

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

COUNTY COUNCIL

D. THOMAS JOHNSON, CHAIRMAN

HENRY ETHERIDGE
DR. CURTIS BRANTLEY

L. MARTIN SAULS, IV
BARBARA CLARK

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
KIMBERLY BURGESS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

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Ridgeland, South Carolina 29936 - 843-717-3690 – Fax: 843-726-7800

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 19, 2019

The Honorable Members of County Council and the Citizens of Jasper County, South Carolina:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jasper County for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the County has established a comprehensive internal control framework, that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, Jasper County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Jasper County's MD&A can be found immediately following the report of the independent auditors.

In addition to the fund-by-fund financial information currently presented in the County's financial statements, we are now including government-wide financial statements. The government-wide financial statements include a statement of net position that provides the total net equity of the County including infrastructure and the statement of activities that shows the cost of providing government services. These statements have been prepared using the full accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the County's major funds as shown in the governmental fund statements. These new statements combined with other information are further analyzed in a new narrative section called management's discussion and analysis (MD&A). The MD&A provides financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the County.

Profile of the Government

The County was founded in 1912 and is located in the southeastern part of South Carolina, just north of Savannah, Georgia. The County currently occupies a land area of 662 square miles and serves a population of 28,971. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County operates under the council administrator form of government. Policy-making and legislative authority are vested in a governing council consisting of five members. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring both the government's administrator and attorney. The government's administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The Council members serve four-year staggered terms, with council members elected every two years. Four of the council members are elected from districts and one member is elected at large.

The County provides a full range of services including: police and fire protection, the maintenance of highways, streets and other infrastructure, recreational activities and cultural events, sanitation services, emergency medical services, E-911 and court services.

The annual budget serves as the foundation for the County's financial planning and control. All departments of Jasper County are required to submit requests for appropriations to the administrator on or before the last day in March each year. The County administrator uses these requests as the starting point for developing a proposed budget. The County administrator then presents this proposed budget to the council for review prior to May 15th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 58-60 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The County's budgeted fiscal year 2020 assessable base is \$148,403,197., up 9.1% from the assessable base of \$136,032,966. in fiscal year 2019. The County's current average weekly wage is \$729. The U.S. Census reports that the median household income for Jasper County is \$39,740. The most current U.S. Census population estimate for Jasper County is 28,971.

Jasper County is located west of Beaufort County and the Towns of Bluffton and Hilton Head Island. There are two municipalities within Jasper County—the Town of Ridgeland, which is the County seat and located in the center of the County and the City of Hardeeville, which is located in the southern portion of the County. Interstate 95 (I-95) runs north and south through the middle of the County for a distance of 36 miles with seven interchanges. Two primary corridors, US 278 running east/west and SC 170 running north/south, accommodate much of the tourist traffic in both Jasper and Beaufort Counties. Most of Jasper County's large-scale residential and commercial growth is occurring along these corridors.

A 2006 study completed by Clemson University's Strom Thurmond Institute projected that Jasper County would grow in population to 177,000 residents by 2026. The U.S. Census reports a 14.8% population percentage increase in Jasper County from April 1, 2010 to July 1, 2017. The State of South Carolina experienced an 8.6% population increase statewide during the same period. The County has commissioned a refresh of the 2006 Clemson study to reevaluate current service costs associated with growth.

Jasper County's unemployment rate is currently 3.0%. The State unemployment rate is 3.4%. The County has long suffered from an underemployment problem rather than an unemployment problem. For this reason, Jasper County continues to focus on creating sustainable jobs for its residents and diversifying its tax base as it grows. For many years, the County has supported a regional approach to economic development and job creation. The idea of developing a regional, economic development vision and leveraging regional economic development resources to attract sustainable jobs makes sense for the County.

Jasper County is a member of the Southern Carolina Economic Development Alliance (SCA). The SCA is a regional economic development organization representing Allendale, Bamberg, Barnwell, Colleton, Hampton, Jasper, and Beaufort Counties in the southern part of South Carolina. The SCA was formed as a non-profit economic development organization to aggressively market the Southern Carolina area for industrial locations. The SCA's economic development team consists of site location professionals prepared to quickly assess site location needs, develop sites, and present existing buildings that will meet the client's business needs. Working with the South Carolina Department of Commerce, the SCA prepares incentive packages that are the most competitive offered in the Southeastern United States.

The County has evaluated public and private sites within Jasper County that have been proposed for economic development projects. The County and the SCA are currently focused on creating industrial sites and building speculative buildings. Efforts are underway to publicly and privately finance infrastructure improvements/extensions to and within these properties. RiverPort Business Park, a privately owned, 1,400 acre premier logistics center for warehousing, distribution, and light industrial use, is currently being developed in the City of Hardeeville. A speculative building has been constructed in Point South which is located at Exit 33 on I-95. The County has constructed its fourth speculative building in the County-owned Cypress Ridge Business/Industrial Park just west of Interstate I-95 and the Town of Ridgeland. Jasper County and the Town of Ridgeland have previously worked toward developing a new industrial area along I-95 between Exits 21 & 22 in Ridgeland. Jasper County and the City of Hardeeville have worked together to develop a City-owned industrial park named the Hardeeville Commerce Park located along I-95 at Exit 5. The State of South Carolina has also recently purchased 1,388 acres of the Sherwood Tract located just southeast of I-95 Exit 5 in the City of Hardeeville. The property is currently owned by the SCA and will be marketed for development as an industrial site.

Additionally, the County is currently expanding the County-owned Ridgeland-Claude Dean Airport. The expansion project has included the construction of a new runway and parallel taxiways and will include the future construction of a new terminal. The airport improvements are being made to improve safety and increase business development opportunities in the County. The total project is anticipated to cost \$22 million and is eligible for 90% grant funding from the Federal Aviation Administration (FAA) and 5% grant funding from the SC Aeronautics Commission.

Since 2007, the States of Georgia and South Carolina have been working together, through a bi-state effort, to develop and operate a new deep-water shipping terminal in Jasper County on approximately 1,500 acres of land located in the southern portion of Jasper County along the Savannah River. This port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office (JPO) to oversee the design and development of the new port. The permitting process through the U.S. Army Corps of Engineers began in November 2015. The new port is anticipated to be operational in 2029.

The new port will have a tremendous impact on the local economy and presents the potential for substantial financial benefit to Jasper County. It has been estimated that the new port will produce 450 direct jobs, as many as 98,000 new jobs in the region, one million jobs overall, and \$9 billion in new tax revenue for the States of Georgia and South Carolina.

Long-term Financial Planning

Jasper County spent much time and effort in years past trying to understand and manage growth. One of the primary concerns was to ensure that the future cost of providing County services did not exceed the revenues received from the new growth. To that end, the County has maintained a growth management strategy that encourages a vast majority of all of the residential development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland.

In the early 2000's, with most of the planned residential and commercial development, Jasper County and the municipalities of Hardeeville and Ridgeland were involved in jointly negotiating development agreements with voluntary developer fees designed to offset the initial cost of providing additional government services beyond property tax revenue generated from the development. Voluntary fees were developed to assist each entity with providing road, school, library, police, fire, and parks and recreation infrastructure.

Some 30,000 acres of large tract, mixed use development projects were approved for development in Jasper County, the City of Hardeeville, and the Town of Ridgeland at that time. Jasper County, the City of Hardeeville, and the Town of Ridgeland authorized approximately 77,000 new dwelling units and over 4,000 acres of proposed commercial development projects. Based on buildout with those initial fees, the County and the municipalities would have received over \$300 million in voluntary developer fees. The Great Recession greatly chilled that initial development drive; however, development has increased county-wide over the past five years. With this resurgence of development, each jurisdiction has the opportunity to renegotiate and renew agreements being mindful of sustainable densities, the true cost of providing municipal and County services, and the exorbitant cost of providing infrastructure required to support the growth.

Jasper County also supports the development of affordable housing to ensure that affordable housing opportunities are available for Jasper County's workforce as the area grows. A housing needs assessment was completed for Jasper County in 2008. Since that time, new affordable rental, single-family home construction, and rehabilitation projects have been completed. A renewed interest in affordable housing opportunities for Beaufort County's workforce has led to a regional discussion about housing affordability. Jasper County is currently participating in a multi-jurisdictional Affordable Housing Trust Fund Steering Committee to learn more about housing needs for the area. Jasper County also intends to update the County's housing needs assessment.

As growth continues and the County is required to provide services to a larger population, the County must maintain discipline in spending and not depend upon speculative revenue when budgeting. The County must also continue efforts to diversify the tax base and maintain strong reserves. These practices will ensure that the County is prepared to react to changes in the economy and respond to disasters while maintaining operations. The County ended Fiscal Year 2019 with a fund balance increase of \$7,641,943, a combined ending fund balance of \$29,684,171, and an unassigned fund balance for the general fund of \$10,750,767, or 38% of total fund expenditures.

Significant Financial Policies

The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the restatement of net position at June 30, 2014, and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required the restatement of net position at June 30, 2017 and the reporting of its net pension liability and other postemployment benefits liability each year going forward.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the 21st consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the cooperation of the department heads and staff of the County. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



Andrew P. Fulghum
County Administrator



Kimberly Burgess, CPA
Director of Administrative Services/Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

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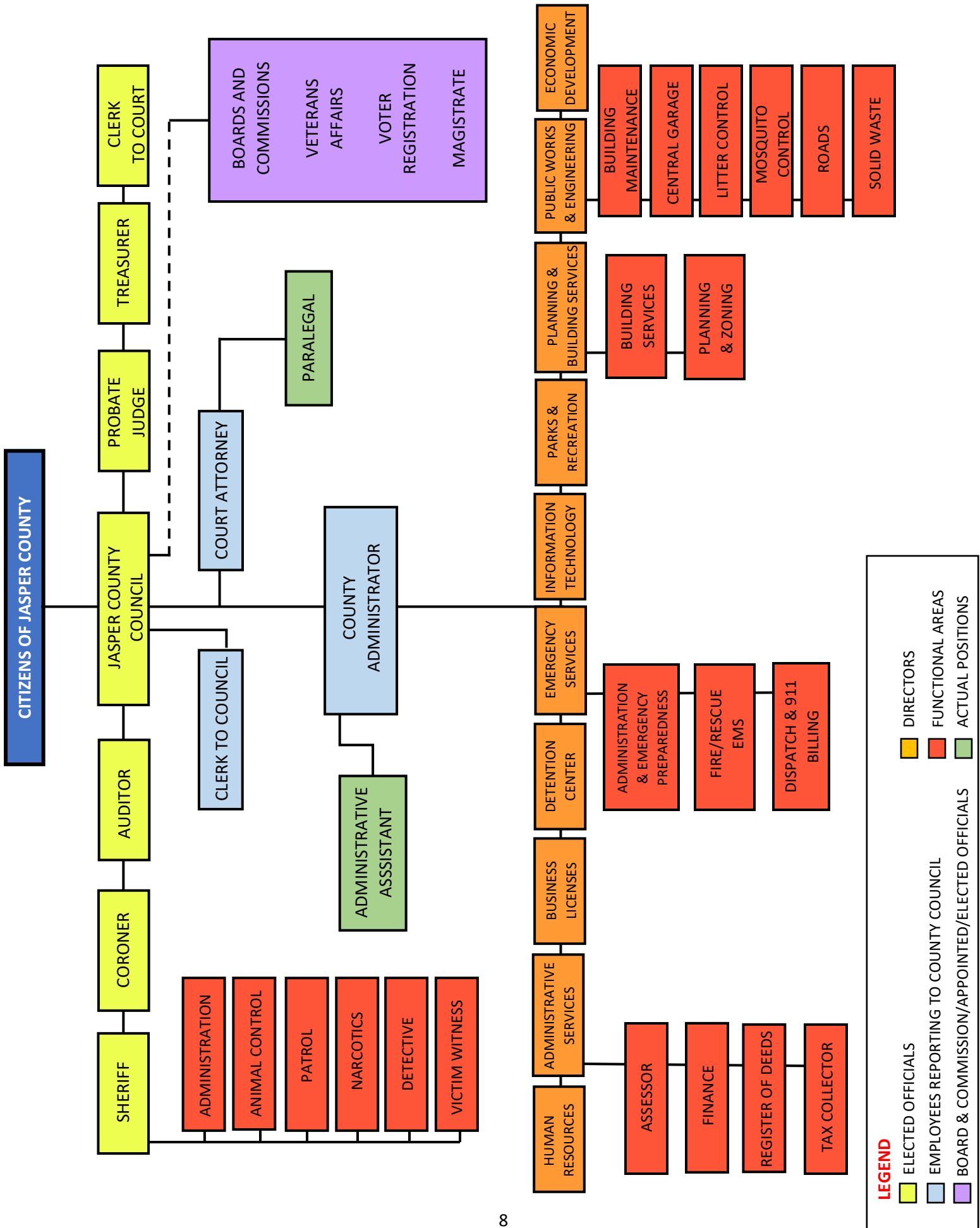
**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



LEGEND

- ELECTED OFFICIALS
- EMPLOYEES REPORTING TO COUNTY COUNCIL
- BOARD & COMMISSION/APPOINTED/ELECTED OFFICIALS
- DIRECTORS
- FUNCTIONAL AREAS
- ACTUAL POSITIONS

**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2019**

TITLE	NAME
Chairman – County Council.....	D. Thomas Johnson
Vice Chairman – County Council.....	Henry Etheridge
Council Member.....	L. Martin Sauls, IV
Council Member.....	Dr. Curtis Brantley
Council Member.....	Barbara Clark
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Kimberly Burgess
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Frank Edwards
Treasurer.....	Verna Garvin
Sheriff.....	Christopher Malphrus
Auditor.....	Hazel Holmes

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper 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.

Auditors' Responsibility

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

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

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, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and budgetary comparison information on pages 12-19 and 58-60, Schedule of the Proportionate Share of the Net Pension Liability, Schedule of Contributions, and Schedule of Changes in Total OPEB Liability and Related Ratios on pages 61-63, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, South Carolina’s basic financial statements. The introductory section, combining 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 schedule of expenditures of federal award is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2019, on our consideration of Jasper County, South Carolina’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, South Carolina’s internal control over financial reporting and compliance.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
December 11, 2019

Jasper County, South Carolina **Management's Discussion and Analysis**

As management of Jasper County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County 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 our letter of transmittal, which can be found on pages 1 to 6 of this report.

