under the refinanced lease obligations and continuing lease obligations the minimum lease payments as of June 30, 2019 were as follows:

2020	\$ 61,922
2021	159,747
2022	17,023
2023	17,023
2024	16,765
Total minimum lease payments	272,480
Less, amount representing interest	(15,003)
Present value of minimum lease payments	\$ 257,477

(Continued)

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

NOTE 12 – LONG-TERM DEBT, Continued

Capital lease payables at June 30, 2019, 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 \$2,584, due on or before August 2019. Management intends to refinance the installment purchase contract and extend the balloon payment. As of the report date, management refinanced the installment purchase dated August 19, 2019, interest at 3.2% in annual installments of \$17,023, due on or before September 2023.	\$ 67,562
Installment purchase contract (modular office building), dated September 9, 2014, interest at 8.647% payable in monthly installments \$698, due on or before October 14, 2019.	4,190
Installment purchase contract (heavy equipment), dated April 29, 2016, interest at 2.95%; payable in annual installments of \$52,516; final payment due on or before April 29, 2021.	<u>185,725</u>
Total	<u>\$ 257,477</u>

There were no additions to the County’s business-type activities long-term debt during the fiscal year 2019.

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 in net capital assets	\$ 13,350,578	\$ 796,144
Less, general obligation bonds, TAN’s, BAN’s and revenue bonds	(11,620,944)	-
Less, installment purchase contracts and notes payable	<u>(1,049,154)</u>	<u>(305,063)</u>
Total invested in capital assets, net of related debt	<u>\$ 680,480</u>	<u>\$ 491,081</u>

(Continued)

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

NOTE 13 – FUND BALANCE REPORTING AND NET POSITION, Continued

	Governmental Activities
Restricted:	
Debt service	\$ 266,558
Sales Tax and Other Capital Projects Fund	6,930,774
Capital Projects Capital Needs Equipment Replacement Fund – includes \$1,974 for USDA required reserve	184,139
Special revenue fund	276,600
Fire services	520,041
Tourism and community development	111,733
Property tax rollback program	365,764
Child support enforcement	127,461
	\$ 8,783,070
Total restricted net position	\$ 8,783,070

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

The County’s fund balances as of June 30, 2019 were classified as follows:

	General Fund	Public Works Road Maintenance Fund	Sales Tax and Other Capital Projects Fund	Capital Needs Equipment Replacement Fund	Other Governmental Funds	Total Governmental Funds
Restricted:						
Capital Projects Sales Tax Fund	\$ -	\$ -	\$ 6,930,774	\$ -	\$ -	\$ 6,930,774
Debt Service	-	-	-	-	266,558	266,558
Fire Service	-	-	-	-	440,586	440,586
Special Revenue Fund	-	-	-	-	276,600	276,600
Tourism and Community Development	111,733	-	-	-	-	111,733
Property Tax Rollbacks	365,764	-	-	-	-	365,764
Child Support Funds	127,461	-	-	-	-	127,461
Assigned:						
2019 – 2020 fiscal year stabilization	537,865	-	-	216,335	184,270	938,470
Unassigned:	2,166,464	(222,746)	-	(32,196)	(119,075)	1,792,447
Total Fund Balances	\$ 3,309,287	\$ (222,746)	\$ 6,930,774	\$ 184,139	\$ 1,048,939	\$ 11,250,393

The Special Revenue and Public Works Road Maintenance had a deficit fund balance at June 30, 2019, of \$222,746. The nonmajor E-911 Fund had a deficit fund balance at June 30, 2019, of \$14,260.

**BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO 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 Post Closure Care Costs*, applies to all governmental solid waste landfills with the basic objective to recognize all landfill costs by the time a landfill is closed. The costs to be identified for closure and postclosure care include (1) capital assets, (2) final cover, and (3) monitoring and maintenance activities.

Because the original landfill is closed, 100% of the liability for the above costs has been recognized as a long-term liability. The estimated liability for postclosure care costs is \$27,754 annually, or approximately \$138,770 as of June 30, 2019, for the remaining monitoring period of 5 years. This includes an adjustment of annual costs from \$27,130 to \$27,754.

The County also operated a Construction demolition and Land Clearing Debris (C & D) landfill which was converted and expanded to a Class II Landfill. Based on the County’s engineering firm’s assessment in prior years, the site would remain open 32 more years. During the FY 2018 fiscal year, the tonnage accepted drastically increased due to accepting the waster of a neighboring county for a short-term period and issues with not chipping. The County deemed this to be an anomaly and had another engineering evaluation performed with which projected the site to remain open until June 2043 or 25 years. The Class II landfill was 13.5 acres with an original capacity of 41,000 tons and the conversion and expansion resulted in an approximate capacity of 275,000 tons. At June 30, 2019, it is estimated that 20 years of post-closure monitoring will cost \$10,064 per year during the monitoring period.

Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The County estimates the total costs for closure and post closure monitoring for the Class II landfill to be \$440,714. At June 30, 2019, the costs to be recognized as a liability based on engineering estimates of filled capacity of the class II landfill is \$365,190.

Estimated total closure and post closure care costs as of June 30, 2019, for the County’s landfill follows:

	Closed Landfill	C&D Landfill	Total
Balance at June 30, 2018	\$ 162,780	\$ 349,657	\$ 512,437
Adjustment in annual cost estimate	3,744	-	3,744
Recognized current year costs	<u>(27,754)</u>	<u>15,533</u>	<u>(12,221)</u>
Balance at June 30, 2019	<u>\$ 138,770</u>	<u>\$ 365,190</u>	<u>\$ 503,960</u>

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 14 – LANDFILL CLOSURE AND POSTCLOSURE OBLIGATION, Continued

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2019. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Bamberg County has not accumulated or segregated funds to meet this additional liability.

NOTE 15 – RETIREMENT PLAN

State Retirement Plan

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an 11-member Board, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. The Retirement Funding and Administration Act of 2017, which became effective July 1, 2017, increased the employer and employee contribution rates, established a ceiling on the SCRS and PORS employee contribution rates, lowered the assumed rate of return, required a scheduled reduction of the funding periods, and addressed various governance issues including the assignment of the PEBA Board as custodian of the retirement trust funds and assignment of the RSIC and PEBA as co-trustees of the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan Descriptions

The South Carolina Retirement Systems (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.

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established 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 and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

Plan Membership

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

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

Plan Benefits

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

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

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

NOTE 15 – RETIREMENT PLAN, Continued

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.

Plan Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. If the scheduled employee and employer contributions provided in statute, or the rates last adopted by the board, are insufficient to maintain the amortization period set in statute, the board shall increase employer contribution rates as necessary.

After June 30, 2027, if the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than eighty-five percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than eighty-five percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than eighty-five percent, then effective on the following July first, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than eighty-five percent.

The Retirement System Funding and Administration Act establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty year amortization period.

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

Required employee contribution rates¹ are as follows:

	SCRS Rates			PORS Rates		
	2017	2018	2019	2017	2018	2019
Employer Rate:						
Retirement	11.41%	13.41%	14.41%	13.84%	15.84%	16.84%
Incidental Death Benefit	0.15%	0.15%	0.15%	0.20%	0.20%	0.20%
Accidental Death Benefit	0.00%	0.00%	0.00%	0.20%	0.20%	0.20%
Total Employer Rate:	11.56%	13.56%	14.56%	14.24%	16.24%	17.24%
Employee Rate:	8.66%	9.00%	9.00%	9.75%	9.75%	9.75%

The required contributions and percentages of amounts contributed by the County to the Plan for the past three years were as follows:

Year Ended June 30,	SCRS Contributions		PORS Contributions	
	Required	% Contributed	Required	% Contributed
2019	\$ 253,134	100%	\$ 187,501	100%
2018	241,793	100%	177,529	100%
2017	188,767	100%	142,995	100%

Eligible payrolls of the County covered under the Plans for the past three years were as follows:

Year Ended June 30,	SCRS Payroll	PORS Payroll	Total Payroll
2019	\$ 1,738,559	\$ 1,087,594	\$ 2,826,153
2018	1,783,156	1,093,160	2,876,316
2017	1,632,937	1,003,475	2,636,412

Actuarial Assumptions and Methods

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

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2017. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2018, using generally accepted actuarial principles.

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2018.

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	7.25%	7.25%
Projected Salary Increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes Inflation at 2.25%		

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

Assumptions used in the determination of the June 30, 2018, TPL are as follows:

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

Net Pension Liability

The net pension liability (NPL) represents the total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. SPL totals, as of June 30, 2018, for SCRS is presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers’ Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of Total Pension Liability
SCRS	\$ 48,821,730,067	\$ 26,414,916,370	\$ 22,406,813,697	54.1%
PORS	\$ 7,403,972,673	\$ 4,570,430,247	\$ 2,833,542,426	61.7%

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

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Total Asset Allocation	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Global Equity	47.0%		
Global Public Equity	33.0%	6.99%	2.31%
Private Equity	9.0%	8.73%	0.79%
Equity Options Strategies	5.0%	5.52%	0.28%
Real Assets	10.0%		
Real Estate (private)	6.0%	3.54%	0.21%
Real Estate (REITs)	2.0%	5.46%	0.11%
Infrastructure	2.0%	5.09%	0.10%
Opportunistic	13.0%		
GTAA/Risk Parity	8.0%	3.75%	0.30%
Hedge Funds (non-PA)	2.0%	3.45%	0.07%
Other	3.0%	3.75%	0.11%
Diversified Credit	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Marketing Debt	5.0%	3.94%	0.20%
Private Debt	7.0%	3.89%	0.27%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	0.94%	0.09%
Cash and Short Duration (net)	2.0%	0.34%	0.01%
Total Expected Real Return	100%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

Pensions

At June 30, 2019, the County reported liabilities of \$3,817,974 and \$2,330,763 for its proportionate shares of the SCRS and PORS net pension liabilities, respectively. The net pension liabilities were measured as of July 1, 2018, and the total pension liabilities used to calculate the net pension liabilities were determined based on the most recent actuarial valuation report as of July 1, 2017 that was projected forward to the measurement date.

The County's proportions of the net pension liabilities were based on a projection of the County's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local employers, actuarially determined. At June 30, 2018, the County's proportionate shares of the SCRS and PORS plans were 0.01704% and 0.08226%.

For the year ended June 30, 2019, the County recognized pension expense for the SCRS and PORS plans of approximately \$441,000 and \$325,000, respectively. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred outflow of resources	Deferred inflow of resources
SCRS		
Differences between expected and actual experience	\$ 158,368	\$ 22,468
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	116,004	13,740
Net difference between projected and actual earnings on pension plan investments	60,648	-
County's contributions subsequent to the measurement date	253,134	-
Total SCRS	\$ 588,154	\$ 36,208
PORS		
Differences between expected and actual experience	\$ 225,494	\$ -
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	157,156	100,743
Net difference between projected and actual earnings on pension plan investments	46,610	-
County's contributions subsequent to the measurement date	187,501	-
Total PORS	\$ 616,761	\$ 100,743

(Continued)

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

NOTE 15 – RETIREMENT PLAN, Continued

The \$253,154 and \$187,501 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date for the SCRS and PORS plans, respectively, during the year ended June 30, 2019 will be recognized as a reduction of the net pension liabilities in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS will be recognized as pension expense as follows:

Year Ended June 30,	SCRS	PORS	Total
2019	\$ 181,023	\$ 162,560	\$ 343,583
2020	128,744	110,004	238,748
2021	(7,451)	39,314	31,863
2022	(3,505)	16,640	13,135
	\$ 298,811	\$ 328,518	\$ 627,329

Discount Rate

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

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 4,878,662	\$ 3,817,974	\$ 3,059,684
PORS	\$ 3,142,160	\$ 2,330,763	\$ 1,666,161

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plan administered by PEBA is available in the System’s audited financial statements for the fiscal year ended June 30, 2018 accounting and financial reporting actuarial valuation as of June 30, 2018.