Financial Highlights

- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$23,556,100 (net position).
- The County's total net position increased by a net amount of \$10,394,862 which represented an increase in operations.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$29,684,171, an increase of \$7,641,943.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,750,767 or 38% of total fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 Jasper 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, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government'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 only 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 the County that are supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, finance, public works, sanitation, emergency services, codes and law enforcement, courts, economic development, health, education and welfare, and parks, recreation and tourism. The County currently has no business type activities.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The 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 these two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds for which similar information is presented for the 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, economic development fund and the capital projects fund that are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report,

Fiduciary funds. 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 statement because the resources of those funds are not available to support the County's own programs. All of the fiduciary funds are agency funds – assets equal liabilities. The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the 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 financial statements can be found on pages 27-57 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget on pages 58-60 and historical pension and OPEB information on pages 61-63.

The combining individual fund statements and schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 64-71 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets and deferred outflows exceeded liabilities and deferred inflows by \$23,556,100 at the close of the most recent fiscal year. The following table reflects the condensed governmental-wide statement of net position.

JASPER COUNTY, SOUTH CAROLINA NET POSITION		
	2019	2018
Current and Other Assets		
Cash and Other Assets	\$ 34,851,402	\$ 27,341,058
Capital Assets	49,144,516	44,929,303
Total Assets	<u>83,995,918</u>	<u>72,270,361</u>
Deferred Outflows of Resources	5,121,419	5,210,145
Long-term Liabilities Outstanding	58,861,698	58,450,507
Other Liabilities	3,573,256	3,745,458
Total Liabilities	<u>62,434,954</u>	<u>62,195,965</u>
Deferred Inflows of Resources	3,126,283	2,126,303
Net Position		
Net Investment in Capital Assets	30,840,723	25,723,403
Restricted	13,106,724	7,013,929
Unrestricted	(20,391,347)	(19,576,094)
Total Net Position	<u>\$ 23,556,100</u>	<u>\$ 13,161,238</u>

By far the largest portion of the County's net position \$30,840,723 reflects its investment in capital assets (e.g. land, construction in progress, building and improvements, machinery and equipment, vehicles, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

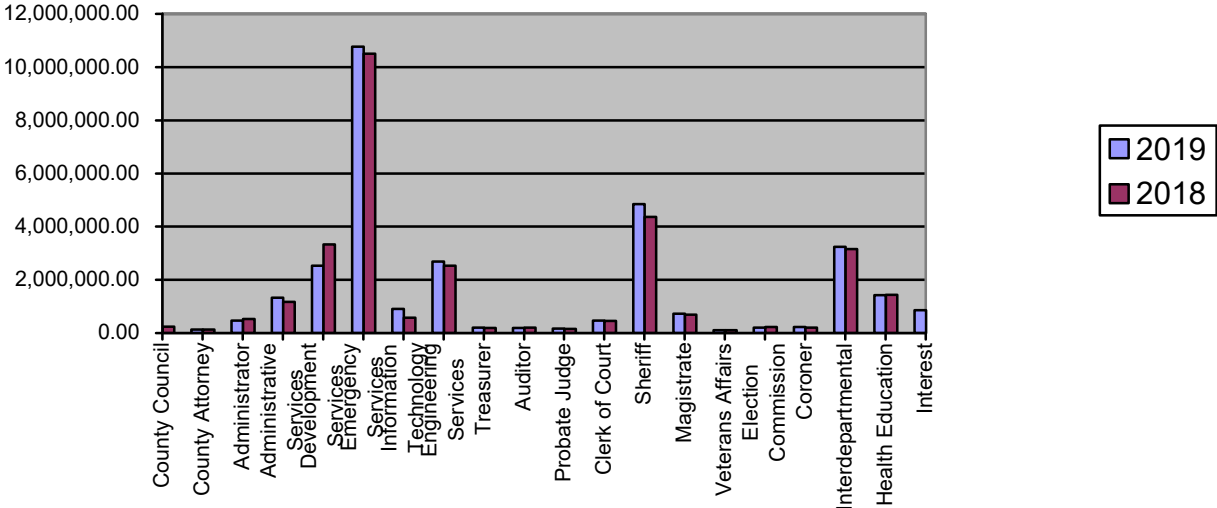
The restricted portion of net position of \$13,106,724 represents the balance of net position that has restricted resources and is not available to fund other commitments. The restricted net position relates to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

Governmental activities. The County's total net position changed by \$10,394,862 in 2019 compared to a decrease of \$1,762,928 in 2018 because of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Key elements of this increase are as shown in the following table.

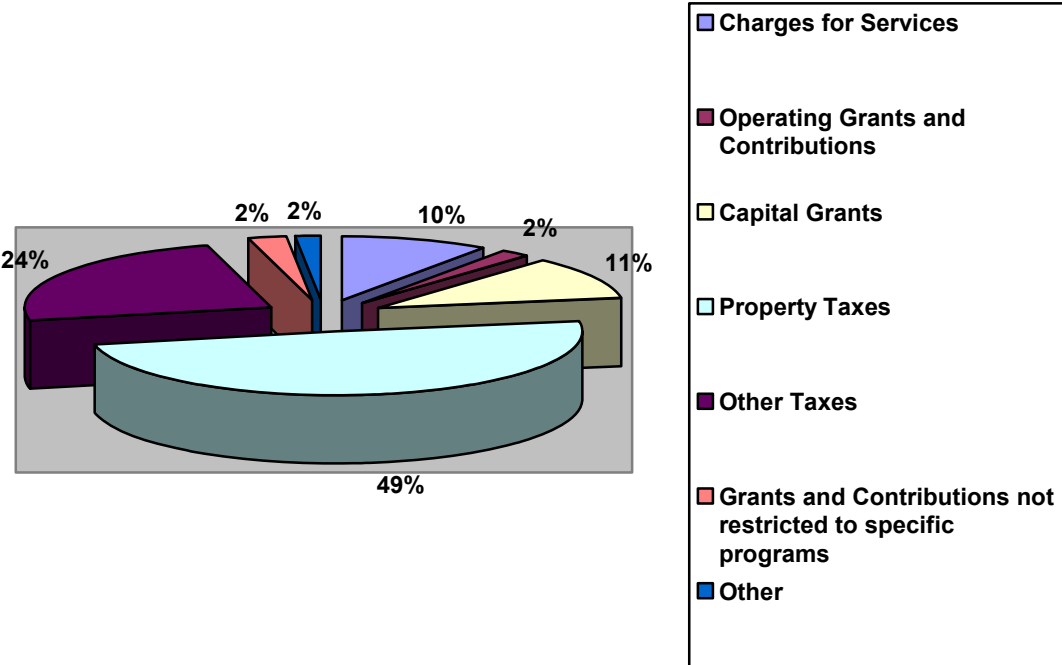
Total revenues were up \$3,069,838 and expenses were up \$573,449, most of which related to the funds generated by the local option special purpose sales tax of \$5,894,368 for transportation purposes.

JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2019	2018
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,046,087	\$ 3,827,553
Operating Grants and Contributions	836,824	3,245,923
Capital Grants and Contributions	4,547,238	4,234,844
General Revenues:		
Property Taxes	20,777,197	19,120,165
Other Taxes	10,195,403	7,515,206
Grants and Contributions not restricted to specific programs	1,004,270	1,054,625
Other	693,254	32,119
Total Revenues	<u>42,100,273</u>	<u>39,030,435</u>
Expenses:		
County Council	\$ 245,476	\$ 244,545
County Attorney	129,929	129,877
Administrator	464,372	528,912
Administrative Services	1,325,890	1,169,173
Development Services	2,525,699	3,327,220
Emergency Services	10,781,215	10,509,277
Information Technology	897,225	583,283
Engineering Services	2,690,946	2,536,813
Treasurer	196,972	195,672
Auditor	195,524	201,906
Probate Judge	163,705	155,724
Clerk of Courts	460,368	455,164
Sheriff	4,840,788	4,367,704
Magistrate	709,452	687,226
Veterans Affairs	108,489	108,545
Election Commission	209,691	234,239
Coroner	233,010	210,564
Interdepartmental	3,246,438	3,160,909
Health, Education and Welfare	1,422,480	1,437,061
Interest Expense	857,742	888,148
Total Expenses	<u>31,705,411</u>	<u>31,131,962</u>
Change in net position	10,394,862	7,898,473
Net position - beginning	13,161,238	14,924,166
Prior Period Restatement	-	(9,661,401)
Net position - ending	<u>\$ 23,556,100</u>	<u>\$ 13,161,238</u>

Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$29,684,171, an increase of \$7,641,943 in comparison with an increase of \$3,554,402 in the prior year.

The fund balance of the County's General Fund increased by \$648,460 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$965,079. This positive variance can be explained as follows:
 - Tax revenues were over budget \$2,326,131. This is attributable to an improvement in the economy resulting in an increase in local option sales taxes collected from growth and an overall increase in the County's assessed valuation.
 - Fines, fees and licenses were over budget \$947,053. This is attributable to higher than anticipated revenues in EMS fees of \$222,449, road maintenance fees of \$88,595, development fees of \$233,499, magistrate fines of \$188,131, and register of deeds of \$173,471.
 - Intergovernmental revenues were over budget \$164,314 because of reimbursements from other governments for costs associated with courts administration and law enforcement.
 - The negative variance in miscellaneous income represents the amount budgeted for a cash carryforward of \$2,908,000 offset with other miscellaneous income positive variance of approximately \$436,000.
- Overall expenditures were under budget by \$181,381. Key elements of this positive variance can be explained as follows:
 - The County was over budget in salaries and related benefits by approximately \$670,000 mainly related to overtime and medical insurance overages.
 - Detention Center food and inmate housing was over budget by approximately \$71,000.
 - Grant matching funds were approximately \$410,000 under budget because the emergency shelter construction was delayed and the purchase of vehicle for fire and rescue was under budget approximately \$265,000 because of delay in receipt of an ambulance,
 - The County had a negative budget variance in vehicle maintenance of approximately \$133,000 while building maintenance was under budget approximately \$193,000.
 - Contract services had an overall positive variance of approximately \$109,000.
 - Other positive variances were approximately \$45,000 in the Jasper County Airport budget and approximately \$41,000 in payments to the Legislative Delegation.

The debt service fund has a total fund balance of \$2,196,091 which is restricted for future debt payments. The increase of \$441,306 relates to taxes collected in excess of bond payments.

The economic development fund has a total fund balance of \$3,174,069 which is assigned for future economic development projects. The increase of \$1,070,689 relates to the loan received for the construction of a spec building.

The capital projects fund has a total fund balance of \$8,742,647 because the County received advances on amounts to be expended on various projects. The increase of \$5,712,674 relates to the capital projects special purpose sales tax.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. There were positive variances in both revenues and expenditures. There was a \$1,208,000 supplemental budgetary appropriation for emergency services fire and rescue.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2019 amounts to \$49,144,516 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during the current year include the following:

Building improvements: Parks and Fire Stations	\$ 625,010
Construction in progress: Ridgeland Airport and Fire Rescue	3,984,807
Land and improvements: Airport land and Stiney Road land	405,585
Infrastructure: Grays & Robertville Community Centers, Cypress Ridge	31,846
Radios, Mosquito Sprayer, Server, Scanner, Compactor, Lawnmower	359,838
Tahoes, Chargers, Ambulances, Ram and Fire Trucks	452,615
Total Capital Outlay	<u>\$ 5,859,701</u>

Additional information on the County's capital assets can be found in note 4 on page 36 of this report.

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$58,861,698. The County's total long-term obligations increased by \$411,191 during the current fiscal year. County debt increased by \$1,359,510 for the construction of Cypress Ridge Spec Building 4. All other long-term debt was paid as scheduled. Other post employment benefits decreased by \$648,079 with the latest actuarial evaluation, while the net pension liability increased by \$708,203.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS		
	Governmental Activities	
	2019	2018
Notes payable	\$ 1,760,664	\$ 464,512
Capital leases	337,088	804,370
General obligation bonds	5,602,431	5,632,431
Revenue bond	13,047,289	13,487,967
Compensated absences	861,437	868,562
Net pension liability	21,290,489	20,582,286
Other post employment benefits	15,962,300	16,610,379
Total	<u>\$ 58,861,698</u>	<u>\$ 58,450,507</u>

The County's general obligation bonds are rated AA- by Standard & Poor's. Revenue bonds of the County are rated A+ by Standard & Poor's. No changes to the County's credit ratings occurred this year.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the County is \$12,053,794 with \$5,602,431 of general obligation debt issued that offsets this limit for a legal debt margin of \$6,451,363.

Additional information on the County's long-term debt can be found in note 7 on page 38 of this report.

Economic Factors and Next Year's Budget

- Unemployment as of June 2019 stands at 3.3% versus 3.1% a year ago. In comparison, the State's unemployment rate is 3.5% and the national rate is 3.7% as of June 2019.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2018 tax year increased from \$140,132,048 to \$150,672,423.

All of these factors were considered in preparing the County's budget for the 2020 fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$14,253,013. The County set millage for the 2020 budget year at 142 and has budgeted 12 mills for the debt service fund to retire the bonds, which is the same millage as the previous year. Budgeted expenditures for 2020 are projected to increase 14.3% to \$31,204,375 from \$27,295,679 in 2019.

Requests for Information

This financial report is designed to provide a general overview of Jasper County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Jasper County, P.O. Box 1149, Ridgeland, South Carolina, 29936.