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

Background

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

Plan Description

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

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

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

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

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

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

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

(Continued)

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Other Plan Provisions

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

Funding Policy and Financial Information

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

Summary of Membership Information

At June 30, 2018 (measurement date), the following table provides a summary of the participants in the plan:

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

Changes in Total OPEB Obligation

The County’s total OPEB liability of \$213,466 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

	Total OPEB Liability
Balance at June 30, 2018	\$ 213,466
Changes for the year:	
Service cost	13,411
Interest on the total OPEB liability	7,638
Difference between actual and experience	1,003
Changes of assumptions	(841)
Benefit payments	(11,265)
Net changes	9,946
Balance at June 30, 2019	\$ 223,412

Changes of assumptions reflect a change in the discount rate from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

(Continued)

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

Explicit benefit payments	\$	4,481	(data provided by the County)
Implicit benefit payments		6,784	(explicit benefit payments * 1.54)
Total benefit payments	\$	11,265	

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

Discount Rate

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

Sensitivity of the total OPEB liability to changes in the discount rate

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

	1% Decrease 2.62%	Current Discount Rate Assumption 3.62%	1% Increase 4.62%
Total OPEB Liability	\$ 238,417	\$ 223,412	\$ 209,425

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

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

	1% Decrease (5.75% Decreasing to 3.15%)	Healthcare Cost Trend Rate (6.75% Decreasing to 4.15%)	1% Increase (7.75% Decreasing to 5.15%)
Total OPEB Liability	\$ 197,671	\$ 223,412	\$ 253,509

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

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

(Continued)

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$19,494. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 888	\$ -
Assumption changes	-	11,348
County contributions subsequent to the measurement date	20,331	-
Totals	\$ 21,219	\$ 11,348

Employer contributions made subsequent to the measurement date of the total OPEB liability (June 30, 2018) and prior to the end to the County’s reporting period (June 30, 2019) are reported as deferred outflows related to OPEB. The contributions made subsequent to the measurement date were \$20,331 (\$8,087 in explicit benefit payments and \$12,244 in implicit benefit payments) were determined using the same methodology used to determine the benefit payments made during the measurements period.

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

Assumption Changes	Deferred Outflows/ (Inflows)
2020	\$ (1,555)
2021	(1,555)
2022	(1,555)
2023	(1,555)
2024	(1,555)
Thereafter	(2,685)
Total	\$ (10,460)

(Continued)

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

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

Actuarial Methods and Assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	3.62% as of June 30, 2018
Inflation	2.25%
Salary Increases	3.50% to 9.50% for PORS and 3.00% to 7.00% for SCRS, including inflation
Demographic Assumptions	Based on the experience study covering the five year period ending June 30, 2015 as conducted for the South Carolina Retirement System (SCRS)
Mortality	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.
Healthcare Cost Trend Rates	Initial rate of 6.75% decreasing to an ultimate rate of 4.15% over 15 years; ultimate trend rate includes a 0.15% adjustment for the excise tax.
Participation Rates	It was assumed that 20% of retirees would choose to maintain their healthcare benefits through the County's plan. Future retirees and surviving spouses are assumed to discontinue coverage at age 65. Of those assumed to elect coverage, 15% of males and females were assumed to elect two-person coverage. Of those that elect two-person coverage, it was assumed that coverage would not continue to the spouse upon death of the retiree.
Other information:	
Notes	The discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study as of June 30, 2018.

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

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.

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 coverage 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, 2019, 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, 2019, and that the amount of the premiums is reasonably estimable, have not been satisfied.

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

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

NOTE 18 – CONTINGENCIES

Accrued Claims

Bamberg County was the defendant in a lawsuit regarding contracts the County signed for services to be rendered in prior years to the Bamberg County Hospital. In February, 2015, a settlement was reached whereby the County agreed to pay \$200,000 over six fiscal years. The balance at June 30, 2019, of \$25,000 is payable under this agreement as follows:

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

Pending Legal Cases

The County has one litigated claim with the Insurance Reserve Fund. The case involves a lawsuit filed against the County with matter in discovery. The County is fully insured for possible judgement against the County.

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 ensure compliance with conditions precedent to the granting of funds.

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 post-closure costs assessed. The County has also committed to proportionally fund the operations of the Authority in the event another member defaults on its obligations.

NOTE 20 – SALES TAX AND OTHER CAPITAL PROJECTS FUND

On November 6, 2012, the Bamberg County voters passed a referendum to impose a one percent sales tax for not more than eight years to raise the revenues to be applied directly to pay the costs of or to pay the debt service on bonds issued to defray the cost of certain capital projects listed below. In 2013, the County, through their blended component unit the Bamberg Facilities Corporation, issued revenue bonds to commence the projects in anticipation of receiving the sales tax and fees in lieu revenue. These revenue bonds were refunded in November, 2015, with the issuance of Series 2015A and 2015B revenue bonds which included funding for additional capital projects. (See Note 12).

(Continued)

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

NOTE 20 – SALES TAX AND OTHER CAPITAL PROJECTS FUND, Continued

The following table provides further detail of the costs incurred from inception for each sales tax project and a total incurred to date for the additional projects which were funded through the debt refunding:

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<u>One Percent Sales Tax Projects:</u>				
General Government				
Bamberg County Courthouse renovation and expansion	\$ 3,541,423	\$ 3,541,423	\$ -	\$ 3,541,423
Culture and Recreation				
Olar: Park shed	6,200	6,000	200	6,200
Olar: Community building renovations	37,000	35,783	1,217	37,000
City of Bamberg: Civic Center renovations	589,000	589,000	-	589,000
Denmark: Dane Theatre renovations	60,000	60,000	-	60,000
Ehrhardt: Downtown beautification and former town hall restoration	60,000	55,392	4,608	60,000
Govan: Park shed and park improvements	15,000	15,000	-	15,000
Bamberg EDC: Veterans memorial construction	82,500	33,395	49,105	82,500
	<u>849,700</u>	<u>794,570</u>	<u>55,130</u>	<u>849,700</u>
Health and Welfare				
Olar / Govan: Regional water system back-up pump and chlorination	14,604	14,604	-	14,604
Total One Percent Sales Tax Projects	<u>\$ 4,405,727</u>	<u>\$ 4,350,597</u>	<u>\$ 55,130</u>	<u>\$ 4,405,727</u>
<u>Refunding Bond Funding Projects:</u>				
General Government				
Bamberg County Courthouse renovation and expansion	\$ -	\$ 459,168	\$ 88,160	\$ 547,328

(Continued)

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

NOTE 20 – SALES TAX AND OTHER CAPITAL PROJECTS FUND, Continued

On November 6, 2018, the Bamberg County voters passed a referendum to impose a one percent sales tax for not more than seven years to raise the revenues to be applied directly to pay the costs of or to pay the debt service on bonds used to defray the cost of certain capital projects listed below. In February of 2019 the County issued a \$1,600,000 general obligation bond anticipation note in order to commence the projects, in anticipation of receiving the sales tax.

The following table provides further detail of the costs incurred from inception for each sales tax project and a total incurred to date for the additional projects which were funded through the debt refunding:

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
<u>One Percent Sales Tax Projects:</u>				
General Government				
Law enforcement, Health & Human Services Complex	\$ 3,800,000	\$ -	\$ 57,693	\$ 57,693
Renovation of Old City Hall and relocation of police department	400,000	-	-	-
	<u>4,200,000</u>	<u>-</u>	<u>57,693</u>	<u>57,693</u>
Culture and Recreation				
Little Swamp: Community center upgrade	15,000	-	-	-
City of Bamberg: Welcome center and tourism building	150,000	-	-	-
Ehrhardt: Completion of Ehrhardt park	105,000	-	-	-
Govan: Town hall renovation	50,000	-	-	-
City of Bamberg: Walking berm, lighting, ditch repair and walkway upgrades	125,000	-	-	-
City of Bamberg: Walking trail, fountain lighting for Raider Park	125,000	-	-	-
Olar: Town Hall renovation	3,000	-	-	-
	<u>573,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Health and Welfare				
Olar: Upgrade of Water System	71,000	-	-	-
Total One Percent Sales Tax Projects	<u>\$ 4,844,000</u>	<u>\$ -</u>	<u>\$ 57,693</u>	<u>\$ 57,693</u>

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 21 – TAX ABATEMENTS

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

Fee-In-Lieu of *Ad Valorem* Property Tax Program

One of the County's tax abatement programs is the "Fee-in-Lieu of *Ad Valorem* Property Tax" ("FILOT") program. The FILOT program is authorized by South Carolina state law, specifically, Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina. S.C. Code Ann. § 12-44-20

A taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment of \$2,500,000 in a project located in the County within a 5-year period. S.C. Code Ann. §§ 12-44-30(13); 12-44-30(14) Additionally, before a taxpayer's project is eligible for benefits under the FILOT program, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than the costs. S.C. Code Ann. § 12-44-40(1)(i)

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of *ad valorem* property tax payment for the economic development property associated with the project is calculated using (i) a reduced assessment ratio, which may be reduced from 10.5% to a floor of 6% (or 4% in the case of certain enhanced investment as defined by state law), and (ii) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), S.C. Code Ann. § 12-44-40(A) for a term of not more than 30 years (or 40 years in the case of certain enhanced investments as defined by state law). S.C. Code Ann. § 12-44-30(21)

If the taxpayer does not make the minimum investment in a project within the 5-year period as described above, then the agreement is automatically terminated and the taxpayer is no longer entitled to any benefit under the FILOT program. On termination of an agreement, the taxpayer is obligated to pay the County the difference between (i) the total amount of *ad valorem* property taxes that would have been paid by the taxpayer had the economic development property not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer, and (ii) the total amount of fee-in-lieu of *ad valorem* property tax payment made by the taxpayer with respect to the economic development property. S.C. Code Ann. § 12-44-140

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

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 21 – TAX ABATEMENTS, Continued

For tax year 2018, County property taxes abated as a result of the FILOT program totaled \$16,084.^{1,2}

Special Source Revenue Credit Program

The County also abates property taxes through the “Special Source Revenue Credit” (“SSRC”) program. The SSRC program is authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The purpose of the SSRC program is to enhance the economic development of the County. S.C. Code Ann. § 4-29-68(A)(2)(i)

A taxpayer is eligible to receive an SSRC, thereby reducing its property taxes, if (i) the taxpayer’s property is located in a multicounty industrial or business park,³ and (ii) the taxpayer uses the SSRC to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer’s property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise. S.C. Code Ann. §§ 4-29-68(A)(2)(i)

Property taxes are abated under the SSRC program through the County providing a credit (in the form of a percentage or certain dollar amount) against a taxpayer’s property tax liability. S.C. Code Ann. § 4-1-175

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

For tax year 2018, County property taxes abated as a result of the SSRC program totaled \$7,425.

For tax year 2018, the County received \$268,320 from taxpayers subject to the County’s tax abatement programs.

Nonfinancial Commitments

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

¹Due to the absence of actual appraisal, standard ad valorem taxes estimated for taxpayers subject to the FILOT program assumes the appraised value of their real property would have equaled the gross cost value; however, taxpayers’ real property and their real property improvements are generally not appraised at cost.