BASIC FINANCIAL STATEMENTS

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2019**

ASSETS	GOVERNMENTAL ACTIVITIES
Cash	\$ 10,917,292
Receivables	8,709,599
Lease Receivable	401,154
Restricted Cash	12,192,021
Property Held for Resale	2,631,336
Capital Assets,	
Not being depreciated	19,108,177
Being depreciated, net	30,036,339
Total Assets	<u>83,995,918</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	4,081,325
Deferred Outflows Related to OPEB	357,079
Deferred Outflows Related to Refunding	683,015
Total Deferred Outflows of Resources	<u>5,121,419</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 89,117,337</u></u>
LIABILITIES	
Accounts Payable	2,094,967
Salaries and Benefits Payable	167,387
Unearned Revenues	1,179,522
Accrued Interest	131,380
Noncurrent Liabilities	
Due within one year	1,104,021
Due in more than one year	
Debt Obligations	20,504,888
Net Pension Liability	21,290,489
Net OPEB Liability	15,962,300
Total Liabilities	<u>62,434,954</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	362,458
Deferred Inflows Related to OPEB	2,763,825
Total Deferred Inflows of Resources	<u>3,126,283</u>
NET POSITION	
Net Investment in Capital Assets	30,840,723
Restricted for:	
Law Enforcement	84,813
Transportation	8,715,265
Courts Administration	869,731
Debt Service	2,196,091
Tourist related expenditures	925,392
E911 expenditures	310,105
Other purposes	5,327
Unrestricted	<u>(20,391,347)</u>
Total Net Position	<u>23,556,100</u>
Total Liabilities, Net Position, and Deferred Inflows of Resources	<u><u>\$ 89,117,337</u></u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
					TOTAL GOVERNMENTAL ACTIVITIES
Governmental Activities					
County Council	\$ 245,476	-	-	-	(245,476)
County Attorney	129,929	-	-	-	(129,929)
Administrator	464,372	-	-	-	(464,372)
Administrative Services	1,325,890	434,160	-	-	(891,730)
Development Services	2,525,699	932,187	260,759	4,403,130	3,070,377
Emergency Services	10,781,215	1,237,235	75,479	-	(9,468,501)
Information Technology	897,225	-	-	-	(897,225)
Engineering Services	2,690,946	636,353	-	144,108	(1,910,485)
Treasurer	196,972	-	-	-	(196,972)
Auditor	195,524	-	-	-	(195,524)
Probate Judge	163,705	20,456	-	-	(143,249)
Clerk of Court	460,368	111,168	140,611	-	(208,589)
Sheriff	4,840,788	86,397	288,609	-	(4,465,782)
Magistrate	709,452	588,131	-	-	(121,321)
Veterans Affairs	108,489	-	5,904	-	(102,585)
Election Commission	209,691	-	48,180	-	(161,511)
Coroner	233,010	-	-	-	(233,010)
Interdepartmental	3,246,438	-	-	-	(3,246,438)
Health, Education and Welfare	1,422,480	-	17,282	-	(1,405,198)
Interest	857,742	-	-	-	(857,742)
Total Governmental Activities	<u>\$ 31,705,411</u>	<u>\$ 4,046,087</u>	<u>\$ 836,824</u>	<u>\$ 4,547,238</u>	<u>(22,275,262)</u>
General Revenues					
Property Taxes					20,777,197
Local Option Sales Taxes					3,576,562
Local Option Special Purpose Taxes					5,894,368
Franchise Taxes					49,228
Accommodation and Hospitality Taxes					675,245
Grants and contributions not restricted to specific programs					1,004,270
Miscellaneous					693,254
Total General Revenues, Special Items and Transfers					<u>32,670,124</u>
Change in net position					10,394,862
Net position, beginning					13,161,238
Net position, ending					<u>\$ 23,556,100</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019**

	GENERAL	DEBT SERVICE	ECONOMIC DEVELOPMENT	CAPITAL PROJECTS	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	\$ 9,551,481	-	\$ 1,365,811	-	-	\$ 10,917,292
Receivables - net	3,523,155	131,739	9,541	5,013,405	31,759	8,709,599
Restricted Cash	902,246	2,398,992	-	7,550,006	1,340,777	12,192,021
Interfund Receivables	2,835,566	-	-	-	-	2,835,566
Property Held for Resale	-	-	2,631,336	-	-	2,631,336
Total Assets	<u>\$ 16,812,448</u>	<u>\$ 2,530,731</u>	<u>\$ 4,006,688</u>	<u>\$ 12,563,411</u>	<u>\$ 1,372,536</u>	<u>\$ 37,285,814</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES

Liabilities						
Accounts Payable	\$ 1,165,647	\$ 236,840	\$ 12,042	\$ 626,253	\$ 54,185	\$ 2,094,967
Salaries and Benefits Payable	167,387	-	-	-	-	167,387
Unearned Revenue	-	-	820,577	358,945	-	1,179,522
Interfund Payables	-	-	-	2,835,566	-	2,835,566
Total Liabilities	<u>1,333,034</u>	<u>236,840</u>	<u>832,619</u>	<u>3,820,764</u>	<u>54,185</u>	<u>6,277,442</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	1,226,401	97,800	-	-	-	1,324,201
Total Deferred Inflows of Resources	<u>1,226,401</u>	<u>97,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,324,201</u>
Fund Balances						
Restricted	902,246	2,196,091	-	8,715,265	1,318,351	13,131,953
Committed	-	-	-	27,382	-	27,382
Assigned	2,600,000	-	3,174,069	-	-	5,774,069
Unassigned	10,750,767	-	-	-	-	10,750,767
Total Fund Balances	<u>14,253,013</u>	<u>2,196,091</u>	<u>3,174,069</u>	<u>8,742,647</u>	<u>1,318,351</u>	<u>29,684,171</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,812,448</u>	<u>\$ 2,530,731</u>	<u>\$ 4,006,688</u>	<u>\$ 12,563,411</u>	<u>\$ 1,372,536</u>	<u>\$ 37,285,814</u>

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019**

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balances for governmental funds \$ 29,684,171

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	\$ 5,511,505	
Construction in Progress	13,596,672	
Buildings and Improvements, net of \$8,042,312 accumulated depreciation	19,863,678	
Machinery and Equipment, net of \$4,260,062 accumulated depreciation	2,415,368	
Vehicles, net of \$4,462,005 accumulated depreciation	2,157,903	
Infrastructure, net of \$2,276,282 accumulated depreciation	<u>5,599,390</u>	
Total Capital Assets		49,144,516

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 1,324,201

Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds. 401,154

Deferred outflows and inflows of resources represents amounts applicable to future periods and, therefore are not reported in the funds.

Deferred outflows of resources:		
Related to pensions	4,081,325	
Related to OPEB	357,079	
Related to advance refunding	683,015	
Deferred inflows of resources:		
Related to pensions	(362,458)	
Related to OPEB	<u>(2,763,825)</u>	
Total deferred outflows and inflows of resources		1,995,136

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position.

Balances at June 30, 2019 are:

Accrued Interest Payable	(131,380)	
Net Pension Liability	(21,290,489)	
Post Retirement Benefits Payable	(15,962,300)	
Bonds, Notes and Leases Payable	(20,747,472)	
Compensated Absences	<u>(861,437)</u>	
Total Long-Term Liabilities		<u>(58,993,078)</u>

Total net position of governmental activities \$ 23,556,100

The notes to the financial statements are an integral part of this statement.

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

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 22,766,835	\$ 1,672,754	\$ -	\$ 5,894,368	\$ 538,322	\$ 30,872,279
Fines, Fees and Licenses	3,703,653	-	60,096	-	175,885	3,939,634
Intergovernmental	1,434,689	-	-	4,679,780	13,104	6,127,573
Miscellaneous	650,581	4,275	265,759	92,877	110,332	1,123,824
Total Revenues	<u>28,555,758</u>	<u>1,677,029</u>	<u>325,855</u>	<u>10,667,025</u>	<u>837,643</u>	<u>42,063,310</u>
EXPENDITURES						
Current:						
County Council	253,089	-	-	-	-	253,089
County Attorney	125,712	-	-	-	-	125,712
Administrator	466,856	-	-	-	-	466,856
Administrative Services	1,321,195	-	-	-	-	1,321,195
Development Services	1,260,433	-	572,659	86,316	522,601	2,442,009
Emergency Services	10,115,982	-	-	75,479	88,770	10,280,231
Information Technology	867,546	-	-	-	-	867,546
Engineering Services	2,251,078	-	-	297,363	12,995	2,561,436
Treasurer	196,841	-	-	-	-	196,841
Auditor	208,051	-	-	-	-	208,051
Probate Judge	163,101	-	-	-	-	163,101
Clerk of Court	453,310	-	-	-	-	453,310
Sheriff	4,356,130	-	-	27,173	119,012	4,502,315
Magistrate	705,120	-	-	-	-	705,120
Veterans Affairs	107,214	-	-	-	-	107,214
Election Commission	210,667	-	-	-	-	210,667
Coroner	231,478	-	-	-	-	231,478
Interdepartmental	1,578,680	-	-	-	-	1,578,680
Health, Education and Welfare	1,422,480	-	-	-	-	1,422,480
Debt Service:						
Principal	467,282	470,000	-	63,358	-	1,000,640
Interest	36,611	765,723	-	20,871	-	823,205
Capital Outlay:						
Coroner	6,431	-	-	-	-	6,431
Development Services	11,232	-	42,017	4,335,505	-	4,388,754
Engineering Services	48,942	-	-	24,150	-	73,092
Sheriff	161,312	-	-	24,136	-	185,448
Emergency Services	1,161,056	-	-	-	20,451	1,181,507
Information Technology	24,469	-	-	-	-	24,469
Total Expenditures	<u>28,212,298</u>	<u>1,235,723</u>	<u>614,676</u>	<u>4,954,351</u>	<u>763,829</u>	<u>35,780,877</u>
Excess (deficiency) of revenues over (under) expenditures	<u>343,460</u>	<u>441,306</u>	<u>(288,821)</u>	<u>5,712,674</u>	<u>73,814</u>	<u>6,282,433</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	1,359,510	-	-	1,359,510
Transfers In	305,000	-	-	-	-	305,000
Transfers Out	-	-	-	-	(305,000)	(305,000)
Total Other Financing Sources (Uses)	<u>305,000</u>	<u>-</u>	<u>1,359,510</u>	<u>-</u>	<u>(305,000)</u>	<u>1,359,510</u>
Net change in fund balances	648,460	441,306	1,070,689	5,712,674	(231,186)	7,641,943
Fund balances, beginning	13,604,553	1,754,785	2,103,380	3,029,973	1,549,537	22,042,228
Fund balances, ending	<u>\$ 14,253,013</u>	<u>\$ 2,196,091</u>	<u>\$ 3,174,069</u>	<u>\$ 8,742,647</u>	<u>\$ 1,318,351</u>	<u>\$ 29,684,171</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances - total governmental funds	\$	7,641,943
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$5,859,701) was more than depreciation (\$1,644,488) in the current period.		4,215,213
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the 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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are as follows:

Issuance of Debt	\$ (1,359,510)	
Repayment of Principal	937,282	
Accrued Interest, Premiums, and Discounts	<u>(34,537)</u>	(456,765)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		100,321
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Governmental funds report employee benefits as expenditures. However, in the statements of activities, the cost of employee benefits earned net of employee contributions is reported as an expense.

Pension contributions	1,744,938	
Cost of benefits earned net of employee contributions	<u>(2,412,600)</u>	(667,662)
OPEB contributions	357,079	
Cost of OPEB benefits earned net of employee contributions	<u>(802,392)</u>	(445,313)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated Absences		<u>7,125</u>
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Total change in net position of governmental activities	\$	<u><u>10,394,862</u></u>
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**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019**

	Agency Funds
ASSETS	
Cash	\$ 32,070,330
Receivables	236,840
Total Assets	\$ 32,307,170
 LIABILITIES	
Due to Others	32,307,170
Total Liabilities	\$ 32,307,170

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

Jasper County, South Carolina (the "County") is a political subdivision of the State of South Carolina, operating under the Council-Administrator form of government to provide services authorized by its charter. It is governed by an elected Board (the "Council"), which is governed by state statutes and regulations. In addition to the members of the Council, there are two elected Constitutional Officers: Treasurer and Auditor.

The accompanying financial statements present the combined financial positions and combined results of operations of the various fund types controlled by the Council and its Constitutional Officers.

The Council funds all of the operating budgets of the County's Constitutional Officers. The County Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The County is not reporting any component units as described above.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Jasper County reports only governmental activities, as there are no business-type activities or component units.

Although interfund services provided and used are not eliminated in the process of consolidation, as a general rule the effect of interfund activity has been eliminated from the government-wide financial statements

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *economic development fund* accounts for the external contributions and external financing accumulated and payments made for economic development of the County.

The *capital projects fund* accounts for the intergovernmental revenues and proceeds of debt accumulated and payments made for specific major capital projects.

The *debt service fund* accounts for the taxes accumulated and payments made for debt payments.

Additionally, the government reports the following fund types:

The *agency fund* is used to account for resources held by the County in a trustee capacity for the Jasper County schools and for amounts held by departments for others.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. The County has no enterprise funds.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days after the end of the current fiscal period, except for grant reimbursements for which the availability period is 120 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and for acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 120 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the capital projects fund is not adopted as its revenues and expenditures are adopted on a project basis. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make several supplemental budgetary appropriations throughout the year. There was a supplemental budgetary appropriation of \$1,208,000 made in the general fund during the year for emergency services.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at the end of the year, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County is authorized by State statute to invest in the following:

Obligations of the United States, its agencies and instrumentalities;

Obligations of the State of South Carolina or any of its political subdivisions;

Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;

Certificates of deposit and repurchase agreements provided the collateral is of the types described above and has a market value in excess of the certificate of deposit or repurchase agreement plus accrued interest, and is held by a third party as escrow agent or custodian;

Repurchase agreements when collateralized by securities of the type described above and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 debt issue of the County if the particular portfolio of the investment company or investment trust in which the investment is made (1) is limited to obligations described above and (2) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

A single central depository holds most operating cash. Each fund owns a pro-rata interest in the cash held by the depository. Interest income is allocated to the creditor funds based on average cash balances. Investments are stated at fair value.

The County has a number of financial instruments, none of which are held for trading purposes. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Debt securities are reported at cost or amortized costs.

Inventories

Inventories of the general fund consist of supplies held for consumption and are immaterial to the financial statements and accordingly are not recorded.