²Estimated standard ad valorem taxes are net of local option sales tax credits and the five-year exemption provided by Section 12-37-220 of the Code of Laws of South Carolina, 1976, as amended, if it were otherwise applicable

³To locate a taxpayer’s property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties (S.C. Code Ann. § 4-1-172), a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the expenses and revenues from the multicounty industrial or business park (S.C. Const. Art. VIII, Sec. 13). The agreement must further specify how the revenues from the multicounty industrial or business park will be distributed to each taxing entity in the participating counties (S.C. Code Ann. § 4-1-170).

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

NOTE 22 – PRIOR PERIOD ADJUSTMENT

The County has recorded a prior period adjustment to the financial statements to adjust the E-911 fund balance and Proprietary fund net positions to properly reflect expenses and accrued interest during FY2018. The adjustments are summarized as follows:

	Proprietary Fund Net Position
Beginning net position, as previously reported at June 30, 2018	\$ (357,989)
Prior period adjustments:	
FY2018 expenses recorded in FY2019	(9,112)
Accrued interest not recorded at 6/30/2018	(9,253)
Net position, as restated at July 1, 2018	\$ (376,354)
	E-911 Fund Balance
Beginning fund balance, as previously reported at June 30, 2018	\$ 51,450
Prior period adjustment:	
FY2018 expenses recorded in FY2019	(10,400)
Fund balance, as restated at July 1, 2018	\$ 41,050

NOTE 23 – SUBSEQUENT EVENTS

The County has issued the following debt subsequent to June 30, 2019 fiscal year end:

- On July 26, 2019 the County issued \$225,000 General Obligation Bond taxable series 2019B with the proceeds used for the Ehrhardt EMS Station Renovation. The debt will be repaid on March 2, 2020 with one payment of \$231,011 and has an interest rate of 4.95%. Cost of issuance was \$30,000 with net proceeds to the County of \$195,000.
- On February 13, 2020 the County issued \$397,137.50 General Obligation Bond taxable series 2020A with the proceeds used to retire the \$225,000 General Obligation Bond that was issued on July 26, 2019, as well as to provide funds for the debt service payments due for capital sales tax project related outstanding debt. The debt will be repaid in five annual payments ranging from \$64,628 to \$89,438 through March 1, 2025, interest at 3.03% due semiannually. Cost of issuance was \$35,000 with net proceeds to the County at \$362,138.

(Continued)

BAMBERG COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

NOTE 23 – SUBSEQUENT EVENTS, Continued

- On February 20, 2020 the County issued \$1,686,760 General Obligation Bond Anticipation Note (BAN) with the proceeds being used to retire the \$1,600,000 General Obligation Bond Anticipation Note issued on February 20, 2019. The proceeds will be used to continue to work on the capital sales tax projects under the second capital sales tax referendum. One principal payment will be due on February 20, 2021 with interest rate at 1.930%. Cost of issuance was \$45,000 with net proceeds to the County at \$1,641,760.
- On August 19, 2019 the County entered into a loan modification with Caterpillar Financial Services to restructure the remaining principal amount owed of \$62,737 on a piece of heavy equipment. The modification changed the loan from monthly to annual payments, with four principal payments of \$17,023 beginning on September 29, 2020 and ending on September 29, 2023. The interest rate remains unchanged at 3.20010%.
- In March of 2019 Masonite Corporation announced that they would be ceasing operations in Bamberg County, effective July 31, 2019. The existing lease between the County and Masonite Corporation was terminated in July of 2019. In December of 2019 the County transferred ownership of the industrial building to the Southern Carolina Regional Alliance who then began to retrofit the building to accommodate another tenant. I am attaching some of the closing documents for your files; I have additional information if you need it. So, as of December 2019 the County no longer owns the building and land. It was felt that the Southern Carolina Alliance was in a better position to obtain funding for the retrofit and that would result in a faster turn-around of getting the building ready.

REQUIRED SUPPLEMENTARY INFORMATION

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30,

For the last fiscal year

	<u>2019</u>	<u>2018</u>
Total OPEB liability		
Service cost	\$ 13,411	\$ 15,452
Interest	7,638	6,387
Difference between expected and actual experience of the total OPEB liability	1,003	-
Change in assumptions	(841)	(13,751)
Benefit payments	<u>(11,265)</u>	<u>(11,233)</u>
Net change in total OPEB liability	9,946	(3,145)
Total OPEB liability - beginning	<u>213,466</u>	<u>216,611</u>
Total OPEB liability - ending	<u>\$ 223,412</u>	<u>\$ 213,466</u>
Covered-employee payroll	2,826,154	2,813,394
Total OPEB liability as a percentage of covered-employee payroll	7.91%	7.59%
Measurement date	June 30, 2018	June 30, 2017

Notes

(1) Pursuant to GASB 75, a 10-year history of the information shown above is required. However, until a full 10-year history is compiled, information for those years which are available may be presented.

**BAMBERG COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BAMBERG COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

Only six years of information is presented as only six years of data were available.

SCRS	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability	0.01704%	0.01634%	0.01637%	0.01658%	0.01553%	0.01553%
County's proportionate share of the net pension liability	\$ 3,817,974	\$ 3,677,721	\$ 3,495,967	\$ 3,143,718	\$ 2,674,268	\$ 2,786,066
County's covered-employee payroll	\$ 1,783,156	\$ 1,632,937	\$ 1,569,046	\$ 1,563,111	\$ 1,378,866	\$ 1,478,057
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	214.1%	225.2%	222.8%	201.1%	193.9%	188.5%
Plan fiduciary net position as a percentage of the total pension liability	54.1%	53.3%	52.9%	57.0%	59.9%	56.4%

Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

**BAMBERG COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BAMBERG COUNTY'S CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM**

Only six years of information is presented as only six years of data were available.

SCRS	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 253,134	\$ 241,793	\$ 188,767	\$ 173,237	\$ 170,377	\$ 146,160
Contributions in relation to the contractually required contribution	<u>253,134</u>	<u>241,793</u>	<u>188,767</u>	<u>173,237</u>	<u>170,377</u>	<u>146,160</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,738,559	\$ 1,783,156	\$ 1,632,937	\$ 1,569,046	\$ 1,563,111	\$ 1,378,866
Contributions as a percentage of covered-employee payroll	14.56%	13.56%	11.56%	11.04%	10.90%	10.60%

**BAMBERG COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BAMBERG COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
POLICE OFFICERS RETIREMENT SYSTEM**

Only six years of information is presented as only six years of data were available.

PORS	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability	0.08226%	0.07502%	0.08314%	0.08080%	0.07838%	0.07838%
County's proportionate share of the net pension liability	\$ 2,330,763	\$ 2,055,328	\$ 2,108,850	\$ 1,761,077	\$ 1,500,528	\$ 1,624,817
County's covered-employee payroll	\$ 1,093,160	\$ 1,003,475	\$ 1,054,028	\$ 1,012,604	\$ 974,029	\$ 977,213
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	213.2%	204.8%	200.1%	173.9%	154.1%	166.3%
Plan fiduciary net position as a percentage of the total pension liability	61.7%	60.9%	60.4%	64.6%	67.6%	63.0%

Notes to schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.

**BAMBERG COUNTY, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BAMBERG COUNTY'S CONTRIBUTIONS
POLICE OFFICERS RETIREMENT SYSTEM**

Only six years of information is presented as only six years of data were available.

PORS	Year Ended June 30,					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 187,501	\$ 177,529	\$ 142,995	\$ 144,823	\$ 135,790	\$ 125,065
Contributions in relation to the contractually required contribution	<u>187,501</u>	<u>177,529</u>	<u>142,995</u>	<u>144,823</u>	<u>135,790</u>	<u>125,065</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 1,087,594	\$ 1,093,160	\$ 1,003,475	\$ 1,054,028	\$ 1,012,604	\$ 974,029
Contributions as a percentage of covered-employee payroll	17.24%	16.24%	14.25%	13.74%	13.41%	12.84%

**COMBINING AND INDIVIDUAL
FUND SCHEDULES**

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
GENERAL FUND
JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Local Sources				
Taxes				
Real estate taxes	\$ 4,208,250	\$ 4,208,250	\$ 4,349,919	\$ 141,669
Local option sales tax credit	190,000	190,000	118,796	(71,204)
Vehicle taxes	726,965	726,965	553,346	(173,619)
Vehicle decal income	9,200	9,200	9,076	(124)
Delinquent taxes	250,000	250,000	245,473	(4,527)
Delinquent tax execution cost reimbursement	110,000	110,000	144,333	34,333
Payment in lieu of taxes	-	-	86,107	86,107
Municipal tax collection fees	28,500	28,500	28,422	(78)
State motor carrier	64,000	64,000	87,392	23,392
Manufacturer exemption reimbursement	35,700	35,700	39,940	4,240
Merchant's inventory tax	26,475	26,475	26,475	-
Homestead exemption reimbursement	312,000	312,000	337,203	25,203
Total taxes	<u>5,961,090</u>	<u>5,961,090</u>	<u>6,026,482</u>	<u>65,392</u>
Intergovernmental				
State				
Accommodation tax	106,000	106,000	111,733	5,733
Local government fund	632,795	632,795	660,782	27,987
State assistance	106,300	106,300	133,763	27,463
State election board stipend reimbursement	10,500	10,500	10,500	-
Reimbursement for election costs	45,000	45,000	28,702	(16,298)
Service Officer Supplement	4,700	4,700	4,704	4
Grants	40,770	40,770	11,344	(29,426)
Federal				
DSS - clerk of court	5,000	5,000	22,375	17,375
DSS - sheriff	4,200	4,200	2,904	(1,296)
DSS - IV-D incentives	47,500	47,500	76,913	29,413
DSS - rent/utilities reimbursement	38,000	38,000	33,110	(4,890)
FEMA proceeds	-	-	16,409	16,409
Total intergovernmental	<u>1,040,765</u>	<u>1,040,765</u>	<u>1,113,239</u>	<u>72,474</u>
Licenses and permits				
Moving and other permits	12,200	12,200	19,541	7,341
Franchise fees	4,000	4,000	3,059	(941)
Building permits	50,000	50,000	44,047	(5,953)
Total licenses and permits	<u>66,200</u>	<u>66,200</u>	<u>66,647</u>	<u>447</u>
Charges for services				
Probate fees	38,800	38,800	29,706	(9,094)
Municipal inmate housing	30,500	30,500	18,652	(11,848)
Tower rent	60,000	60,000	70,624	10,624
Total charges for services	<u>129,300</u>	<u>129,300</u>	<u>118,982</u>	<u>(10,318)</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
GENERAL FUND
JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Fines and forfeitures				
Clerk of court fines and fees	151,000	151,000	101,465	(49,535)
Magistrate fines and fees	136,050	136,050	132,944	(3,106)
Sex offender registration fees	1,800	1,800	2,170	370
Victim's advocate funds	16,800	16,800	9,160	(7,640)
Service fees	2,000	2,000	1,160	(840)
Total fines and forfeitures	<u>307,650</u>	<u>307,650</u>	<u>246,899</u>	<u>(60,751)</u>
Investment income	<u>2,340</u>	<u>2,340</u>	<u>5,205</u>	<u>2,865</u>
Miscellaneous				
Miscellaneous revenue	12,000	12,000	7,882	(4,118)
Forfeited land commission sales & interest	43,350	43,350	63,131	19,781
GIS mapping	-	-	2,992	2,992
Reimbursement for municipal judge	21,700	21,700	26,205	4,505
Detention center phone	5,400	5,400	3,906	(1,494)
Detention center concessions commissions	6,000	6,000	3,245	(2,755)
Total miscellaneous	<u>88,450</u>	<u>88,450</u>	<u>107,361</u>	<u>18,911</u>
TOTAL REVENUES	<u>7,595,795</u>	<u>7,595,795</u>	<u>7,684,815</u>	<u>89,020</u>
EXPENDITURES				
Current				
General government	3,370,155	3,370,155	3,117,862	252,293
Judicial	798,296	798,296	765,690	32,606
Public safety	2,760,484	2,760,484	2,526,776	233,708
Economic development	50,000	50,000	50,000	-
Culture and recreation	150,800	150,800	150,800	-
Miscellaneous	234,235	234,235	199,176	35,059
Health and welfare	475,000	475,000	475,000	-
TOTAL EXPENDITURES	<u>7,838,970</u>	<u>7,838,970</u>	<u>7,285,304</u>	<u>553,666</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(243,175)</u>	<u>(243,175)</u>	<u>399,511</u>	<u>(464,646)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	30,000	30,000	1,335	(28,665)
Transfers in (out)	213,175	213,175	10,239	(202,936)
TOTAL OTHER FINANCING SOURCES (USES)	<u>243,175</u>	<u>243,175</u>	<u>11,574</u>	<u>(231,601)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>411,085</u>	<u>\$ (696,247)</u>
Fund balance at beginning of year			<u>2,898,202</u>	
Fund balance at end of year			<u>\$ 3,309,287</u>	