Capital Assets

Capital assets, which include property and equipment and infrastructure assets (e.g. roads, lighting, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as property and equipment with an initial, individual cost of more than \$5,000 and infrastructure assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or acquisition value if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Infrastructure	20 to 50
Vehicles and Equipment	5 to 20

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The statement of net position reports deferred outflows of resources related to its net pension liability, other postemployment benefit liability, and advance refundings of debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue resulting from property taxes under modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported in the governmental funds balance sheet. The statement of net position reports deferred inflows related to its net pension liability and other postemployment benefit liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has by resolution authorized the administrator to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Property Taxes

The County Ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County in October of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th with penalties assessed of 3% if paid after January 15th, 10% if paid after January 31st, and 15% if paid after March 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for tax year 2018 is 142 mills with an additional 12 mills for the County debt service fund.

Compensated Absences

Vacation - The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee's resignation or retirement. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave - Accumulated sick leave lapses when employees leave the employment of the County and, upon separation from service, no monetary obligation exists.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

As of June 30, 2019, the County had the following cash and investments that are included in governmental funds of \$23,109,313 and the agency fund cash of \$32,070,330.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 392,020	\$ 220,980
Investments	12 months or less	17,215,667	17,215,667
US Government Securities	Daily	201,798	201,798
<u>Cash</u>			
Checking Accounts		37,369,758	37,729,607
Change Funds		400	-
Total Deposits and Investments		<u>\$ 55,179,643</u>	<u>\$ 55,368,052</u>

*Account is swept daily; however, \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2019 is \$220,980.

Credit Risk – The County does not have an investment policy but follows state guidelines for investments. The investments of the County include a repurchase agreement invested in government treasury obligations and construction funds invested in short-term government securities, which mature daily.

Interest Rate Risk – The County does not have an investment policy. Maturities on repurchase agreements are from 1 to 5 days. Maturities on certificate of deposits are 12 months or less. U.S. Government securities are highly liquid treasury notes.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. Currently, the County's investments consist of certificates of deposit and deposits with the South Carolina Local Government Investment Pool (LGIP). The LGIP is considered to be a 2a7-like pool that operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The pool is managed by the Treasurer's Office of the State of South Carolina. The pool is not registered with the SEC as an investment company. The fair value of the balance in the LGIP represents the same value as the pool shares.

As of June 30, 2019, the bank balance was \$55,368,052. At year end, \$49,755,085 of the County's deposits were covered by federal depository insurance and or by collateral held in the pledging financial institution. Therefore, \$5,612,967 of the County's deposits were exposed to custodial credit risk as of June 30, 2019.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3 RECEIVABLES

Receivables at June 30, 2019, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Debt Service</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 5,905,608	\$ 491,199	\$ -	\$ -	\$ -	\$ 6,396,807
Accounts	5,376,984	-	-	-	-	5,376,984
Other	1,885,045	8,939	9,541	5,013,405	31,759	6,948,689
Gross receivables	13,167,637	500,138	9,541	5,013,405	31,759	18,722,480
Allowance for doubtful accounts						
Taxes	(4,429,206)	(368,399)	-	-	-	(4,797,605)
Accounts	(5,215,276)	-	-	-	-	(5,215,276)
Net total receivables	<u>\$ 3,523,155</u>	<u>\$ 131,739</u>	<u>\$ 9,541</u>	<u>\$ 5,013,405</u>	<u>\$ 31,759</u>	<u>\$ 8,709,599</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements	\$ -	\$ 358,945
Special purpose drawdown not yet spent	-	6,118
Developer review fees	-	364,459
Emergency Shelter	-	450,000
Property taxes not collected within 60 Days	1,324,201	-
Grant reimbursements received after 60 days	-	-
Total	<u>\$ 1,324,201</u>	<u>\$ 1,179,522</u>

Receivables

The County entered into an agreement with the Lowcountry Council of Governments (LCOG) to borrow \$900,000 on behalf of LCOG. LCOG leased their facilities to the County who in turn leased it back to LCOG for an amount equal to the payments on the bank loan. The balance of the lease at June 30, 2019 is \$401,154. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 66,460	\$ 17,769	\$ 84,229
2021	69,714	14,515	84,229
2022	73,128	11,101	84,229
2023	76,709	7,520	84,229
2024	80,465	3,764	84,229
2025-2026	34,678	416	35,094
Total	<u>\$ 401,154</u>	<u>\$ 55,085</u>	<u>\$ 456,239</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers In/(Out)</u>	<u>June 30, 2019</u>
<i>Capital assets not being depreciated</i>					
Land and improvements	\$ 5,105,920	\$ 405,585	\$ -	\$ -	\$ 5,511,505
Construction in progress	9,792,177	3,984,807	-	(180,312)	13,596,672
Total capital assets, not being depreciated	<u>14,898,097</u>	<u>4,390,392</u>	<u>-</u>	<u>(180,312)</u>	<u>19,108,177</u>
<i>Capital assets being depreciated</i>					
Buildings and improvements	27,260,387	625,010	-	20,593	27,905,990
Machinery and equipment	6,305,592	359,838	-	10,000	6,675,430
Vehicles	6,753,064	452,615	585,771	-	6,619,908
Infrastructure	7,694,107	31,846	-	149,719	7,875,672
Total capital assets being depreciated	<u>48,013,150</u>	<u>1,469,309</u>	<u>585,771</u>	<u>180,312</u>	<u>49,077,000</u>
Less accumulated depreciation for:					
Buildings and improvements	7,489,253	553,059	-	-	8,042,312
Machinery and equipment	3,869,662	390,400	-	-	4,260,062
Vehicles	4,539,195	508,581	585,771	-	4,462,005
Infrastructure	2,083,834	192,448	-	-	2,276,282
Total accumulated depreciation	<u>17,981,944</u>	<u>1,644,488</u>	<u>585,771</u>	<u>-</u>	<u>19,040,661</u>
Total capital assets being depreciated, net	<u>30,031,206</u>	<u>(175,179)</u>	<u>-</u>	<u>180,312</u>	<u>30,036,339</u>
Governmental activity capital assets, net	<u>\$ 44,929,303</u>	<u>\$ 4,215,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,144,516</u>

The County has construction commitments of \$260,793 for the airport acquisition and \$18,967 for Fire Stations at Stiney Road and Marsh Cove that are included in construction in progress in the capital projects fund.

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

<u>Governmental Activities</u>	
Administrative Services	\$ 3,203
Development Services	92,753
Emergency Services	502,667
Engineering Services	132,005
Clerk of Court	2,601
Sheriff	322,058
Coroner	1,072
Information Technology	33,348
Interdepartmental	554,781
Total depreciation expense - governmental activities	<u>\$ 1,644,488</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 5 PROPERTY HELD FOR RESALE

As of June 30, 2019, the County owns several parcels of land and buildings held for speculative purposes and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on these assets since it is considered held for sale. The detail on property held for resale is as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Cost of Land Sold</u>	<u>June 30, 2019</u>
Cypress Ridge Land	\$ 670,640	\$ -	\$ -	\$ 670,640
Ridgeland Industrial Park	40,240	-	-	40,240
Sergeant Jasper Park	69,300	-	-	69,300
Cypress Ridge Spec Bldg 1	320,000	-	-	320,000
Cypress Ridge Spec Bldg 4	30,686	1,500,470	-	1,531,156
Total	<u>\$1,130,866</u>	<u>\$1,500,470</u>	<u>\$ -</u>	<u>\$2,631,336</u>

The County has construction commitments of \$750,775 remaining on the Cypress Ridge Spec Bldg. 4 at June 30, 2019 in the economic development fund.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2019 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	\$ 2,835,566
		<u>\$ 2,835,566</u>

The \$2,835,566 due to the general fund from the capital project fund represents shortfalls of cash in the capital project fund that occurred while waiting for grant reimbursements.

Interfund Transfers

Interfund balances for the year ended June 30, 2019 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund/Nonmajor E-911	\$ 155,000	\$ 155,000
Local A-Tax funds to General Fund as budgeted	150,000	150,000
Total	<u>\$ 305,000</u>	<u>\$ 305,000</u>

Interfund balances are used (1) to move revenues from the fund with collection authorization to the fund with expenditure authorization, and (2) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grant programs.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2019.

Governmental Activities	June 30, 2018	Increases	Decreases	June 30, 2019	Due Within A Year
Notes payable	\$ 464,512	\$ 1,359,510	\$ 63,358	\$ 1,760,664	\$ 63,358
Capital leases	804,370	-	467,282	337,088	149,217
General obligation bond	5,632,431	-	30,000	5,602,431	136,446
Revenue Bonds	13,380,000	-	440,000	12,940,000	455,000
Plus amount for bonds issued at a premium	225,432	-	7,217	218,215	-
Less amounts for bonds issued at a discount	(117,465)	-	(6,539)	(110,926)	-
Total	20,389,280	1,359,510	1,001,318	20,747,472	804,021
Compensated absences	868,562	415,404	422,529	861,437	300,000
Total	<u>\$ 21,257,842</u>	<u>\$ 1,774,914</u>	<u>\$ 1,423,847</u>	<u>\$ 21,608,909</u>	<u>\$ 1,104,021</u>

Long-term debt payable at June 30, 2019 is comprised of the following issues:

Notes Payable	Balance
\$1,359,510 loan for construction of the Cypress Ridge Spec Building #4 payable in ten years with payments of \$195,000 plus interest set at 1%-2% above LIBOR beginning in December 2022.	\$ 1,359,510
\$900,000 loan for Lowcountry Council of Governments facilities in a lease-lease back arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%.	401,154
Total Notes Payable	<u>\$ 1,760,664</u>

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 66,460	\$ 17,769	\$ 84,229
2021	69,714	14,515	84,229
2022	73,128	11,101	84,229
2023	271,709	61,900	333,609
2024	275,465	50,344	325,809
2025-2029	1,004,188	116,316	1,120,504
Total	<u>\$ 1,760,664</u>	<u>\$ 271,945</u>	<u>\$ 2,032,609</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds	Balance
\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.	\$ 4,440,000
\$1,500,000 General Obligation Series 2015 with semi-annual interest payments at 2.99% interest and annual principal, matures in ten years for the acquisition and construction of the Ridgeland Airport facility.	1,162,431
Total General Obligation Bonds	\$ 5,602,431

The South Carolina Constitution limits local unit borrowing power to 8% of its assessed property value. The limitation excludes bonded indebtedness existing prior to December 1, 1977, (date of the Constitutional Amendment), certain special levies assessed on properties located in an area receiving special benefits, and other prescribed indebtedness approved by the voters.

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 136,446	\$ 255,620	\$ 392,066
2021	139,579	250,136	389,715
2022	142,603	245,613	388,216
2023	150,821	240,995	391,816
2024	154,134	236,042	390,176
2025-2029	838,848	1,099,370	1,938,218
2030-2034	270,000	967,440	1,237,440
2035-2039	1,485,000	843,740	2,328,740
2040-2042	2,285,000	221,114	2,506,114
Total	\$ 5,602,431	\$ 4,360,070	\$ 9,962,501

Capital Leases	Balance
\$300,000 capital lease for purchase of five used fire tankers with annual payments of \$61,947 for five years including interest at 1.19%.	\$ 61,315
\$460,000 capital lease for the purchase of police vehicles, radios, and radars with annual payments of \$98,567 for five years.	275,773
Total Capital Leases	\$ 337,088

Equipment Under Capital Leases

The County has entered into the above leases for vehicle, heavy equipment, and radios. The cost of this equipment is \$1,180,190 with accumulated amortization of \$851,549 for a net value of \$328,641. These leases are paid from the general fund.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize the capital leases are as follows:

Fiscal Year Ending June 30,	Amount
2020	\$ 160,610
2021	98,567
2022	98,567
Sub-total	357,744
Less amount representing interest	(20,656)
Total	\$ 337,088

Revenue Bonds	Balance
The County issued installment purchase revenue bonds Series 2011A in the amount of \$11,915,000 to pay off the Bond Anticipation notes which were used for construction of the County office building.	\$ 3,970,000
The County issued installment purchase revenue bonds Series 2014 in the amount of \$2,255,000. The proceeds were used to pay off equipment leases.	1,835,000
The County issued installment purchase revenue bonds Series 2017 in the amount of \$8,290,000.	7,135,000
Total Revenue Bond	\$ 12,940,000

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 455,000	\$ 516,350	\$ 971,350
2021	470,000	498,800	968,800
2022	170,000	480,650	650,650
2023	485,000	475,550	960,550
2024	500,000	455,401	955,401
2025-2029	1,615,000	2,030,017	3,645,017
2030-2034	6,175,000	1,436,462	7,611,462
2035-2039	3,070,000	277,274	3,347,274
Total	\$ 12,940,000	\$ 6,170,504	\$ 19,110,504

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Refundings

In March 2017, the County issued \$8,290,000 in Revenue Bond Series 2017 at interest rates between 2.00% and 4.00%. The County issued the bonds to advance refund \$7,240,000 of the outstanding Revenue Bond Series 2011A with interest rates between 4.00% to 5.25%. The net proceeds of \$8,051,892 (after payment of approximately \$394,413 in issue costs) along with other cash was used to purchase SLG securities. These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2011A series Revenue Bonds. The County completed the refunding to reduce its total debt service payments over a period of 15 years by \$1,742,961 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$397,362.

Conduit Debt

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40% of the fee-in-lieu tax received from the businesses in the park. The County has no financial liability beyond this amount. At June 30, 2019, \$5,500,000 and \$4,500,000 were outstanding.

Defeasance Debt

During the year ended June 30, 2017, the County defeased a portion of its Series 2011A Revenue Bond by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bond are not included in the County's financial statements. On June 30, 2017, the amount of debt considered defeased is approximately \$7,240,000.

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2019 there was \$174,713 in debt service reserve accounts. Also, \$2,224,279 is on hand toward the interest and principal on the bonds. The current budget for 2019-2020 includes 12 mills for the payment of debt service.

Commitments Under Noncapitalized Leases

The County has operating leases on two garbage trucks. Lease payments are \$2,550 per month plus \$0.074 per mile on each truck.

The County has entered into five new leases in 2018 for public works equipment for \$460,000. Annual payments of \$131,000 over 5 years.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2019 are \$861,437 and include 17% for employee benefits and are included in long-term liabilities.

Other Post Employment Benefits

Plan Description – County employees who participate in the County’s health insurance plan and who retire from County service in accordance with the South Carolina Retirement System may have their health insurance continued. The plan is a single-employer plan that covers the current and former employees, including beneficiaries, of only one employer. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75.