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
GENERAL GOVERNMENT				
Administrative				
Salaries	\$ 40,800	\$ 40,800	\$ 42,949	\$ (2,149)
State retirement	5,940	5,940	6,232	(292)
FICA and Medicare	3,121	3,121	3,224	(103)
Health insurance	8,566	8,566	8,191	375
Unemployment comp insurance	170	170	45	125
Workers comp insurance	988	988	985	3
Training	2,000	2,000	2,028	(28)
Travel	2,000	2,000	467	1,533
Supplies	7,500	7,500	4,413	3,087
Capital improvement	500	500	190	310
Administrator operations	3,000	3,000	1,034	1,966
Personnel operations	2,000	2,000	-	2,000
Gas and fuel	900	900	691	209
Administrator contract	130,850	130,850	125,572	5,278
	<u>208,335</u>	<u>208,335</u>	<u>196,021</u>	<u>12,314</u>
County Auditor				
Salaries	93,375	93,375	66,880	26,495
State retirement	13,595	13,595	8,120	5,475
FICA and Medicare	7,143	7,143	5,010	2,133
Health insurance	20,065	20,065	22,977	(2,912)
Unemployment comp insurance	747	747	192	555
Workers comp insurance	2,260	2,260	2,260	-
Meals	100	100	8	92
Training	450	450	250	200
Travel	350	350	150	200
Photocopy maintenance	745	745	-	745
Lodging	1,300	1,300	990	310
Registration	840	840	510	330
Dues and publications	500	500	-	500
Supplies	3,500	3,500	143	3,357
Capital improvements	-	-	725	(725)
Maintenance contracts	2,845	2,845	-	2,845
	<u>147,815</u>	<u>147,815</u>	<u>108,215</u>	<u>39,600</u>
County Treasurer				
Salaries	121,535	121,535	125,378	(3,843)
State retirement	17,695	17,695	18,168	(473)
FICA and Medicare	9,297	9,297	8,964	333
Health insurance	57,683	57,683	44,702	12,981
Unemployment comp insurance	678	678	176	502
Workers comp insurance	2,942	2,942	2,942	-
Meals	400	400	181	219
Travel	1,000	1,000	228	772
Photocopy maintenance	600	600	-	600
Lodging	1,500	1,500	1,298	202
Registration	1,250	1,250	860	390
Dues and publications	200	200	147	53
Supplies	1,100	1,100	1,462	(362)
Insurance - professional liability	2,500	2,500	-	2,500
Photocopy lease	1,400	1,400	-	1,400
	<u>219,780</u>	<u>219,780</u>	<u>204,506</u>	<u>15,274</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Favorable
				(Unfavorable)
County Tax Assessor/GIS/Risk Manager				
Salaries	137,325	137,325	139,939	(2,614)
State retirement	19,994	19,994	20,288	(294)
FICA and Medicare	10,505	10,505	10,319	186
Health insurance	45,754	45,754	39,952	5,802
Unemployment comp insurance	678	678	182	496
Workers comp insurance	3,324	3,324	3,325	(1)
Meals	300	300	102	198
Training	2,000	2,000	1,738	262
Travel	2,000	2,000	585	1,415
Lodging	1,000	1,000	812	188
Registration	300	300	180	120
Dues and publications	1,200	1,200	934	266
Supplies	4,500	4,500	2,954	1,546
Service contracts	10,000	10,000	8,500	1,500
Auto maintenance	1,500	1,500	515	985
Contract appraisers	42,000	42,000	22,026	19,974
Equipment maintenance	1,150	1,150	725	425
Postage	7,500	7,500	-	7,500
	<u>291,030</u>	<u>291,030</u>	<u>253,076</u>	<u>37,954</u>
Building/Zoning/Code Enforcement				
Salaries	57,680	57,680	59,831	(2,151)
State retirement	8,398	8,398	8,689	(291)
FICA and Medicare	4,413	4,413	4,507	(94)
Health insurance	8,563	8,563	8,190	373
Unemployment comp insurance	170	170	45	125
Workers comp insurance	1,396	1,396	1,396	-
Meals	300	300	197	103
Training	1,000	1,000	112	888
Travel	800	800	485	315
Lodging	300	300	798	(498)
Registration	200	200	90	110
Dues and publications	1,000	1,000	10	990
Supplies	1,000	1,000	956	44
Gas and fuel	4,000	4,000	3,967	33
Auto maintenance	1,000	1,000	1,435	(435)
Software maintenance	2,900	2,900	2,894	6
Telephone	720	720	-	720
	<u>93,840</u>	<u>93,840</u>	<u>93,602</u>	<u>238</u>
Mosquito Control	21,300	21,300	3,166	18,134

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Voter Registration				
Salaries	73,431	73,431	62,534	10,897
State retirement	9,236	9,236	9,061	175
FICA and Medicare	4,852	4,852	4,778	74
Health insurance	20,062	20,062	-	20,062
Unemployment comp insurance	339	339	91	248
Workers comp insurance	1,535	1,535	1,535	-
Training	500	500	300	200
Travel	1,000	1,000	812	188
Operations	2,000	2,000	1,129	871
Supplies	4,500	4,500	3,579	921
Capital improvements	1,500	1,500	-	1,500
Board travel	5,500	5,500	4,875	625
Election commission	10,500	10,500	10,500	-
Vetting machine maintenance	11,120	11,120	11,120	-
Equipment maintenance	5,000	5,000	353	4,647
Poll worker stipend	4,500	4,500	3,420	1,080
Reimbursed election expenses	45,000	45,000	13,264	31,736
Contractual services	10,000	10,000	5,813	4,187
	<u>210,575</u>	<u>210,575</u>	<u>133,164</u>	<u>77,411</u>
Delinquent Tax Collector				
Salaries	60,969	60,969	61,434	(465)
State retirement	8,877	8,877	8,923	(46)
FICA and Medicare	4,664	4,664	4,417	247
Health insurance	32,604	32,604	30,760	1,844
Unemployment comp insurance	340	340	91	249
Workers comp insurance	1,476	1,476	1,476	-
Meals	50	50	30	20
Travel	500	500	534	(34)
Lodging	800	800	798	2
Operations	500	500	24	476
Registration fee	500	500	520	(20)
Dues and publications	50	50	50	-
Supplies	1,000	1,000	1,059	(59)
Capital improvements	500	500	708	(208)
Postage	7,500	7,500	-	7,500
Service contracts - title search for del tax sale	42,000	42,000	40,985	1,015
	<u>162,330</u>	<u>162,330</u>	<u>151,809</u>	<u>10,521</u>
Contractual Services & Utilities				
Development and IT	1,500	1,500	1,629	(129)
Training	5,000	5,000	-	5,000
Supplies	2,500	2,500	-	2,500
Equipment maintenance contracts	-	-	1,326	(1,326)
Telephone	120,000	120,000	164,365	(44,365)
Electricity	185,000	185,000	194,477	(9,477)
Capital improvements	21,200	21,200	-	21,200
Postage	25,000	25,000	27,009	(2,009)
Photocopy Lease/Maintenance	15,500	15,500	19,272	(3,772)
Bonding	4,500	4,500	4,022	478
Computer - taxes	126,830	126,830	130,708	(3,878)
Computer - payroll	7,015	7,015	75	6,940
Computer - family court	4,445	4,445	-	4,445
Copy machine	12,000	12,000	21,204	(9,204)
Insurance	135,000	135,000	127,902	7,098
Meeting expense	20,000	20,000	12,078	7,922
Risk management	1,000	1,000	408	592
	<u>686,490</u>	<u>686,490</u>	<u>704,475</u>	<u>(17,985)</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Favorable
				(Unfavorable)
Contingency & Grant Matches				
Monument expenditures	5,000	5,000	-	5,000
Contingency	40,000	40,000	-	40,000
Grant expenditures	-	-	10,715	(10,715)
	<u>45,000</u>	<u>45,000</u>	<u>10,715</u>	<u>34,285</u>
Unallocated Benefits				
Retiree health insurance	7,340	7,340	-	7,340
Employee assistance contract	3,500	3,500	4,080	(580)
	<u>10,840</u>	<u>10,840</u>	<u>4,080</u>	<u>6,760</u>
Finance				
Salaries	198,716	198,716	171,704	27,012
State retirement	28,933	28,933	24,935	3,998
FICA and Medicare	15,202	15,202	12,765	2,437
Health insurance	48,686	48,686	45,512	3,174
Unemployment comp insurance	508	508	137	371
Workers comp insurance	4,810	4,810	4,811	(1)
Meals	500	500	584	(84)
Training	1,000	1,000	35	965
Travel	750	750	790	(40)
Lodging	2,500	2,500	3,664	(1,164)
Registration fee	2,500	2,500	205	2,295
Dues and publications	6,700	6,700	1,025	5,675
Supplies	6,500	6,500	1,444	5,056
Gas and fuel	300	300	398	(98)
Audits	51,500	51,500	40,180	11,320
Management consulting	86,640	86,640	103,881	(17,241)
	<u>455,745</u>	<u>455,745</u>	<u>412,070</u>	<u>43,675</u>
Buildings and Grounds				
Salaries	37,969	37,969	38,303	(334)
State retirement	5,528	5,528	5,533	(5)
FICA and Medicare	2,905	2,905	2,567	338
Health insurance	17,130	17,130	16,384	746
Unemployment comp insurance	339	339	91	248
Workers comp insurance	919	919	919	-
Uniforms	1,800	1,800	-	1,800
Maintenance contracts - eqpt	2,000	2,000	-	2,000
Building grounds & supplies	65,000	65,000	126,826	(61,826)
Maintenance - county buildings	85,000	85,000	42,600	42,400
Custodial contract	26,300	26,300	26,373	(73)
	<u>244,890</u>	<u>244,890</u>	<u>259,596</u>	<u>(14,706)</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
County Attorney				
Salaries	42,024	42,024	42,174	(150)
State retirement	6,119	6,119	6,119	-
FICA and Medicare	3,216	3,216	3,226	(10)
Unemployment comp insurance	169	169	45	124
Workers comp insurance	1,017	1,017	1,017	-
Legal	105,000	105,000	156,005	(51,005)
	157,545	157,545	208,586	(51,041)
County Council				
Salaries	100,990	100,990	105,455	(4,465)
State retirement	14,704	14,704	9,161	5,543
FICA and Medicare	7,726	7,726	7,432	294
Health insurance	58,602	58,602	55,304	3,298
Unemployment comp insurance	898	898	242	656
Workers comp insurance	2,445	2,445	2,445	-
Council operations	1,500	1,500	2,142	(642)
Clerk to council operations	2,000	2,000	2,629	(629)
Service contracts	10,370	10,370	7,548	2,822
Advertising & legal	6,000	6,000	12,458	(6,458)
Council special projects - District 1	14,900	14,900	1,750	13,150
District 1	2,500	2,500	2,388	112
District 2	2,500	2,500	3,278	(778)
District 3	2,500	2,500	3,529	(1,029)
District 4	2,500	2,500	1,382	1,118
District 5	2,500	2,500	1,874	626
District 6	2,500	2,500	2,165	335
District 7	2,500	2,500	-	2,500
	237,635	237,635	221,182	16,453
Veterans Affairs				
Salaries	22,735	22,735	22,887	(152)
State retirement	3,311	3,311	3,311	-
FICA and Medicare	1,740	1,740	1,751	(11)
Health insurance	-	-	45	(45)
Unemployment comp insurance	169	169	-	169
Workers comp insurance	550	550	550	-
Meals	500	500	-	500
Training	750	750	-	750
Travel	750	750	-	750
Photocopy maintenance	1,000	1,000	150	850
Registration fee	500	500	-	500
Supplies	500	500	-	500
	32,505	32,505	28,694	3,811
Information Technology				
Supplies	1,200	1,200	237	963
Software expense	15,800	15,800	7,464	8,336
Security & compliance services	25,000	25,000	2,785	22,215
Equipment maintenance	2,500	2,500	3,572	(1,072)
IT consulting services	100,000	100,000	110,847	(10,847)
	144,500	144,500	124,905	19,595
Total General Government	3,370,155	3,370,155	3,117,862	252,293

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
JUDICIAL				
Clerk of Court				
Salaries	149,952	149,952	150,945	(993)
State retirement	21,833	21,833	21,869	(36)
FICA and Medicare	11,471	11,471	11,018	453
Health insurance	54,772	54,772	48,473	6,299
Unemployment comp insurance	847	847	228	619
Workers comp insurance	3,630	3,630	3,631	(1)
Operations	1,000	1,000	1,085	(85)
Supplies	6,500	6,500	3,446	3,054
Misappropriation expense	-	-	1,040	(1,040)
Court expenses	18,000	18,000	14,926	3,074
Equipment replacement	1,800	1,800	2,216	(416)
Service contract - index	20,000	20,000	16,848	3,152
IV-D expenditures	-	-	-	-
Case management system expense	18,000	18,000	18,000	-
Equipment maintenance	400	400	-	400
	<u>308,205</u>	<u>308,205</u>	<u>293,725</u>	<u>14,480</u>
Probate Judge				
Salaries	74,935	74,935	75,229	(294)
State retirement	12,315	12,315	12,314	1
FICA and Medicare	5,733	5,733	5,316	417
Health insurance	28,625	28,625	26,849	1,776
Unemployment comp insurance	339	339	91	248
Workers comp insurance	1,814	1,814	1,814	-
Meals	500	500	192	308
Travel	700	700	203	497
Lodging	1,300	1,300	1,021	279
Registration	800	800	505	295
Dues and publications	850	850	454	396
Supplies	3,500	3,500	774	2,726
Capital improvements	1,500	1,500	135	1,365
Advertising & legal notices	2,000	2,000	377	1,623
Maintenance contract - ChMs	2,400	2,400	3,900	(1,500)
Court expenses	1,360	1,360	913	447
Postage	140	140	-	140
Equipment maintenance contracts	950	950	388	562
Photocopy lease	1,400	1,400	1,269	131
Service contracts	2,500	2,500	-	2,500
	<u>143,661</u>	<u>143,661</u>	<u>131,744</u>	<u>11,917</u>
Magistrate				
Salaries	130,997	130,997	138,447	(7,450)
State retirement	20,832	20,832	18,407	2,425
FICA and Medicare	10,021	10,021	10,327	(306)
Health insurance	33,501	33,501	28,107	5,394
Unemployment comp insurance	678	678	182	496
Workers comp insurance	3,171	3,171	3,171	-
Training	2,500	2,500	445	2,055
Lodging	2,500	2,500	225	2,275
Operations	2,000	2,000	3,031	(1,031)
Registration	600	600	680	(80)
Supplies	2,000	2,000	2,000	-
Case management system	18,000	18,000	18,000	-
Capital improvements	2,000	2,000	969	1,031
Court expense	2,500	2,500	1,100	1,400
	<u>231,300</u>	<u>231,300</u>	<u>225,091</u>	<u>6,209</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Contract Agencies - Judicial				
Public defender	32,500	32,500	32,500	-
Solicitor	81,730	81,730	81,730	-
Court library	900	900	900	-
	<u>115,130</u>	<u>115,130</u>	<u>115,130</u>	<u>-</u>
Total Judicial	<u>798,296</u>	<u>798,296</u>	<u>765,690</u>	<u>32,606</u>
PUBLIC SAFETY				
County Sheriff				
Salaries	547,841	547,841	577,424	(29,583)
Overtime	46,000	46,000	47,299	(1,299)
State retirement	102,378	102,378	101,478	900
FICA and medicare	45,429	45,429	47,370	(1,941)
Health insurance	168,285	168,285	159,658	8,627
Unemployment comp insurance	2,710	2,710	775	1,935
Workers comp insurance	13,261	13,261	14,229	(968)
Training	5,000	5,000	927	4,073
Operations	6,000	6,000	4,535	1,465
Supplies	6,000	6,000	3,689	2,311
Capital improvements	27,320	27,320	10,749	16,571
Investigations	6,500	6,500	39,094	(32,594)
Victims' services	32,000	32,000	2,447	29,553
Gasoline	65,000	65,000	29,762	35,238
Auto maintenance	20,000	20,000	12,990	7,010
Uniforms	10,000	10,000	1,711	8,289
Radio maintenance	8,000	8,000	3,563	4,437
Radio communications	10,200	10,200	1,344	8,856
Software expense	2,800	2,800	-	2,800
Maintenance contracts - eqpt	21,300	21,300	-	21,300
Photocopy lease	3,000	3,000	2,019	981
Accounting & service fees	-	-	35	(35)
	<u>1,149,024</u>	<u>1,149,024</u>	<u>1,061,098</u>	<u>87,926</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Detention Center				
Salaries	396,950	396,950	417,861	(20,911)
Overtime	25,000	25,000	25,383	(383)
State retirement	72,744	72,744	75,980	(3,236)
FICA and Medicare	32,279	32,279	33,125	(846)
Health insurance	152,945	152,945	143,246	9,699
Unemployment comp insurance	2,683	2,683	715	1,968
Workers comp insurance	9,609	9,609	9,611	(2)
Training	2,000	2,000	250	1,750
Travel	2,500	2,500	2,421	79
Operations	5,000	5,000	1,195	3,805
Supplies	2,500	2,500	2,900	(400)
Capital improvements	21,000	21,000	1,754	19,246
Gas and fuel	4,000	4,000	1,807	2,193
Auto maintenance	3,000	3,000	293	2,707
Uniforms	5,000	5,000	2,676	2,324
Department of youth services	1,000	1,000	-	1,000
Inmate meals	83,000	83,000	60,773	22,227
County physician	2,500	2,500	747	1,753
Jail service contract	21,500	21,500	2,671	18,829
Janitorial supplies	2,500	2,500	873	1,627
Jail supplies	5,000	5,000	8,223	(3,223)
Maintenance - county buildings	6,000	6,000	2,535	3,465
Photocopy lease/maintenance	2,000	2,000	1,660	340
Contractual services	20,000	20,000	531	19,469
Minimum standards expenditures	50,000	50,000	9,500	40,500
Inmate medical and drugs	68,545	68,545	68,544	1
	<u>999,255</u>	<u>999,255</u>	<u>875,274</u>	<u>123,981</u>
County Coroner				
Salaries	16,253	16,253	17,634	(1,381)
State retirement	2,366	2,366	2,560	(194)
FICA and Medicare	1,243	1,243	1,272	(29)
Health insurance	8,565	8,565	8,192	373
Unemployment comp insurance	170	170	45	125
Workers comp insurance	393	393	393	-
Operations	1,000	1,000	900	100
Autopsy services	15,000	15,000	23,900	(8,900)
Supplies	500	500	360	140
Gas and fuel	400	400	707	(307)
Auto maintenance	-	-	330	(330)
Photocopy lease	500	500	-	500
Equipment maintenance	1,000	1,000	250	750
	<u>47,390</u>	<u>47,390</u>	<u>56,543</u>	<u>(9,153)</u>
Dispatching				
Salaries	241,512	241,512	230,364	11,148
Overtime	22,520	22,520	32,599	(10,079)
State retirement	38,443	38,443	38,303	140
FICA and Medicare	20,198	20,198	19,717	481
Health insurance	89,662	89,662	86,789	2,873
Unemployment comp insurance	1,694	1,694	449	1,245
Workers comp insurance	5,846	5,846	5,847	(1)
Training	3,400	3,400	376	3,024
Operations	7,000	7,000	1,542	5,458
Supplies	3,000	3,000	615	2,385
Uniforms	2,000	2,000	1,154	846
Equipment maintenance	3,000	3,000	1,920	1,080
	<u>438,275</u>	<u>438,275</u>	<u>419,675</u>	<u>18,600</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
E911				
Salaries	33,400	33,400	32,980	420
Overtime	-	-	961	(961)
State retirement	5,411	5,411	5,013	398
FICA and Medicare	2,555	2,555	7,235	(4,680)
Health insurance	8,486	8,486	8,094	392
Unemployment comp insurance	169	169	45	124
Workers comp insurance	808	808	-	808
Meals	1,000	1,000	705	295
Training	500	500	328	172
Travel	500	500	383	117
Lodging	1,200	1,200	119	1,081
Registration fees	1,500	1,500	-	1,500
Professional dues and licenses	300	300	500	(200)
Supplies	1,500	1,500	-	1,500
Declared emergency supplies	5,000	5,000	2,986	2,014
Photocopy lease	2,000	2,000	2,194	(194)
Auto maintenance	1,000	1,000	1,259	(259)
Gas and fuel	1,500	1,500	2,679	(1,179)
Uniforms	800	800	698	102
Maintenance contracts	6,125	6,125	4,661	1,464
Equipment maintenance	9,000	9,000	5,001	3,999
Capital lease - principal	36,380	36,380	36,380	-
Capital lease - interest	1,260	1,260	1,251	9
Civil defense	1,000	1,000	714	286
IT consulting services	5,000	5,000	-	5,000
Postage	146	146	-	146
	<u>126,540</u>	<u>126,540</u>	<u>114,186</u>	<u>12,354</u>
Total Public Safety	<u>2,760,484</u>	<u>2,760,484</u>	<u>2,526,776</u>	<u>233,708</u>
ECONOMIC DEVELOPMENT				
South Carolina alliance	50,000	50,000	50,000	-
Total Economic Development	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
CULTURE AND RECREATION				
Location recreation & tourism	14,000	14,000	14,000	-
ABBE regional library	136,800	136,800	136,800	-
Total Culture and Recreation	<u>150,800</u>	<u>150,800</u>	<u>150,800</u>	<u>-</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
MISCELLANEOUS				
Contract Agencies				
Lower Savannah Council of Governments	42,115	42,115	15,114	27,001
SC Association of Counties	6,700	6,700	6,697	3
National Association of Counties	450	450	450	-
Willow Swamp Contract	2,120	2,120	-	2,120
Soil & Water Conservation District	6,000	6,000	6,000	-
Mary Ann Morris Animal Society	29,000	29,000	29,000	-
	<u>86,385</u>	<u>86,385</u>	<u>57,261</u>	<u>29,124</u>
Non-Contract Agencies				
Medically Indigent Assistance Fund	51,850	51,850	51,847	3
Health Department	6,000	6,000	4,611	1,389
Chamber of commerce	800	800	800	-
Tri-County Comm. Alcohol & Drug Abuse	1,800	1,800	1,800	-
Western Carolina Higher Ed Commission	5,000	5,000	5,000	-
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	-
Friends of Clemson Extension	500	500	-	500
Bamberg Co. Council on Aging	64,000	64,000	64,000	-
Bamberg Co. DSS - Emergency Relief	6,400	6,400	6,757	(357)
Cheese & Cracker Box	3,000	3,000	3,000	-
Little Swamp Community Center	1,200	1,200	1,200	-
	<u>147,850</u>	<u>147,850</u>	<u>141,915</u>	<u>5,935</u>
Total Miscellaneous	<u>234,235</u>	<u>234,235</u>	<u>199,176</u>	<u>35,059</u>
HEALTH AND WELFARE				
EMS/Rescue - contract agency	475,000	475,000	475,000	-
Total Health and Welfare	<u>475,000</u>	<u>475,000</u>	<u>475,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 7,838,970</u>	<u>\$ 7,838,970</u>	<u>\$ 7,285,304</u>	<u>\$ 553,666</u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SALES TAX AND OTHER CAPITAL PROJECTS FUND
PROJECT AUTHORIZATION AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization 2012 Imposition	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 4,405,727	\$ 4,014,211	\$ 391,516	\$ 4,405,727
Fee in lieu	-	3,350,344	649,421	3,999,765
Investment income	-	40,087	78,500	118,587
	<u>4,405,727</u>	<u>7,404,642</u>	<u>1,119,437</u>	<u>8,524,079</u>
EXPENDITURES				
Sales Tax Projects				
General government	3,541,423	3,541,423	-	3,541,423
Culture and recreation	849,700	794,570	55,130	849,700
Health and welfare	14,604	14,604	-	14,604
	<u>4,405,727</u>	<u>4,350,597</u>	<u>55,130</u>	<u>4,405,727</u>
Other Capital Projects	-	459,168	127,171	586,339
Debt Service				
Principal retirement	-	1,270,000	530,000	1,800,000
Interest and fiscal charges	-	3,864,421	381,006	4,245,427
	<u>4,405,727</u>	<u>9,944,186</u>	<u>1,093,307</u>	<u>11,037,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,539,544)</u>	<u>26,130</u>	<u>(2,513,414)</u>
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue				
bonds issued	-	9,329,000	160,500	9,489,500
Refunding bonds				
Refunding bond proceeds, net of premiums/discounts	-	11,023,831	-	11,023,831
Payment to refunding agent	-	(9,956,850)	-	(9,956,850)
Transfers in (out)	-	(3,117,579)	-	(3,117,579)
	<u>-</u>	<u>7,278,402</u>	<u>160,500</u>	<u>7,438,902</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 4,738,858</u>	<u>186,630</u>	<u>\$ 4,925,488</u>
Fund balances, beginning of year			<u>4,738,858</u>	
Fund balances, end of year			<u>\$ 4,925,488</u>	