Service Retirees and employees enrolled in the health plan on or before July 20, 2008, who (1) have participated in the County’s health insurance plan for ten (10) or more consecutive years; and (2) have met the retirement age; and (3) at the time of retirement are active County employees, will have their health insurance premiums paid by the County. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the South Carolina Retirement System, at the time of retirement must be employed for twenty-eight (28) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the Police Officers Retirement System at the time of retirement must be employed for twenty-five (25) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement.

Funding Policy – The contribution requirements of plan members and the County are established and may be amended by the County Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County Council. For fiscal year ended June 30, 2018, the County contributed \$285,632 to the plan, including \$285,632 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

Annual OPEB Cost and Net OPEB Obligation - The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table provides a summary of the number of participants in the plan as of June 30, 2018:

Membership	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	53
Inactive Plan Memebers Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	210
Total Plan Members	263

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2018	\$ 16,610,379
Changes for the year:	
Service Cost	660,904
Interest Cost	598,009
Changes in Assumption	(1,621,360)
Benefit Payment	(285,632)
Net change in total OPEB liability	(648,079)
Balance at June 30, 2019	\$ 15,962,300

Actuarial Methods and Assumptions – The demographic assumptions are based on the assumptions that were developed for the defined benefit plans in which the County participates (SCRS and PORS). The assumptions are based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems.

Discount Rate – For 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. For the purpose of this valuation, the municipal bond rate is 3.62% (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 was 3.56% as of the prior measurement date.

Participation Rates – It was assumed that 95% of future retirees who are eligible for the County’s premium subsidy and 20% of retirees who are not eligible for the subsidy would choose to receive health care benefits through the County.

Mortality Rates – For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following Multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.

Health Care Trend Rates – Initial trend of 6.40% declining to an ultimate trend rate of 4.15% after 15 years.

Demographic Assumptions – Based on the experience study covering the five-year period ending June 30, 2015 as conducted for the South Carolina Retirement Systems (SCRS).

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity of the Total OPEB liability to changes in the healthcare cost trend rate assumption

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

Health Care Cost Trend Rate Sensitivity		
	Current Health Care Cost Rate Assumption	
1% Decrease		1% Increase
\$13,345,327	\$ 15,962,300	\$19,346,811

Sensitivity of the total OPEB liability to changes in the discount rate assumption- Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.56%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Discount Rate Sensitivity		
	Current Discount Rate	
1% Decrease 2.56%	3.56%	1% Increase 4.56%
\$18,802,521	\$ 15,962,300	\$13,697,936

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,181,891
Changes in assumptions	-	1,581,934
Contributions subsequent to the measurement date	357,079	-
Total	\$ 357,079	\$ 2,763,825

The amount of \$357,079 that was reported as deferred outflows of resources related to the County's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2019. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows)
2020	\$ (456,521)
2021	(456,521)
2022	(456,521)
2023	(456,521)
2024	(456,521)
Thereafter	(481,220)
Total	\$ (2,763,825)

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012 and governed by an eleven 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 cotrustees 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 System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- 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 other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

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

Benefits

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

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

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

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal Year 2018¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2019¹</u>	<u>Fiscal Year 2018¹</u>
SCRS		
Employer Class Two	14.41%	13.41%
Employer Class Three	14.41%	13.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	16.84%	15.84%
Employer Class Three	16.84%	15.84%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

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

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2015.

The June 30, 2018, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by 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 plans' fiscal year end, June 30, 2018, using generally accepted actuarial principles.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% 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 Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

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

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
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 NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2018, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 19,267,884	\$ 10,424,911	\$ 8,842,973	54.1%
PORS	32,525,050	20,077,534	12,447,516	61.7%
	<u>\$ 51,792,934</u>	<u>\$ 30,502,445</u>	<u>\$ 21,290,489</u>	

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 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 on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes 5.00 percent real rate of return and a 2.25 percent inflation component.

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
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 Opportunistic Strategies	3.0%	3.75%	0.11%
Diversified Credits	18.0%		
Mixed Credit	6.0%	3.05%	0.18%
Emerging Markets 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	100.0%		5.03%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.28%

Discount Rate

The discount rate used to measure the TPL was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 11,299,805	\$ 8,842,973	\$ 7,086,745
PORS	16,780,819	12,447,516	8,898,193
	<u>\$ 28,080,624</u>	<u>\$ 21,290,489</u>	<u>\$ 15,984,938</u>

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2018, are presented below:

Description	SCRS	PORS
Service cost (annual cost of current service)	\$ 359,474	\$ 810,802
Interest on the total pension liability	1,342,471	2,199,790
Plan administrative costs	5,785	10,547
Plan member contributions	(342,834)	(609,086)
Expected return on plan assets	(717,622)	(1,355,643)
Recognition of current year amortization - Difference between expected and actual experience & assumption changes	171,987	497,215
Recognition of current year amortization - Difference between projected and actual investment earnings	40,992	79,186
Other	597	(6,738)
Total	<u>\$ 860,850</u>	<u>\$ 1,626,073</u>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources

The schedules beginning on the following page reflect the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding as of June 30, 2018.

<u>SCRS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 15,963	\$ 52,038
Assumption changes	350,840	-
Net difference between projected and actual earnings	140,471	-
Changes in proportion and differences between contributions and proportionate share of contributions	73,782	299,878
Contributions subsequent to the measurement date	624,623	-
Total	<u>\$ 1,205,679</u>	<u>\$ 351,916</u>
<u>PORS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 383,528	\$ -
Assumption changes	820,725	-
Net difference between projected and actual earnings	248,920	-
Changes in proportion and differences between contributions and proportionate share of contributions	302,158	10,542
Contributions subsequent to the measurement date	1,120,315	-
Total	<u>\$ 2,875,646</u>	<u>\$ 10,542</u>
Total All Plans	<u>\$ 4,081,325</u>	<u>\$ 362,458</u>

The amounts reported of \$624,623 and \$1,120,315 that was reported as deferred outflows of resources related to the County's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

<u>Amortization of Deferred Outflows/Inflows of Resources</u>			
<u>Amortized period ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
2019	\$ 289,327	\$ 841,491	\$ 1,130,818
2020	166,128	624,257	790,385
2021	(155,148)	190,110	34,962
2022	(71,167)	88,931	17,764
Net Balance of Deferred Outflows/(Inflows) of Resources	<u>\$ 229,140</u>	<u>\$ 1,744,789</u>	<u>\$ 1,973,929</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Employer and Nonemployer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and nonemployer contributions appropriated in the State's budget. In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2018. The State's budget appropriated these funds directly to PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of nonemployer funds appropriated for fiscal year 2018 totaled \$105 million and \$13.1 million for SCRS and PORS respectively.

Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions toward the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of Employer and Nonemployer contributions in the plans' Statement of Changes in Fiduciary Net Position (per the Systems' separately issued financial statements) to the Employer and Nonemployer contributions used in the determination of employers' proportionate shares of collective pension amounts reported in the Schedules of Employer and Nonemployer Allocations.

	SCRS	PORS
Employer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2018	\$ 513,246	\$ 930,390
Nonemployer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2018	41,429	57,644
Employer Contributions Not Representative of Future Contribution Effort	(589)	(568)
Employer and Nonemployer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2018 Measurement Date	\$ 554,086	\$ 987,466

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2018, and the accounting and financial reporting actuarial valuation as of June 30, 2018. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Payables to the Pension Plan

At June 30, 2019, the County reported payables of \$236,022 that represents the amount due for the month of June.

NOTE 8 EMPLOYEE BENEFIT PLANS

401(K) Plan

Jasper County currently offers all full-time employees the option of participating in a 401(K) plan. The South Carolina Retirement System administers the plan. Under the terms of the plan employees may contribute a minimum of two percent and a maximum of twenty percent of adjusted gross income subject to the limits of Section 401(K) of the Internal Revenue Code. It is the opinion of the County's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, the assets and liabilities of the 401(K) plan are not reflected in the County's financial statements.

NOTE 9 LANDFILL

The County-owned landfill has not accepted solid waste for many years and has no liability for post closure costs. All amounts included in these statements for landfill cost are related to costs of disposing of solid waste at an independent landfill.

NOTE 10 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The County has several lawsuits against it. Most of this litigation is covered by insurance or settled through subsequent agreements.

The County is a member of the South Carolina Counties Workers' Compensation Trust which is a group that provides workers' compensation self-insurance. Under the terms of the agreement, the members of the trust must pay all of the costs pertaining to claims and administration. Amounts are reflected in worker's compensation expenditures.

NOTE 11 RISK MANAGEMENT

The County is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of 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 insurer promises to pay to or on behalf of the insured for covered economic losses in accordance with insurance policy and benefit program limits. There have not been any reductions in insurance coverage from the prior year. The amounts of settlements have not exceeded coverage in each of the past three fiscal years. The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments. 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. The State of South Carolina assumes substantially all risks for the following:

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 11 RISK MANAGEMENT – CONTINUED

Property and casualty insurance on buildings, equipment, and vehicles owned by the County as well as tort liability on County employees (South Carolina Insurance Reserve Fund).

The County participates in the South Carolina Municipal Association Workers' Compensation Pool, a public entity risk pool for its Workers Compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

NOTE 12 FUND BALANCES

	General Fund	Economic Development	Capital Projects	Debt Service	Non - Major
Restricted					
Courts Administration	\$ 869,731	\$ -	\$ -	\$ -	\$ -
Sheriff funds	7,286	-	-	-	77,527
E-911 funds	-	-	-	-	310,105
Accom/Hospitality Tax	-	-	-	-	925,392
Waste Tire	-	-	-	-	5,327
Transportation	-	-	8,715,265	-	-
Debt Payments	25,229	-	-	2,196,091	-
Total Restricted	<u>902,246</u>	<u>-</u>	<u>8,715,265</u>	<u>2,196,091</u>	<u>1,318,351</u>
Committed	<u>-</u>	<u>-</u>	<u>27,382</u>	<u>-</u>	<u>-</u>
Assigned					
2020 Budget	2,600,000	-	-	-	-
Development Projects	-	3,155,743	-	-	-
Joint Planning Fund	-	18,326	-	-	-
Total Assigned	<u>2,600,000</u>	<u>3,174,069</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>10,750,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 14,253,013</u>	<u>\$ 3,174,069</u>	<u>\$ 8,742,647</u>	<u>\$ 2,196,091</u>	<u>\$ 1,318,351</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

The computation of investment in capital assets, net of related debt is as follows:

Capital Assets	\$49,144,516
Debt on Capital Assets:	
Revenue Bonds	(12,940,000)
General Obligation Bonds	(5,602,431)
Capital Leases	(337,088)
Deferred Refundings	683,015
Premium on Bonds Payable	(218,215)
Discount on Bonds Payable	110,926
Net Investment in Capital Assets	\$30,840,723

The long-term debt includes \$1,760,664 in notes payable that offsets the lease receivable from LCOG and the property held for resale. These loans are not included in debt on capital assets.

NOTE 14 TAX ABATEMENTS

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with the following as of June 30, 2019:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Provide health care to citizens in the area	31%	\$ 265,703
Provide manufacturing facilities for employment opportunities	30%	\$ 12,885
Provide infrastructure for solar power	40%	\$ 116,431
Provide infrastructure for utility power expansion	70%	\$ 6,074,098

Industries that invest at least \$2.5 million in South Carolina may negotiate for a fee-in-lieu of property taxes. This can result in a savings of about 40% on property taxes otherwise due for a project. Certain large investments may be able to further reduce their liability by negotiating the assessment ratio from 10.5% down to 6%. For large investments, the assessment ratio can be reduced down to 4%. The County and the industry may agree to either set the millage rate for the entire agreement period or have the millage change every five years in step with the average millage rate for the area where the project is located. Any personal property subject to the fee in lieu of property taxes depreciates in accordance with South Carolina law, while the real property is either set at cost for the life of the agreement or can be appraised every five years.

A fee in lieu of property taxes is granted by, and at the discretion of, the County where the project is located. The industry must make the \$2.5 million investment over a five-year period to qualify. Large investment projects have eight years to meet their increased investment requirements. During this period, all property that is placed in service pursuant to the agreement is subject to a fee instead of ad valorem property taxes. A County may give the industry an additional five years to complete the project and place new property in service subject to the fee. A single piece of property can be subject to the fee for up to 40 years with the County's consent. The total project can be subject to the fee for up to 50 years with the County's consent.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 15 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 11, 2019, the date the financial statements were issued. Management signed a commitment to purchase three Pierce Freightliner Pumper Firetrucks through a lease purchase agreement for \$998,118. The firetrucks are expected to be delivered near the end of the year 2019. The terms of the lease call for seven payments of \$169,692 beginning in October 2019.