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
SALES TAX AND OTHER CAPITAL PROJECTS FUND
PROJECT AUTHORIZATION AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2019

	Project Authorization 2018 Imposition	Prior Years	Current Year	Total to Date
REVENUES				
Sales tax	\$ 5,600,000	\$ -	\$ 552,979	\$ 552,979
Fee in lieu	-	-	-	-
Investment income	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	5,600,000	-	552,979	552,979
EXPENDITURES				
Sales Tax Projects				
General government	4,321,000	-	-	-
Culture and recreation	523,000	-	57,693	57,693
Health and welfare	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Sales Tax Projects	4,844,000	-	57,693	57,693
Other Capital Projects	-	-	-	-
Debt Service				
Principal retirement	-	-	-	-
Interest and fiscal charges	756,000	-	90,000	90,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	5,600,000	-	147,693	147,693
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	405,286	405,286
OTHER FINANCING SOURCES (USES)				
Capital project sales tax revenue				
bonds issued	-	-	1,600,000	1,600,000
Refunding bonds				
Refunding bond proceeds, net of premiums/discounts	-	-	-	-
Payment to refunding agent	-	-	-	-
Transfers in (out)	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	1,600,000	1,600,000
Net change in fund balances	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	2,005,286	\$ 2,005,286
Fund balances, beginning of year			<hr/>	
Fund balances, end of year			<hr/>	
			\$ 2,005,286	

BAMBERG COUNTY, SOUTH CAROLINA
MAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL -
CAPITAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Property taxes	\$ 1,071,205	\$ 1,071,205	\$ 799,340	\$ (271,865)
Interest income	-	-	227	227
TOTAL REVENUES	<u>1,071,205</u>	<u>1,071,205</u>	<u>799,567</u>	<u>(271,638)</u>
EXPENDITURES				
General Government	-	-	149,022	(149,022)
Sales Tax	-	-	451	(451)
Capital outlay	608,195	608,195	278,824	329,371
Debt service				
Principal	356,360	356,360	415,178	(58,818)
Interest	51,935	51,935	47,869	4,066
TOTAL EXPENDITURES	<u>1,016,490</u>	<u>1,016,490</u>	<u>891,344</u>	<u>125,146</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>54,715</u>	<u>54,715</u>	<u>(91,777)</u>	<u>(396,784)</u>
OTHER FINANCING SOURCES (USES)				
Increase obligations under capital leases	-	-	50,020	50,020
Transfers in (out)	(54,715)	(54,715)	(146,170)	(91,455)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(54,715)</u>	<u>(54,715)</u>	<u>(96,150)</u>	<u>(41,435)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>(187,927)</u>	<u>\$ (438,219)</u>
Fund Balance at Beginning of Year			<u>372,066</u>	
Fund Balance at End of Year			<u>\$ 184,139</u>	

**BAMBERG COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	<u>Special Revenue Funds</u>			<u>Capital Project Hospital Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
	<u>Special Revenue Fund</u>	<u>E-911 Fund</u>	<u>Fire Service Fund</u>			
ASSETS						
Cash and cash equivalents	\$ 218,221	\$ 131,950	\$ 499,076	\$ -	\$ 57,609	\$ 906,856
Due from other governments	183,664	36,859	174	-	80	220,777
Due from other funds	-	-	60,397	-	197,327	257,724
Delinquent taxes receivable	-	-	53,434	-	50,988	104,422
TOTAL ASSETS	<u>\$ 401,885</u>	<u>\$ 168,809</u>	<u>\$ 613,081</u>	<u>\$ -</u>	<u>\$ 306,004</u>	<u>\$ 1,489,779</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 79,843	\$ 4,932	\$ 55,182	\$ -	\$ -	\$ 139,957
Due to other funds	45,442	178,137	-	-	-	223,579
Total Liabilities	<u>125,285</u>	<u>183,069</u>	<u>55,182</u>	<u>-</u>	<u>-</u>	<u>363,536</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	-	-	37,858	-	39,446	77,304
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>37,858</u>	<u>-</u>	<u>39,446</u>	<u>77,304</u>
FUND BALANCES						
Restricted	276,600	-	440,586	-	266,558	983,744
Assigned	-	104,815	79,455	-	-	184,270
Unassigned	-	(119,075)	-	-	-	(119,075)
Total Fund Balances	<u>276,600</u>	<u>(14,260)</u>	<u>520,041</u>	<u>-</u>	<u>266,558</u>	<u>1,048,939</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	<u>\$ 401,885</u>	<u>\$ 168,809</u>	<u>\$ 613,081</u>	<u>\$ -</u>	<u>\$ 306,004</u>	<u>\$ 1,489,779</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, 2019

	Special Revenue Funds			Capital Project Hospital Fund	Debt Service Fund	Total
	Special Revenue Fund	E-911 Fund	Fire Service Fund			
REVENUES						
Property taxes	\$ -	\$ -	\$ 457,558	\$ -	\$ 354,822	\$ 812,380
Charges for services	-	34,152	-	-	-	34,152
Intergovernmental - State	1,479,502	132,815	-	-	-	1,612,317
Intergovernmental - Federal	57,555	-	-	-	-	57,555
Interest income	39	677	215	-	35	966
TOTAL REVENUES	<u>1,537,096</u>	<u>167,644</u>	<u>457,773</u>	<u>-</u>	<u>354,857</u>	<u>2,517,370</u>
EXPENDITURES						
Current						
General government	-	-	-	-	20,000	20,000
Public Safety	600,038	225,962	251,835	-	-	1,077,835
Capital outlay	639,980	7,231	-	-	-	647,211
Debt service						
Principal	-	-	7,135	-	234,651	241,786
Interest	-	-	360	-	68,874	69,234
TOTAL EXPENDITURES	<u>1,240,018</u>	<u>233,193</u>	<u>259,330</u>	<u>-</u>	<u>323,525</u>	<u>2,056,066</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>297,078</u>	<u>(65,549)</u>	<u>198,443</u>	<u>-</u>	<u>31,332</u>	<u>461,304</u>
OTHER FINANCING SOURCES (USES)						
Transfers in (out)	(20,478)	10,239	-	12,268	39,736	41,765
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,478)</u>	<u>10,239</u>	<u>-</u>	<u>12,268</u>	<u>39,736</u>	<u>41,765</u>
Net change in fund balance	276,600	(55,310)	198,443	12,268	71,068	503,069
Fund balances, beginning of year	<u>-</u>	<u>51,450</u>	<u>321,598</u>	<u>(12,268)</u>	<u>195,490</u>	<u>556,270</u>
Prior period adjustment (Note 22)	-	(10,400)	-	-	-	(10,400)
Fund balances, beginning of year (as restated)	<u>-</u>	<u>41,050</u>	<u>321,598</u>	<u>(12,268)</u>	<u>195,490</u>	<u>545,870</u>
Fund balances, end of year	<u>\$ 276,600</u>	<u>\$ (14,260)</u>	<u>\$ 520,041</u>	<u>\$ -</u>	<u>\$ 266,558</u>	<u>\$ 1,048,939</u>

**BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental				
C Funds	\$ 500,000	\$ 500,000	\$ 1,479,502	\$ 979,502
2019 LEMPG	80,000	80,000	57,555	(22,445)
Department of Natural Resources grants	87,760	87,760	-	(87,760)
SC Department of Commerce grants	247,950	247,950	-	(247,950)
Various grants	1,000,000	1,000,000	-	(1,000,000)
Interest income	-	-	39	39
TOTAL REVENUES	<u>1,915,710</u>	<u>1,915,710</u>	<u>1,537,096</u>	<u>(378,614)</u>
EXPENDITURES				
Current				
General Government				
Department of Natural Resources grants	87,760	87,760	-	87,760
SC Department of Commerce grants	247,950	247,950	-	247,950
Various grants	1,000,000	1,000,000	-	1,000,000
Public Safety				
2019 LEMPG	59,890	59,890	37,077	22,813
Public Works				
C Funds	500,000	500,000	1,202,941	(702,941)
TOTAL EXPENDITURES	<u>1,895,600</u>	<u>1,895,600</u>	<u>1,240,018</u>	<u>655,582</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>20,110</u>	<u>20,110</u>	<u>297,078</u>	<u>(1,034,196)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(20,110)	(20,110)	(20,478)	(368)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,110)</u>	<u>(20,110)</u>	<u>(20,478)</u>	<u>(368)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	276,600	<u>\$ (1,034,564)</u>
Fund balance, beginning of year			-	
Fund balance, end of year			<u>\$ 276,600</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
E911 FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Intergovernmental	\$ 171,852	\$ 171,852	\$ 132,815	\$ (39,037)
Charges for services	146,083	146,083	34,152	(111,931)
Interest income	-	-	677	677
TOTAL REVENUES	<u>317,935</u>	<u>317,935</u>	<u>167,644</u>	<u>(150,291)</u>
EXPENDITURES				
Current				
Public Safety				
Salaries	57,400	57,400	58,482	1,082
Overtime	-	-	-	-
State retirement	8,905	8,905	8,905	-
FICA & Medicare	4,391	4,391	4,453	62
Health insurance	17,050	17,050	16,283	(767)
Unemployment comp insurance	339	339	91	(248)
Workers comp insurance	1,389	1,389	2,197	808
Meals	400	400	439	39
Training	200	200	-	(200)
Travel	200	200	-	(200)
Lodging	800	800	3,758	2,958
Registration fee	1,000	1,000	520	(480)
Dues & publications	1,475	1,475	1,299	(176)
Supplies	800	800	839	39
Equip. replacement & improvements	77,315	77,315	10,018	(67,297)
Auto maintenance	1,000	1,000	255	(745)
Gas & fuel	1,250	1,250	3,000	1,750
Lease payments - operating	63,400	63,400	70,765	7,365
Maintenance contracts - equipment	35,675	35,675	29,099	(6,576)
Equipment maintenance	20,000	20,000	10,515	(9,485)
IT consulting services	5,000	5,000	425	(4,575)
Telephone	30,000	30,000	11,850	(18,150)
TOTAL EXPENDITURES	<u>327,989</u>	<u>327,989</u>	<u>233,193</u>	<u>(94,796)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(10,054)</u>	<u>(10,054)</u>	<u>(65,549)</u>	<u>(55,495)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	10,054	10,054	10,239	185
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,054</u>	<u>10,054</u>	<u>10,239</u>	<u>185</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>(55,310)</u>	<u>\$ (55,310)</u>
Fund balance, beginning of year			51,450	
Prior period adjustment (Note 23)			(10,400)	
Fund balance, beginning of year (as restated)			<u>41,050</u>	
Fund balance, end of year			<u>\$ (14,260)</u>	

BAMBERG COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
FIRE SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 426,895	\$ 426,895	\$ 457,558	\$ 30,663
Interest income	-	-	215	215
TOTAL REVENUES	<u>426,895</u>	<u>426,895</u>	<u>457,773</u>	<u>30,878</u>
EXPENDITURES				
Current				
Public Safety				
Salaries	40,000	40,000	-	(40,000)
State retirement	5,824	5,824	-	(5,824)
FICA & Medicare	3,060	3,060	-	(3,060)
Health insurance	20,064	20,064	-	(20,064)
Unemployment comp insurance	169	169	-	(169)
Workers comp insurance	968	968	-	(968)
Meals	250	250	-	(250)
Training	100	100	-	(100)
Travel	400	400	-	(400)
Lodging	540	540	-	(540)
Operations	100	100	-	(100)
Registration fee	100	100	-	(100)
Supplies	400	400	-	(400)
Equip. replacement & improvements	56,100	56,100	-	(56,100)
Gas & fuel	2,000	2,000	1,000	(1,000)
Auto maintenance	400	400	142	(258)
Equipment maintenance	32,000	32,000	4,886	(27,114)
IT consulting services	1,500	1,500	-	(1,500)
Telephone	1,400	1,400	1,470	70
Fire service contracts	201,225	201,225	201,225	-
Contractual services	36,500	36,500	34,718	(1,782)
Capital lease pmt - principal	7,135	7,135	7,135	-
Capital lease pmt - interest	360	360	360	-
Capital outlay	-	-	-	-
Tort insurance - trucks	7,500	7,500	4,182	(3,318)
Tort insurance - firefighters	1,500	1,500	1,392	(108)
Physicals	6,000	6,000	2,820	(3,180)
Workman's comp insurance	1,300	1,300	-	(1,300)
TOTAL EXPENDITURES	<u>426,895</u>	<u>426,895</u>	<u>259,330</u>	<u>(167,565)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	198,443	<u>\$ 198,443</u>
Fund balance, beginning of year			<u>321,598</u>	
Fund balance, end of year			<u>\$ 520,041</u>	

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL -
NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted		Actual	Variance
	Original	Final		Favorable (Unfavorable)
REVENUES				
Property taxes	\$ 326,800	\$ 326,800	\$ 354,822	\$ 28,022
Interest income	-	-	35	35
TOTAL REVENUES	<u>326,800</u>	<u>326,800</u>	<u>354,857</u>	<u>28,057</u>
EXPENDITURES				
Current				
General Government	21,975	21,975	20,000	(1,975)
Debt Service				
Principal	274,030	274,030	234,651	(39,379)
Interest	72,510	72,510	68,874	(3,636)
TOTAL EXPENDITURES	<u>368,515</u>	<u>368,515</u>	<u>323,525</u>	<u>(44,990)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>(41,715)</u>	<u>(41,715)</u>	<u>31,332</u>	<u>73,047</u>
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	41,715	41,715	39,736	(1,979)
TOTAL OTHER FINANCING SOURCES (USES)	<u>41,715</u>	<u>41,715</u>	<u>39,736</u>	<u>(1,979)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ -</u>	<u>71,068</u>	<u>\$ 71,068</u>
Fund balance, beginning of year			<u>195,490</u>	
Fund balance, end of year			<u>\$ 266,558</u>	

BAMBERG COUNTY, SOUTH CAROLINA
 COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2019

	School District 1	School District 2	Town of Bamberg	Town of Denmark	Town of Ehrhardt	Town of Olar	Clerk of Court	Delinquent Tax Sale Escrow	Inmate Trust Escrow	Total
ASSETS										
Cash	\$ 1,522,306	\$ 819,046	\$ -	\$ -	\$ -	\$ -	\$ 34,840	\$ 58,318	\$ 3,997	\$ 2,438,507
Delinquent property taxes	1,169,985	703,317	-	-	-	-	-	-	-	1,873,302
Unknown funds (overage) deficit	-	-	-	-	-	-	3,563	-	-	3,563
Due from General Fund	114	64	-	-	-	-	-	-	-	178
TOTAL ASSETS	<u>\$ 2,692,405</u>	<u>\$ 1,522,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,403</u>	<u>\$ 58,318</u>	<u>\$ 3,997</u>	<u>\$ 4,315,550</u>
LIABILITIES										
Due to Trust Fund holders	\$ 2,692,405	\$ 1,522,427	\$ -	\$ -	\$ -	\$ -	\$ 33,039	\$ 57,548	\$ 3,976	\$ 4,309,395
Due to General Fund	-	-	-	-	-	-	5,364	770	21	6,155
TOTAL LIABILITIES	<u>\$ 2,692,405</u>	<u>\$ 1,522,427</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,403</u>	<u>\$ 58,318</u>	<u>\$ 3,997</u>	<u>\$ 4,315,550</u>

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
School District Number 1				
Assets				
Cash	\$ 992,992	\$ 8,596,678	\$ 8,067,364	\$ 1,522,306
Due from general fund	114	-	-	114
Delinquent taxes receivable	1,175,793	-	5,808	1,169,985
Total Assets	<u>\$ 2,168,899</u>	<u>\$ 8,596,678</u>	<u>\$ 8,073,172</u>	<u>\$ 2,692,405</u>
Liabilities				
Funds held for others	\$ 2,168,899	\$ 8,596,678	\$ 8,073,172	\$ 2,692,405
Total Liabilities	<u>\$ 2,168,899</u>	<u>\$ 8,596,678</u>	<u>\$ 8,073,172</u>	<u>\$ 2,692,405</u>
School District Number 2				
Assets				
Cash	\$ 2,419,130	\$ 5,888,253	\$ 7,488,337	\$ 819,046
Due from general fund	64	-	-	64
Delinquent taxes receivable	671,858	31,459	-	703,317
Total Assets	<u>\$ 3,091,052</u>	<u>\$ 5,919,712</u>	<u>\$ 7,488,337</u>	<u>\$ 1,522,427</u>
Liabilities				
Funds held for others	\$ 3,091,052	\$ 5,919,712	\$ 7,488,337	\$ 1,522,427
Total Liabilities	<u>\$ 3,091,052</u>	<u>\$ 5,919,712</u>	<u>\$ 7,488,337</u>	<u>\$ 1,522,427</u>
Town of Bamberg				
Assets				
Due from general fund	\$ -	\$ 515,370	\$ 515,370	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 515,370</u>	<u>\$ 515,370</u>	<u>\$ -</u>
Liabilities				
Funds held for others	\$ -	\$ 515,370	\$ 515,370	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 515,370</u>	<u>\$ 515,370</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, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Town of Denmark				
Assets				
Due from general fund	\$ -	\$ 157,771	\$ 157,771	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 157,771</u>	<u>\$ 157,771</u>	<u>\$ -</u>
Liabilities				
Funds held for others	\$ -	\$ 157,771	\$ 157,771	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 157,771</u>	<u>\$ 157,771</u>	<u>\$ -</u>
Town of Ehrhardt				
Assets				
Due from general fund	\$ -	\$ 45,214	\$ 45,214	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 45,214</u>	<u>\$ 45,214</u>	<u>\$ -</u>
Liabilities				
Funds held for others	\$ -	\$ 45,214	\$ 45,214	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 45,214</u>	<u>\$ 45,214</u>	<u>\$ -</u>
Town of Olar				
Assets				
Due from general fund	\$ -	\$ 20,455	\$ 20,455	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 20,455</u>	<u>\$ 20,455</u>	<u>\$ -</u>
Liabilities				
Funds held for others	\$ -	\$ 20,455	\$ 20,455	\$ -
Total Liabilities	<u>\$ -</u>	<u>\$ 20,455</u>	<u>\$ 20,455</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, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Clerk of Court				
Assets				
Cash	\$ 75,494	\$ 79,896	\$ 120,550	\$ 34,840
Receivable from misappropriation	39,311	-	39,311	-
Unknown funds deficit	3,563	-	-	3,563
Total Assets	<u>\$ 118,368</u>	<u>\$ 79,896</u>	<u>\$ 159,861</u>	<u>\$ 38,403</u>
Liabilities				
Funds held for others	\$ 112,712	\$ 40,711	\$ 120,384	\$ 33,039
Due to general fund	5,656	5,947	6,239	5,364
Total Liabilities	<u>\$ 118,368</u>	<u>\$ 46,658</u>	<u>\$ 126,623</u>	<u>\$ 38,403</u>
Tax Sale Escrow				
Assets				
Cash and cash equivalents	\$ 124,589	\$ 22,075	\$ 88,346	\$ 58,318
Total Assets	<u>\$ 124,589</u>	<u>\$ 22,075</u>	<u>\$ 88,346</u>	<u>\$ 58,318</u>
Liabilities				
Funds held for others	\$ 123,944	\$ 22,176	\$ 88,572	\$ 57,548
Due to general fund	645	226	101	770
Total Liabilities	<u>\$ 124,589</u>	<u>\$ 22,402</u>	<u>\$ 88,673</u>	<u>\$ 58,318</u>
Inmate Trust Escrow				
Assets				
Cash and cash equivalents	\$ 5,506	\$ 1,035	\$ 2,544	\$ 3,997
Total Assets	<u>\$ 5,506</u>	<u>\$ 1,035</u>	<u>\$ 2,544</u>	<u>\$ 3,997</u>
Liabilities				
Funds held for others	\$ 5,493	-	\$ 1,517	\$ 3,976
Due to general fund	13	8	-	21
Total Liabilities	<u>\$ 5,506</u>	<u>\$ 8</u>	<u>\$ 1,517</u>	<u>\$ 3,997</u>