REQUIRED SUPPLEMENTARY INFORMATION

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 20,440,704	\$ 20,440,704	\$ 22,766,835	\$ 2,326,131
Fines, Fees and Licenses	2,756,600	2,756,600	3,703,653	947,053
Intergovernmental	1,270,375	1,270,375	1,434,689	164,314
Miscellaneous	1,915,000	3,123,000	650,581	(2,472,419)
Total Revenues	<u>26,382,679</u>	<u>27,590,679</u>	<u>28,555,758</u>	<u>965,079</u>
EXPENDITURES				
Current:				
County Council	<u>277,300</u>	<u>277,300</u>	<u>253,089</u>	<u>24,211</u>
County Attorney	<u>196,900</u>	<u>196,900</u>	<u>125,712</u>	<u>71,188</u>
Administrator	<u>554,150</u>	<u>554,150</u>	<u>466,856</u>	<u>87,294</u>
Administrative Services				
Tax Collector	221,525	221,525	183,378	38,147
Assessor	562,600	562,600	530,234	32,366
Finance Department	256,600	256,600	228,152	28,448
Register of Deeds	160,450	160,450	166,207	(5,757)
Human Resources	271,900	271,900	213,224	58,676
Total Administrative Services	<u>1,473,075</u>	<u>1,473,075</u>	<u>1,321,195</u>	<u>151,880</u>
Development Services				
Economic Development Department	209,100	209,100	215,496	(6,396)
Business Licenses	70,900	70,900	68,420	2,480
Planning Commission	234,800	234,800	227,560	7,240
Recreation Department	378,600	378,600	371,160	7,440
Airport	-	-	26,937	(26,937)
Sgt Jasper Park	218,100	218,100	216,772	1,328
Building Permits	142,400	142,400	134,088	8,312
Total Development Services	<u>1,253,900</u>	<u>1,253,900</u>	<u>1,260,433</u>	<u>(6,533)</u>
Emergency Services				
Emergency Telecommunications	1,110,600	1,110,600	1,051,292	59,308
Levy Fire Contract	280,339	280,339	283,627	(3,288)
Fire and Rescue	3,673,500	3,393,500	3,984,996	(591,496)
Emergency Services Department	1,291,900	1,291,900	1,247,431	44,469
Detention Center	3,065,200	3,065,200	3,379,428	(314,228)
Cherry Point Fire District	485,650	485,650	169,208	316,442
Total Emergency Services	<u>9,907,189</u>	<u>9,627,189</u>	<u>10,115,982</u>	<u>(488,793)</u>
Information Technology	<u>\$ 819,500</u>	<u>\$ 819,500</u>	<u>\$ 867,546</u>	<u>\$ (48,046)</u>

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Engineering Services				
Administrative	\$ 266,950	\$ 266,950	\$ 244,713	\$ 22,237
Central Garage	161,800	161,800	149,396	12,404
Mosquito Control	24,700	24,700	17,245	7,455
Litter Control	25,000	25,000	28,556	(3,556)
Roads and Bridges	661,200	661,200	618,978	42,222
Building Maintenance	380,600	380,600	326,094	54,506
Solid Waste	880,500	880,500	866,096	14,404
Total Engineering Services	<u>2,400,750</u>	<u>2,400,750</u>	<u>2,251,078</u>	<u>149,672</u>
Treasurer	<u>206,650</u>	<u>206,650</u>	<u>196,841</u>	<u>9,809</u>
Auditor	<u>203,650</u>	<u>203,650</u>	<u>208,051</u>	<u>(4,401)</u>
Probate Judge	<u>172,050</u>	<u>172,050</u>	<u>163,101</u>	<u>8,949</u>
Clerk of Court				
Clerk of Court	560,750	560,750	450,554	110,196
Clerk of Court Incentive	-	-	2,756	(2,756)
Total Clerk of Court	<u>560,750</u>	<u>560,750</u>	<u>453,310</u>	<u>107,440</u>
Sheriff				
Sheriff	3,373,800	3,373,800	4,284,121	(910,321)
Victims Witness Program	57,260	57,260	65,439	(8,179)
Sheriff Child Support	-	-	6,570	(6,570)
Total Sheriff	<u>3,431,060</u>	<u>3,431,060</u>	<u>4,356,130</u>	<u>(925,070)</u>
Magistrate				
Central Traffic	174,100	174,100	166,038	8,062
Magistrate Lynah	123,150	123,150	128,314	(5,164)
Hardeeville	150,100	150,100	123,647	26,453
Central Bond	117,600	117,600	126,914	(9,314)
Magistrate McDonald	114,825	114,825	111,751	3,074
Magistrate Badgett	58,480	58,480	48,456	10,024
Total Magistrate	<u>738,255</u>	<u>738,255</u>	<u>705,120</u>	<u>33,135</u>
Veterans Affairs	<u>114,450</u>	<u>114,450</u>	<u>107,214</u>	<u>7,236</u>
Election Commission	<u>308,920</u>	<u>308,920</u>	<u>210,667</u>	<u>98,253</u>
Coroner	<u>243,990</u>	<u>243,990</u>	<u>231,478</u>	<u>12,512</u>
Interdepartmental				
Interdepartmental	995,361	995,361	760,856	234,505
Data Processing	389,500	389,500	403,132	(13,632)
Capital Improvements	754,000	754,000	414,692	339,308
Total Interdepartmental	<u>\$ 2,138,861</u>	<u>\$ 2,138,861</u>	<u>\$ 1,578,680</u>	<u>\$ 560,181</u>

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
Health, Education and Welfare				
Agency Appropriations	\$ 1,201,999	\$ 1,201,999	\$ 1,222,696	\$ (20,697)
County Libraries	81,430	81,430	67,968	13,462
Health Department	37,000	37,000	30,278	6,722
Department of Social Services	40,300	40,300	36,317	3,983
Miscellaneous County Accounts	44,950	44,950	57,008	(12,058)
Hardeeville Annex	13,000	13,000	4,482	8,518
Farmers Market	6,600	6,600	3,731	2,869
Total Health, Education and Welfare	<u>1,425,279</u>	<u>1,425,279</u>	<u>1,422,480</u>	<u>2,799</u>
Debt Service				
Principal	500,000	500,000	467,282	32,718
Interest	49,000	49,000	36,611	12,389
Total Debt Service	<u>549,000</u>	<u>549,000</u>	<u>503,893</u>	<u>45,107</u>
Capital Outlay				
Coroner	-	-	6,431	(6,431)
Development Services	-	-	11,232	(11,232)
Engineering Services	-	-	48,942	(48,942)
Sheriff Department	200,000	200,000	161,312	38,688
Emergency Services	-	1,488,000	1,161,056	326,944
Information Technology	10,000	10,000	24,469	(14,469)
Total Capital Outlay	<u>210,000</u>	<u>1,698,000</u>	<u>1,413,442</u>	<u>284,558</u>
Total Expenditures	<u>27,185,679</u>	<u>28,393,679</u>	<u>28,212,298</u>	<u>181,381</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(803,000)</u>	<u>(803,000)</u>	<u>343,460</u>	<u>1,146,460</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	913,000	913,000	305,000	(608,000)
Transfers Out	(110,000)	(110,000)	-	110,000
Total Other Financing Sources (Uses)	<u>803,000</u>	<u>803,000</u>	<u>305,000</u>	<u>(498,000)</u>
Net change in fund balances	-	-	648,460	648,460
Fund balances, beginning	13,604,553	13,604,553	13,604,553	-
Fund balances, ending	<u>\$ 13,604,553</u>	<u>\$ 13,604,553</u>	<u>\$ 14,253,013</u>	<u>\$ 648,460</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the General Fund using the modified accrual basis. An annual budget for the Special Revenue Fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the Capital Projects Fund is not adopted as its revenues and expenditures are adopted on a project basis. Appropriations lapse at the end of the budget year.

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE PENSION PLAN
LAST TEN FISCAL YEARS

	SCRS - FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	0.042983%	0.043313%	0.040713%	0.039003%	0.039466%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	\$ 7,400,248	\$ 8,214,519	\$ 8,696,237	\$ 8,780,203	\$ 8,842,973
Covered Payroll	NA	NA	NA	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	NA	NA	191.02%	203.01%	220.52%	223.10%	216.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	59.90%	56.99%	52.90%	53.30%	54.10%

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	PORS - FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	0.41805%	0.41507%	0.42452%	0.43080%	0.43929%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	\$ 8,003,283	\$ 9,046,436	\$ 10,767,893	\$ 11,802,083	\$ 12,447,516
Covered Payroll	NA	NA	NA	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	NA	NA	159.04%	176.49%	199.00%	203.78%	204.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	67.50%	64.57%	60.40%	60.90%	61.70%

NA - not available

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF CONTRIBUTIONS
STATE PENSION PLAN
LAST TEN FISCAL YEARS**

	SCRS - FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	NA	NA	NA	NA	NA	\$ 441,049	\$ 436,037	\$ 454,916	\$ 554,086	\$ 624,623
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	441,049	436,037	454,916	554,086	624,623
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	NA	NA	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173	\$ 4,289,985
Contributions as a Percentage of										
Covered Payroll	NA	NA	NA	NA	NA	10.90%	11.06%	11.56%	13.56%	14.56%

	PORS - FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	NA	NA	NA	NA	NA	\$ 687,357	\$ 743,621	\$ 826,135	\$ 987,466	\$ 1,120,315
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	687,357	743,621	826,135	987,466	1,120,315
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	NA	NA	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457	\$ 6,498,581
Contributions as a Percentage of										
Covered Payroll	NA	NA	NA	NA	NA	13.41%	13.74%	14.26%	16.24%	17.24%

NA - not available

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	TOTAL OPEB LIABILITY									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Service Cost at the End of the Year	NA	NA	NA	NA	NA	NA	NA	NA	\$ 824,462	\$ 660,904
Interest on the TOL	NA	NA	NA	NA	NA	NA	NA	NA	514,790	598,009
Difference between Expected and Actual Experience of the Total OPEB Liability	NA	NA	NA	NA	NA	NA	NA	NA	(42,143)	(1,328,926)
Changes in Assumptions	NA	NA	NA	NA	NA	NA	NA	NA	(1,795,933)	(292,434)
Benefit Payments	NA	NA	NA	NA	NA	NA	NA	NA	(216,730)	(285,632)
Net Change in Total OPEB Liability	NA	NA	NA	NA	NA	NA	NA	NA	(715,554)	(648,079)
Total OPEB Liability - Beginning	NA	NA	NA	NA	NA	NA	NA	NA	17,325,932	16,610,379
Total OPEB Liability - Ending	NA	NA	NA	NA	NA	NA	NA	NA	\$ 16,610,378	\$ 15,962,300
Covered Payroll									\$ 12,453,991	
Total OPEB Liability as a Percentage of Covered Payroll										128.17%

NA - not available GASB Statement No. 75 implemented in year 2018.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Accommodations Tax Fund This fund is used to account for the County's share of accommodation taxes that are legally restricted for expenditures that promote parks, recreation and tourism within the County.

Waste Tire Fund This fund is used to account for the revenues received from the state for the removal of waste tires.

Sheriff Fund This fund is used to account for the funds the sheriff derives from search and seizure.

E911 Fund This fund is used to account for the telecommunications carrier fees that are restricted for expenditures related to emergency dispatch services.

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
ASSETS					
Receivables - net	\$ -	\$ 5,327	\$ -	\$ 26,432	\$ 31,759
Restricted Cash	944,625	-	77,527	318,625	1,340,777
Total Assets	<u>\$ 944,625</u>	<u>\$ 5,327</u>	<u>\$ 77,527</u>	<u>\$ 345,057</u>	<u>\$ 1,372,536</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 19,233	-	-	\$ 34,952	\$ 54,185
Total Liabilities	<u>19,233</u>	<u>-</u>	<u>-</u>	<u>34,952</u>	<u>54,185</u>
Fund Balances					
Restricted	925,392	5,327	77,527	310,105	1,318,351
Total Fund Balances	<u>925,392</u>	<u>5,327</u>	<u>77,527</u>	<u>310,105</u>	<u>1,318,351</u>
Total Liabilities and Fund Balances	<u>\$ 944,625</u>	<u>\$ 5,327</u>	<u>\$ 77,527</u>	<u>\$ 345,057</u>	<u>\$ 1,372,536</u>

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

	SPECIAL REVENUE					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	E911	
REVENUES						
Taxes	\$ 538,322	-	-	-	-	\$ 538,322
Fines, Fees and Licenses	-	-	-	175,885	-	175,885
Intergovernmental	-	12,937	167	-	-	13,104
Miscellaneous	3,879	-	106,453	-	-	110,332
Total Revenue	<u>542,201</u>	<u>12,937</u>	<u>106,620</u>	<u>175,885</u>	<u>175,885</u>	<u>837,643</u>
EXPENDITURES						
Current:						
Development Services	522,601	-	-	-	-	522,601
Emergency Services	-	-	-	88,770	-	88,770
Engineering Services	-	12,995	-	-	-	12,995
Sheriff	-	-	119,012	-	-	119,012
Capital Outlay:						
Emergency Services	-	-	-	20,451	-	20,451
	<u>522,601</u>	<u>12,995</u>	<u>119,012</u>	<u>109,221</u>	<u>109,221</u>	<u>763,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,600</u>	<u>(58)</u>	<u>(12,392)</u>	<u>66,664</u>	<u>66,664</u>	<u>73,814</u>
OTHER FINANCING SOURCES (USES)						
Transfers Out	(150,000)	-	-	(155,000)	-	(305,000)
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>(155,000)</u>	<u>(155,000)</u>	<u>(305,000)</u>
Net change in fund balances	(130,400)	(58)	(12,392)	(88,336)	(88,336)	(231,186)
Fund balances, beginning	1,055,792	5,385	89,919	398,441	398,441	1,549,537
Fund balances, ending	<u>\$ 925,392</u>	<u>\$ 5,327</u>	<u>\$ 77,527</u>	<u>\$ 310,105</u>	<u>\$ 310,105</u>	<u>\$ 1,318,351</u>

The notes to the financial statements are an integral part of this statement.

FIDUCIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

School	This fund is used to account for receipts by the treasurer of assets earmarked for the school district.
Clerk of Court	This fund is used to account for child support payments, bonds, restitution and fines collected by the clerk of court.
Delinquent Tax Collector	This fund represents delinquent taxes collected for the school district and funds on hand from the tax sale.
1% Fire Fund	This fund represents the receipts by the treasurer that will be disbursed to the various fire departments within the County.
Nickel Plate Road Dev	This fund represents the 40% of taxes to be paid to the developer and Hampton County.
Treasurers Tax Account	This fund represents the portion of the tax account designated for other entities.
Town of Ridgeland	This fund represents the taxes due to the Town of Ridgeland.
City of Hardeeville	This fund represents the taxes due to the City of Hardeeville.
Magistrates Court	This fund represents fines collected that have not been disposed of by the court.
Register of Deeds	This fund represents the portion of the fee to be paid to the state.
Forfeit Land Commission	This fund represents taxes collected on forfeited property to be apportioned.
Installment Tax Account	This fund represents taxes collected over a period of installments to be apportioned.
Settings Trust Fund	This fund represents insurance proceeds over a developmental agreement settlement.
Fire Rescue Auxiliary	This fund represents donations held on behalf of the fire and rescue auxiliary.
Legislative Delegation	This fund represents amounts held on behalf of the legislative delegation.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
School				
Assets				
Cash	\$ 23,992,626	\$ 58,333,513	\$ 55,657,050	\$ 26,669,089
Accounts Receivable	-	236,840	-	236,840
Total Assets	<u>\$ 23,992,626</u>	<u>\$ 58,570,353</u>	<u>\$ 55,657,050</u>	<u>\$ 26,905,929</u>
Liabilities - Due to Others	<u>\$ 23,992,626</u>	<u>\$ 58,570,353</u>	<u>\$ 55,657,050</u>	<u>\$ 26,905,929</u>
Clerk of Court				
Asset - Cash	\$ 1,133,473	\$ 2,591,504	\$ 2,722,161	\$ 1,002,816
Liabilities - Due to Others	<u>\$ 1,133,473</u>	<u>\$ 2,591,504</u>	<u>\$ 2,722,161</u>	<u>\$ 1,002,816</u>
Delinquent Tax Collector				
Asset - Cash	\$ 988,163	\$ 5,446,012	\$ 5,335,622	\$ 1,098,553
Liabilities - Due to Others	<u>\$ 988,163</u>	<u>\$ 5,446,012</u>	<u>\$ 5,335,622</u>	<u>\$ 1,098,553</u>
1% Fire Fund				
Asset - Cash	\$ 563	\$ 77,868	\$ 77,868	\$ 563
Liabilities - Due to Others	<u>\$ 563</u>	<u>\$ 77,868</u>	<u>\$ 77,868</u>	<u>\$ 563</u>
Nickle Plate Road Dev				
Asset - Cash	\$ 65,507	\$ 1,785,537	\$ 1,676,751	\$ 174,293
Liabilities - Due to Others	<u>\$ 65,507</u>	<u>\$ 1,785,537</u>	<u>\$ 1,676,751</u>	<u>\$ 174,293</u>
Treasurers Tax Account				
Asset - Cash	\$ -	\$ 7,779,872	\$ 7,779,872	\$ -
Liabilities - Due to Others	<u>\$ -</u>	<u>\$ 7,779,872</u>	<u>\$ 7,779,872</u>	<u>\$ -</u>
Town of Ridgeland				
Asset - Cash	\$ 14,129	648,491	650,602	\$ 12,018
Liabilities - Due to Others	<u>\$ 14,129</u>	<u>648,491</u>	<u>650,602</u>	<u>\$ 12,018</u>
City of Hardeeville				
Asset - Cash	\$ 54,869	6,020,624	6,051,111	\$ 24,382
Liabilities - Due to Others	<u>\$ 54,869</u>	<u>6,020,624</u>	<u>6,051,111</u>	<u>\$ 24,382</u>
Magistrates Court				
Asset - Cash	\$ 188,333	\$ 1,344,234	\$ 1,417,470	\$ 115,097
Liabilities - Due to Others	<u>\$ 188,333</u>	<u>\$ 1,344,234</u>	<u>\$ 1,417,470</u>	<u>\$ 115,097</u>

The notes to the financial statements are an integral part of this statement.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Register of Deeds				
Asset - Cash	\$ 215,035	\$ 1,241,781	\$ 1,359,566	\$ 97,250
Liabilities - Due to Others	\$ 215,035	\$ 1,241,781	\$ 1,359,566	\$ 97,250
Forfeit Land Commission				
Asset - Cash	\$ 39,724	\$ 65,559	\$ 59,714	\$ 45,569
Liabilities - Due to Others	\$ 39,724	\$ 65,559	\$ 59,714	\$ 45,569
Installment Tax Account				
Asset - Cash	\$ 136,812	\$ 231,587	\$ 220,767	\$ 147,632
Liabilities - Due to Others	\$ 136,812	\$ 231,587	\$ 220,767	\$ 147,632
Setting Trust Account				
Asset - Cash	\$ 4,080,891	\$ 39,504	\$ 1,485,718	\$ 2,634,677
Liabilities - Due to Others	\$ 4,080,891	\$ 39,504	\$ 1,485,718	\$ 2,634,677
Fire Rescue Auxiliary				
Asset - Cash	\$ 3,647	\$ 8,737	\$ 765	\$ 11,619
Liabilities - Due to Others	\$ 3,647	\$ 8,737	\$ 765	\$ 11,619
Legislative Delegation				
Asset - Cash	\$ -	\$ 51,593	\$ 14,821	\$ 36,772
Liabilities - Due to Others	\$ -	\$ 51,593	\$ 14,821	\$ 36,772
Total All Agency Funds				
Assets				
Cash	\$ 30,913,772	\$ 85,666,416	\$ 84,509,858	\$ 32,070,330
Accounts Receivable	-	236,840	-	236,840
Total Assets	\$ 30,913,772	\$ 85,903,256	\$ 84,509,858	\$ 32,307,170
Total Liabilities - Due to Others	\$ 30,913,772	\$ 85,903,256	\$ 84,509,858	\$ 32,307,170

The notes to the financial statements are an integral part of this statement.

COUNTY/MUNICIPAL NAME
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2019

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court		Total
Court Fines and Assessments:				
Court fines and assessments collected	339,679	1,268,604		1,608,283
Court fines and assessments remitted to State Treasurer	202,923	683,461		886,384
Total Court Fines and Assessments retained	136,756	585,143		721,899
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	1,151	10,373		11,524
Assessments retained	8713	54,514		63,227
Total Surcharges and Assessments retained for victim services	9,864	64,887		74,751

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance		68,201	68,201
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer		63,227	63,227
Victim Service Surcharges Retained by City/County Treasurer		11,524	11,524
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)		142,952	142,952

COUNTY/MUNICIPAL NAME
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2019

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits		32,981	32,981
Operating Expenditures		9,031	9,031
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)		42,012	42,012
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)		100,940	100,940
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year		100,940	100,940

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

This part of the Jasper County, South Carolina comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosure, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	73-76
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	77-80
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	81-85
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	86-87
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	88-90

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

JASPER COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015 *	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924	\$ 13,182,845	\$ 12,769,520	\$ 13,998,492	\$ 16,690,228	\$ 20,468,539	\$ 25,723,403	\$ 30,840,723
Restricted	4,205,198	4,539,212	1,750,065	1,883,628	2,332,105	2,135,942	3,108,207	3,825,960	7,013,929	13,106,724
Unrestricted (Deficit)	1,019,459	2,321,926	7,218,705	5,782,359	6,010,816	(8,893,517)	(9,451,526)	(9,370,333)	(19,576,094)	(20,391,347)
Total Governmental Activities Net Position	\$ 22,315,950	\$ 20,864,120	\$ 21,796,694	\$ 20,848,832	\$ 21,112,441	\$ 7,240,917	\$ 10,346,909	\$ 14,924,166	\$ 13,161,238	\$ 23,556,100

* County implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions.

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities:										
County Council	\$ 207,604	\$ 208,343	\$ 234,285	\$ 221,822	\$ 254,207	\$ 247,869	\$ 252,936	\$ 251,262	\$ 244,545	\$ 245,476
County Attorney	158,494	152,084	158,007	159,124	153,760	180,703	123,795	120,624	129,877	129,929
Administrator	410,059	409,656	467,475	492,938	417,323	475,399	469,224	516,243	528,912	464,372
Administrative Services	1,280,754	1,202,744	1,106,474	1,051,409	1,073,387	1,183,860	1,194,741	1,184,183	1,169,173	1,325,890
Development Services	1,959,726	1,618,401	1,566,414	2,344,972	1,694,855	1,977,275	2,542,464	3,393,276	3,327,220	2,525,699
Emergency Services	10,160,230	8,932,496	8,705,536	8,669,016	8,955,251	9,089,407	9,271,317	10,127,643	10,509,277	10,781,215
Information Technology	-	-	-	513,785	513,785	513,785	707,467	746,557	583,283	897,225
Engineering Services	2,418,172	2,350,468	3,037,772	2,985,205	3,021,142	3,033,537	2,566,479	2,586,351	2,536,813	2,690,946
Treasurer	137,095	141,852	145,052	138,367	165,829	177,494	181,095	187,322	195,672	196,972
Auditor	195,511	182,117	180,416	194,914	172,498	188,562	197,023	198,471	201,906	195,524
Probate Judge	128,959	144,576	134,651	161,568	149,696	155,556	151,938	154,245	155,724	163,705
Clerk of Court	465,361	467,179	492,783	501,636	549,871	542,034	484,724	480,299	455,164	460,388
Sheriff	3,053,203	3,075,109	3,313,855	3,137,831	2,739,914	3,010,819	3,063,133	3,468,726	4,367,704	4,840,788
Magistrate	571,238	537,170	601,129	603,207	598,242	658,900	656,365	662,546	687,226	709,452
Veterans Affairs	108,363	113,967	117,868	105,951	105,951	85,452	84,009	86,641	108,545	108,489
Election Commission	218,932	172,179	229,723	189,724	237,012	211,264	286,443	202,508	234,239	209,691
Coroner	118,522	116,246	153,135	122,938	133,309	145,566	216,135	253,747	210,564	233,010
Interdepartmental	2,458,932	2,523,716	2,473,011	2,764,471	2,622,246	2,711,506	2,981,098	3,788,099	3,160,909	3,246,438
Health, Education, and Welfare	1,182,128	1,230,667	1,122,440	1,094,773	1,242,661	1,253,636	1,373,727	1,322,785	1,437,061	1,422,480
Interest Expense	329,636	335,501	766,858	850,242	957,203	916,856	920,388	1,554,125	888,148	857,742
Total Expenses	25,562,919	23,914,471	25,002,397	26,315,810	25,758,595	26,842,992	27,724,501	31,295,653	31,131,962	31,705,411
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
Emergency Services Fees	1,089,184	973,303	964,665	952,994	1,169,567	1,299,304	1,242,621	1,133,456	1,135,127	1,237,235
Fines	676,356	617,023	554,554	444,629	389,434	451,735	480,927	614,145	598,211	808,152
Development Services Fees	642,678	529,801	570,657	718,872	816,226	585,637	905,471	857,960	1,121,032	932,187
Engineering Services	-	-	-	-	-	-	527,949	595,801	631,777	636,353
Administrative Services	344,399	387,734	789,301	853,623	718,152	812,303	240,023	324,521	341,406	434,160
Operating Grants and Contributions	1,070,863	1,192,917	1,657,806	1,887,385	759,123	1,182,931	1,428,999	2,632,029	3,245,923	836,824
Capital Grants and Contributions	909,934	-	367,661	1,046,722	443,934	1,416,623	2,543,774	5,551,282	4,234,844	4,547,238
General Revenues										
Taxes	17,660,252	17,430,375	19,785,876	19,619,663	20,271,873	20,958,865	22,090,667	22,559,108	26,635,371	30,972,600
Grants and Contributions not restricted to specific programs	896,719	825,630	771,748	1,329,591	1,063,635	1,279,897	1,047,710	895,085	1,054,625	1,004,270
Earnings on Investments	68,728	62,185	60,442	28,465	25,864	15,325	3,570	-	-	-
Other	476,820	443,673	412,261	119,861	365,396	285,301	318,782	609,523	32,119	693,254
Total Revenues	23,836,053	22,462,641	25,934,971	27,001,805	26,023,204	28,287,921	30,830,493	35,872,910	39,030,435	42,100,273
Change in net position	(1,726,866)	(1,451,890)	932,574	685,995	263,609	1,444,929	3,105,992	4,577,257	7,898,473	10,394,862
Net Position-Beginning	24,042,816	22,315,950	20,864,120	21,796,694	20,848,832	21,112,441	7,240,917	10,346,909	14,924,166	13,161,238
Prior Period Adjustment	-	-	-	(1,633,857)	-	(15,216,453)	-	-	(9,861,401)	-
Net Position-Ending	\$ 22,315,950	\$ 20,864,120	\$ 21,796,694	\$ 20,848,832	\$ 21,112,441	\$ 7,240,917	\$ 10,346,909	\$ 14,924,166	\$ 13,161,238	\$ 23,556,100

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GENERAL FUND										
Restricted	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068	\$ 623,694	\$ 729,418	\$ 902,246
Assigned	-	-	-	-	542,000	1,200,000	1,400,000	1,400,000	1,700,000	2,600,000
Unassigned	2,070,925	2,813,708	4,939,507	6,868,983	7,889,633	8,984,563	10,007,590	10,588,816	11,175,135	10,750,767
Total General Fund	\$ 2,458,573	\$ 3,298,302	\$ 5,500,275	\$ 7,219,665	\$ 8,862,618	\$ 10,685,541	\$ 11,970,658	\$ 12,612,510	\$ 13,604,553	\$ 14,253,013
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 2,035,086	\$ 2,624,177	\$ 2,638,581	\$ 2,521,012	\$ 2,270,864	\$ 1,989,847	\$ 2,428,304	\$ 2,623,267	\$ 1,810,272	\$ 3,174,069
Nonspendable	-	-	-	-	-	-	-	-	293,108	-
Total Economic Development Fund	\$ 2,035,086	\$ 2,624,177	\$ 2,638,581	\$ 2,521,012	\$ 2,270,864	\$ 1,989,847	\$ 2,428,304	\$ 2,623,267	\$ 2,103,380	\$ 3,174,069
CAPITAL PROJECTS FUND										
Restricted	\$ 3,467,438	\$ 88,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,980,189	\$ 8,715,265
Committed	-	-	766,968	455,066	342,905	-	79,529	49,784	49,784	27,382
Assigned	377,670	551,872	-	-	-	-	-	-	-	-
Total Capital Projects Fund	\$ 3,845,108	\$ 640,849	\$ 766,968	\$ 455,066	\$ 342,905	\$ -	\$ 79,529	\$ 49,784	\$ 3,029,973	\$ 8,742,647
Debt Service Fund										
Restricted	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975	\$ 1,754,785	\$ 2,196,091
Total Debt Service Fund	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975	\$ 1,754,785	\$ 2,196,091
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 220,091	\$ 241,051	\$ 748,647	\$ 995,555	\$ 1,173,880	\$ 1,370,098	\$ 1,501,974	\$ 1,675,290	\$ 1,549,537	\$ 1,318,351
Assigned	-	-	103,337	66,012	-	-	-	-	-	-
Committed	454,792	320,171	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 674,883	\$ 561,222	\$ 851,984	\$ 1,061,567	\$ 1,173,880	\$ 1,370,098	\$ 1,501,974	\$ 1,675,290	\$ 1,549,537	\$ 1,318,351