BAMBERG COUNTY, SOUTH CAROLINA
ALL AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
TOTALS - AGENCY FUNDS				
Assets				
Cash	\$ 3,617,711	\$ 14,587,937	\$ 15,767,141	\$ 2,438,507
Receivable from misappropriation	39,311	-	39,311	-
Due from general fund	178	738,810	738,810	178
Unknown funds deficit	3,563	-	-	3,563
Delinquent taxes receivable	1,847,651	31,459	5,808	1,873,302
Total Assets	<u>\$ 5,508,414</u>	<u>\$ 15,358,206</u>	<u>\$ 16,551,070</u>	<u>\$ 4,315,550</u>
Liabilities				
Funds held for others	\$ 5,502,100	\$ 15,318,087	\$ 16,510,792	\$ 4,309,395
Due to general fund	6,314	6,181	6,340	6,155
Total Liabilities	<u>\$ 5,508,414</u>	<u>\$ 15,324,268</u>	<u>\$ 16,517,132</u>	<u>\$ 4,315,550</u>

SUPPLEMENTAL SECTION

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2019

	CLERK OF COURT	MAGISTRATES	TOTAL
COUNTY FUNDS COLLECTED			
Court Fines			
Court fines collected	\$ 58,793	\$ 99,966	\$ 158,759
Court fines remitted to State Treasurer	(33,013)	(1,920)	(34,933)
Court fines retained by the County	25,780	98,046	123,826
Court Assessments			
Court assessments collected	762	92,709	93,471
Court assessments remitted to State Treasurer	(493)	(82,310)	(82,803)
Court assessments retained by the County	269	10,399	10,668
Court Surcharges			
Court surcharges collected	1,994	62,265	64,259
Court surcharges remitted to State Treasurer	(1,959)	(62,265)	(64,224)
Court surcharges retained by the County	\$ 35	\$ -	\$ 35
VICTIM SERVICE FUNDS COLLECTED			
Carryforward from previous year - beginning balance	\$ -	\$ -	\$ -
Victim service assessment retained by County Treasurer	269	10,399	10,668
Victim service surcharges retained by County Treasurer	35	-	35
	\$ 304	\$ 10,399	10,703
Interest earned			116
Total funds allocated to Victim Service Fund + Beginning Balance			10,819
Expenditures for Victim Service Program			
Salary - Victim Service Officer			(10,819)
Ending Balance, June 30, 2019			\$ -

**BAMBERG COUNTY, SOUTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2019**

Real and Other Personal Property Assessed Value	\$ 18,901,220
Vehicles Assessed Value	5,045,510
Public Utilities and Railroads	5,995,660
Fee-in-Lieu of Taxes/Joint Industrial Park Fees	5,551,250
Other Business Personal Property	740,510
Manufacturer's Assessed Value	261,910
Merchants Inventory Value	<u>394,850</u>
Total Taxable Assessed Value	<u>36,890,910</u>
Debt Limited - Eight Percent (8%) of Total Taxable Assessed Value	2,951,273
Amount of Debt Applicable to Debt Limit	
Total Bonded Debt - Note 12	<u>1,544,507</u>
LEGAL DEBT MARGIN	<u><u>\$ 1,406,766</u></u>

BAMBERG COUNTY, SOUTH CAROLINA
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
JUNE 30, 2019

<u>Tax Year</u>	<u>Delinquent Taxes</u>
2009	\$ 77,321
2010	54,983
2011	138,232
2012	152,442
2013	161,180
2014	221,453
2015	235,774
2016	324,764
2017	512,488
2018	982,544
	<u>982,544</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2019	\$ 2,861,181
	<u>2,861,181</u>
Delinquent taxes, June 30, 2018	\$ 2,751,411
Add executions, March 15, 2019	1,578,781
Supplementals	30,318
Less	
Collections	1,264,498
Errors	226,314
Nulla Bonacs	8,517
	<u>8,517</u>
DELINQUENT TAXES RECEIVABLE, JUNE 30, 2019	\$ 2,861,181
	<u>2,861,181</u>
Distribution	
General Fund	777,690
Public Works Road Maintenance	17,393
Fire Service Special Revenue Fund	53,434
Capital Needs Capital Projects Fund	88,374
Debt Service	50,988
School Districts	1,873,302
	<u>1,873,302</u>
TOTAL	\$ 2,861,181
	<u>2,861,181</u>

COMPLIANCE SECTION

LOVE BAILEY

CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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 April 29, 2020.

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 have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency 2019-1 described in the accompanying schedule of findings and questioned costs as an item to be a material weakness.

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 2019-2 and 2019-3 described in the accompany schedule of findings and questioned costs as items to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bamberg County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as 2019-2.

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.

Love Bailey & Associates, LLC

Love Bailey & Associates, LLC
Laurens, South Carolina
April 29, 2020

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

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

Material Weakness

2019-1 Internal Controls over Family Court Collections

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

Condition and context: The balance of monies held in the bank account should be reconciled to consist of the known balances of the fee portion to be paid over to the County Treasurer and the payments due to the individuals. Additionally, Child Support funds were discovered to have been embezzled by a County employee by intercepting the collections and also issuing checks from the account to herself. As a result, a receivable was recorded for the year ending June 30, 2018 of \$39,182 from the individual's retirement fund and an additional \$129 directly from the individual. These funds were received in March 2019.

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

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

Auditor’s recommendation: The bank account should be reconciled monthly to the receipts collected and the balance held agreed to the funds required to be disbursed with any discrepancies resolved in a timely manner. These issues appeared to be resolved by the closing of fiscal year 2019.

County response: During FY17, the County Family Court Office suffered embezzlement by a long-term employee. The Department of Social Services conducted an internal audit and subsequently the employee was charged. The employee pled guilty to embezzlement of public funds on December 17, 2018 and was ordered to pay restitution in the amount of \$39,182. The County received these funds in March of 2019. This embezzlement occurred mainly due to bank accounts not being reconciled in a timely manner. The Clerk of Court has taken responsibility for this matter and has issued a corrective action plan to help mitigate future problems.

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

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

Material Weakness

2019-1 Internal Controls over Family Court Collections (Continued)

County response (Continued): Since that time, the Clerk of Court has invested significant time and effort to clean up and reconcile this account. Specifically, the Clerk of Court has used the LexisNexis database to locate owners of outstanding checks. He has reviewed all old and outstanding checks, located the rightful owner, voided the original and now stale check, and re-issued a new check to the owner. In addition, the bank account is being reconciled by staff monthly. As a PACSS implementer, the Clerk of Court will no longer use this account for any future receipts or disbursements. The remaining balance in this account represents old and outstanding checks. This account will be closed, once all known recipients are located and disbursements made. If the Clerk cannot locate the owner himself, he will turn those funds over to the State Unclaimed Property Program.

Significant Deficiencies

2019-2 Magistrate Collections

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

Condition and context: We noted the reconciliation of the collections receipted to the bank deposits and disbursements to the bank are not performed timely during the year. Each month this activity should be reconciled to a known balance held in the bank account since all funds collected should be disbursed by the following month or a listing of known funds held for required outstanding bonds.

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

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

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

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

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

Significant Deficiencies

2019-2 Magistrate Collections (Continued)

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

2019-3 Clerk of Court Funds Held

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

Condition and context: Several accounts in the Clerk of Court's office either hold overages which are not identified or have deficits so that sufficient funds are not on hand to cover all funds to be disbursed. The fines account, general account, and jury account had minimal variances for the year ending June 30, 2019 (less than \$1,000).

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

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

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

County response: County Finance staff will communicate this finding to the Clerk of Court and discuss possible solutions. We do feel that significant progress has been made in these account reconciliations, in that the overages/deficits have become smaller in amount. County Finance staff does prepare a year-end summary of all transactions in these accounts and reconciles the bank accounts at year-end. The monthly reconciliations should be completed by the Clerk of Court staff and we will continue to work toward that goal. Finance staff will continue to stress the importance of timely and monthly reconciliations of all accounts, and that these monthly reconciliations should be prepared by the Clerk of Court's Office staff.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019**

2018-1 General Ledger Deficiencies and Material Audit Adjustments

Finding: The County's accounting and financial reporting process could not generate timely annual information in order for it to report the overall financial position and results of operations as of and for the year ended June 30, 2018. Material audit adjustments were necessary in the governmental funds to correct a duplicate accrual of receivables; record grant/loan proceeds along with the related bank account and accounts payable/expenditures; reclass expenditures which were netted against revenues; correct for reversals of prior year accruals to incorrect accounts; reclass expenditure to transfer for lease payments paid for enterprise fund capital assets; record debt proceeds and related capital outlay on new equipment capital lease; adjust payables/expenditures and receivables/revenue for road projects. Material audit adjustments were also necessary in the enterprise fund to adjust receivables to actual and to adjust for capital lease payments paid from governmental funds.

Current Status: The finding was not repeated in fiscal year 2019.

2018-2 Internal Controls over Recording Capital Assets

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

Current Status: The finding was not repeated in fiscal year 2019.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019**

2018-3 Internal Controls over Family Court Collections

Finding: The balance of monies held in the bank account should be reconciled to consist of the known balances of the fee portion to be paid over to the County Treasurer and the payments due to the individuals. Additionally, Child Support funds were discovered to have been embezzled by a County employee by intercepting the collections and also issuing checks from the account to herself. As a result, a receivable is recorded of \$39,182 from the individual's retirement fund and an additional \$129 directly from the individual to be received in the subsequent fiscal year. The County transferred an additional \$27,368 to the bank account which is recorded in the General Fund as misappropriation expenditure in the Clerk of Court department. At June 30, 2018, the account has a deficit of \$4,120.

Current Status: See Finding 2019-1

2018-4 Proper Recording of Transactions

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

Current Status: The finding was not repeated in fiscal year 2019.

2018-5 Delinquent Tax Sale Funds

Finding: The delinquent tax office has improved the process of reconciliations, and these were performed monthly during the fiscal year ended June 30, 2018 to reconcile the bank activity to the actual tax sale transactions. The delinquent tax sale proceeds, less the property taxes and costs, are held on deposit until the property is redeemed or title transfers. Funds are still held for several past sales which exceed the five year holding period set by state law. Since these past sales

Current Status: The finding was not repeated in fiscal year 2019.

**BAMBERG COUNTY
BAMBERG, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED JUNE 30, 2019**

2018-6 Magistrate Collections

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

Current Status: See Finding 2019-2

2018-7 Clerk of Court Funds Held

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

Current Status: See Finding 2019-3

2018-8 Approved Purchasing Policy

Finding: Bids for several purchases exceeding the applicable thresholds under the County's Purchasing Policy were not obtained. Upon discussion with County personnel, it was determined the County is operating under a "draft" form of purchasing policy that has not been formally adopted by Council to either amend or repeal and replace the policy adopted in 1998. The "draft" policy provides exemptions for several categories of expenditures whereby the existing policy did not.

Current Status: The finding was not repeated in fiscal year 2019.