Source: County Audit Reports

JASPER COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 17,552,806	\$ 17,479,566	\$ 19,595,237	\$ 19,783,721	\$ 18,091,572	\$ 18,963,388	\$ 19,903,845	\$ 22,486,009	\$ 26,343,869	\$ 30,872,279
Fines, Fees, and Licenses	2,534,153	2,390,591	2,862,250	3,051,045	5,292,009	5,394,712	5,394,712	3,525,883	3,827,553	3,939,634
Intergovernmental	2,989,546	2,080,292	2,443,676	2,997,701	2,365,825	3,551,585	4,128,984	7,347,238	6,064,045	6,127,573
Miscellaneous	574,828	567,411	1,039,387	2,021,768	452,878	790,823	1,378,744	2,498,262	2,595,360	1,123,824
Total Revenues	23,651,133	22,517,860	25,940,550	27,854,235	26,202,284	28,526,034	30,806,285	35,857,392	38,830,827	42,063,310
Expenditures										
Current:										
County Council	204,853	213,154	234,706	226,120	244,730	244,342	249,307	250,218	246,403	253,089
County Attorney	149,779	151,057	154,652	156,359	157,093	199,719	121,748	118,961	128,384	125,712
Administrator	395,149	402,354	462,518	486,419	417,627	475,621	470,195	510,047	537,561	466,856
Administrative Services	1,221,345	1,171,607	1,100,949	1,046,490	1,072,687	1,179,860	1,199,991	1,195,827	1,197,448	1,321,195
Development Services	2,810,939	1,530,359	1,528,004	2,289,923	1,625,112	1,907,703	2,487,565	3,313,430	3,241,474	2,442,009
Emergency Services	9,738,625	8,548,424	8,324,789	8,265,465	8,720,336	8,806,517	8,949,552	9,627,537	10,049,436	10,280,231
Information Technology	-	-	-	513,785	515,238	591,375	703,920	740,966	556,232	867,546
Engineering Services	2,417,162	2,480,938	2,835,578	2,733,107	2,775,502	2,716,641	2,347,232	2,254,620	2,368,185	2,561,436
Treasurer	138,511	139,932	144,769	138,085	168,632	175,003	181,218	184,739	193,959	196,841
Auditor	199,504	191,176	178,350	181,065	177,768	187,193	196,443	202,737	200,284	208,051
Probate Judge	133,452	144,576	134,651	161,588	149,688	151,686	150,659	153,235	155,724	163,101
Clerk of Court	463,147	462,929	488,949	518,360	543,988	536,843	479,603	478,907	452,933	453,310
Sheriff	2,847,602	2,930,756	3,190,916	3,034,464	2,746,125	2,939,745	2,940,976	3,364,101	4,121,481	4,502,315
Magistrate	568,644	542,008	591,428	602,285	601,822	634,959	658,429	665,561	680,224	705,120
Veterans Affairs	109,379	110,624	121,033	114,010	110,233	86,536	84,664	84,937	106,318	107,214
Election Commission	191,239	150,756	203,226	161,787	209,653	184,748	258,753	202,112	232,172	210,667
Coroner	117,434	115,968	152,138	121,620	135,457	145,546	216,135	253,668	210,564	231,478
Interdepartmental	1,097,047	1,496,310	1,090,215	1,179,957	1,170,452	1,169,859	1,391,010	2,450,439	1,283,027	1,578,680
Health, Education, and Welfare	1,182,128	1,230,667	1,122,440	1,094,773	1,242,662	1,253,638	1,373,727	1,322,785	1,437,061	1,422,480
Debt Service										
Principal	2,456,355	166,467	617,519	623,885	595,206	696,402	494,303	1,100,490	1,964,369	1,000,640
Interest	446,071	497,773	739,226	872,281	943,272	927,490	918,772	1,001,819	850,680	823,205
Bond Issuance Costs	-	-	-	-	-	-	-	394,413	-	-
Capital Outlay										
Total Expenditures	4,294,413	1,713,813	439,162	2,711,124	608,896	2,262,498	5,045,072	6,042,485	5,847,856	5,859,701
Excess (deficiency) of revenues over (under) expenditures	31,482,778	24,391,648	23,855,218	27,232,922	24,932,187	27,473,922	30,899,294	35,914,034	36,061,775	35,780,877
Other Financing Sources (Uses)										
Issuance of Debt	(7,531,645)	(1,873,788)	2,085,332	621,313	1,270,097	1,052,112	(93,009)	(56,642)	2,769,052	6,282,433
Refunding Bonds Issued	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	314,533	785,350	1,359,510
Premium on Debt Issuance	-	-	-	-	-	-	-	8,290,000	-	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	156,305	-	-
Transfers In	-	-	-	-	-	-	-	(7,240,000)	-	-
Transfers Out	574,559	2,199,266	585,211	343,616	439,551	500,802	1,177,793	788,215	434,857	305,000
Total Other Financing Sources (Uses)	(574,559)	(2,199,266)	(685,211)	(343,616)	(439,551)	(500,802)	(1,177,793)	(788,215)	(434,857)	(305,000)
Net Change in Fund Balances	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	1,520,838	785,350	1,359,510
Fund Balances, Beginning	(3,146,645)	(2,145,086)	2,845,538	1,589,334	1,654,835	1,371,122	2,209,881	1,464,196	3,554,402	7,641,943
Fund Balances, Ending	12,644,651	9,498,006	7,352,920	10,198,458	11,787,792	13,442,627	14,813,749	17,023,630	18,487,826	22,042,228
Debt service as a percentage of noncapital expenditures	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458	\$ 11,787,792	\$ 13,442,627	\$ 14,813,749	\$ 17,023,630	\$ 18,487,826	\$ 22,042,228	\$ 29,684,171
	10.8%	2.9%	5.8%	6.1%	6.3%	6.4%	5.5%	7.0%	9.3%	6.1%

Source: County Audit Reports

JASPER COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
2010	\$ 71,505,827	\$ 51,048,894	\$ 122,554,721	\$ 1,526,523,228	\$ 545,302,743	\$ 2,071,825,971	126.00
2011	73,864,445	49,329,208	123,193,653	1,553,137,000	396,765,531	1,949,902,531	126.00
2012	73,826,180 *	52,030,391 *	125,856,571 *	1,551,860,000 *	416,603,807 *	1,968,463,807 *	157.00
2013	67,733,480	51,286,490	119,019,970	1,535,120,165	348,145,245	1,883,265,410	155.00
2014	70,886,830	54,168,577	125,055,407	1,537,861,411	433,348,616	1,971,210,027	154.00
2015	73,451,930	56,061,241	129,513,171	1,609,320,587	382,415,318	1,991,735,905	154.00
2016	76,132,670	56,560,351	132,693,021	1,669,576,096	386,077,481	2,055,653,577	154.00
2017	77,948,800 *	59,170,299 *	137,119,099 *	1,701,178,502 *	446,625,654 *	2,147,804,156 *	154.00
2018	81,433,030	58,699,018	140,132,048	1,782,796,111	454,834,852	2,237,630,963	154.00
2019	88,193,057	62,479,366	150,672,423	1,782,796,111	485,377,888	2,268,173,999	154.00

* Reassessment Year.

Data Source: County Auditor

JASPER COUNTY, SOUTH CAROLINA
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES					
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL OPERATIONS	SCHOOL DEBT SERVICE	FIRE DISTRICT	CHERRY POINT	TOWN OF RIDGELAND	CITY OF HARDEEVILLE
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00	
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00	
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00	
2013	85.75	57.25	12.00	155.00	172.00	25.00	33.00	114.20	147.00	
2014	86.50	55.50	12.00	154.00	166.00	25.00	33.00	114.20	142.00	
2015	86.00	56.00	12.00	154.00	164.00	25.00	32.00	116.20	136.00	
2016	86.00	56.00	12.00	154.00	164.00	25.00	32.00	118.20	130.00	
2017	86.00	56.00	12.00	154.00	164.00	25.00	32.00	125.20	123.00	
2018	93.00	49.00	12.00	154.00	166.00	25.00	32.00	126.48	120.00	
2019	85.00	57.00	12.00	154.00	166.00	25.00	32.00	126.48	117.00	

Source: County Finance Office
 The County did not have components to the rate prior to 2009.

JASPER COUNTY, SOUTH CAROLINA
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO

TAXPAYER	2019			2010		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
South Carolina Electric & Gas	\$ 19,758,921	1	13.11%	\$ 20,992,096	1	17.13%
Palmetto Electric	3,431,780	2	2.28%	2,916,650	2	2.38%
Moffet Solar I LLC	1,605,280	3	1.07%	-		0.00%
Raia SC Exchange VG Mahwah LLC	1,543,560	4	1.02%	-		0.00%
Georgia DOT	1,521,110	5	1.01%	1,941,620	3	1.58%
Charleston and Savannah RR	1,373,403	6	0.91%	-		0.00%
Peacock Re LLC	1,332,680	7	0.88%	-		0.00%
Dominion Carolina Gas	1,172,120	8	0.78%	-		0.00%
Austin Chase I Ltd Partnership	1,050,370	9	0.70%	-		0.00%
Minto Latitude HH LLC	1,033,790	10	0.69%	-		0.00%
Courtney Bend LLC	-		0.00%	1,923,975	4	1.57%
Malphrus Construction	-		0.00%	1,275,440	5	1.04%
Dell Webb Communities	-		0.00%	1,227,140	6	1.00%
Carolina Gas Transmission Corporation	-		0.00%	1,217,540	7	0.99%
CSX Transportation	-		0.00%	892,400	8	0.73%
Okeetee Club	-		0.00%	721,530	9	0.59%
Toll SC III LP	-		0.00%	633,490	10	0.52%
Total	\$ 33,823,014		22.45%	\$ 33,741,881		27.53%

JASPER COUNTY, SOUTH CAROLINA
 PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR		COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
	AMOUNT	PERCENTAGE OF LEVY	AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2010	\$ 14,432,970	90.6%	\$ 13,075,617	90.6%	\$ 1,240,543	\$ 14,316,160	99.2%
2011	14,327,464	90.8%	13,008,749	90.8%	1,164,100	14,172,849	98.9%
2012	15,594,355	90.9%	14,172,710	90.9%	1,215,199	15,278,814	98.0%
2013	15,647,788	91.4%	14,300,250	91.4%	993,177	15,293,427	97.7%
2014	15,274,388	91.7%	14,002,959	91.7%	968,943	14,971,902	98.0%
2015	15,412,128	91.0%	14,017,407	91.0%	761,038	14,778,445	95.9%
2016	16,894,779	92.5%	15,631,056	92.5%	776,433	16,407,489	97.1%
2017	17,086,884	92.8%	15,849,362	92.8%	555,746	16,405,108	96.0%
2018	17,352,310	93.3%	16,187,168	93.3%	700,436	16,887,604	97.3%
2019	18,684,381	93.3%	17,429,780	93.3%	-	17,429,780	93.3%

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer

JASPER COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES									
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA		
2010	\$ -	\$ 583,424	\$ -	\$ -	\$ 18,635,000	\$ 19,218,424	3.4%	846.07		
2011	-	460,179	-	11,915,000	6,735,000 (1)	19,110,179	3.3%	826.92		
2012	4,500,000	1,119,824	-	13,225,000	1,200,000	20,044,824	3.4%	870.27		
2013	4,500,000	940,744	820,657	12,563,314	1,245,000	20,069,715	3.2%	845.15		
2014	4,500,000	755,071	771,236	13,833,790	-	19,860,097	3.0%	817.25		
2015	4,611,277	637,386	1,002,519	13,324,640	-	19,575,822	2.7%	754.34		
2016	5,117,851	1,432,493	1,809,425	13,025,490	-	21,385,259	3.0%	824.06		
2017	5,338,862	1,374,912	1,375,038	13,907,798	-	21,996,610	2.9%	837.20		
2018	5,632,431	464,512	804,370	13,487,967	-	20,389,280	2.6%	734.43		
2019	5,602,431	1,760,664	337,088	13,047,289	-	20,747,472	2.4%	709.51		

Source: County Audit Report, US Census Bureau

Note: Details of the County's outstanding debt can be found in the notes to the financial statements.

See schedule 14 for personal income and population. These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available.

(1) Converted to long-term debt on November 1, 2011.

**JASPER COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS		TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
		\$				
2014	\$ 4,500,000	\$	792,360	\$ 3,707,640	3.0%	152.57
2015	4,611,277		768,263	3,843,014	3.0%	148.09
2016	5,117,851		1,043,165	4,074,686	3.1%	157.01
2017	5,338,862		1,526,975	3,811,887	2.8%	145.08
2018	5,632,431		1,754,785	3,877,646	2.8%	139.67
2019	5,602,431		2,196,091	3,406,340	2.3%	116.49

Source: County Audit Report

Year 2014 is the first year that the County has had General Obligation Debt.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2019**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Jasper County School District	\$ 29,985,169	100.00%	\$ 29,985,169
City of Hardeeville	16,198,339	17.50%	2,834,709
Subtotal overlapping debt	<u>46,183,508</u>		<u>32,819,878</u>
County direct debt	<u>20,747,472</u>	100.00%	<u>20,747,472</u>
Total direct and overlapping debt	<u>\$ 66,930,980</u>		<u>\$ 53,567,350</u>

Sources: Assessed value data used to estimate applicable percentage provided by Jasper County Auditor.
Debt outstanding data provided by each governmental unit.

**JASPER COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed Value	\$ 150,672,423
Debt limit (8% of assessed value)	12,053,794
Debt applicable to limit:	
General Obligation	<u>(5,602,431)</u>
Total net debt applicable to limit	<u>(5,602,431)</u>
Legal Debt Margin	<u>\$ 6,451,363</u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 9,804,378	\$ 9,855,492	\$ 10,068,525	\$ 9,521,598	\$ 10,004,433	\$ 10,361,054	\$ 10,615,442	\$ 10,969,528	\$ 11,210,564	\$ 12,053,794
Total net debt applicable to limit	-	-	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,611,277)</u>	<u>(5,117,851)</u>	<u>(5,338,862)</u>	<u>(5,632,431)</u>	<u>(5,602,431)</u>
Legal debt margin	<u>\$ 9,804,378</u>	<u>\$ 9,855,492</u>	<u>\$ 5,568,525</u>	<u>\$ 5,021,598</u>	<u>\$ 5,504,433</u>	<u>\$ 5,749,777</u>	<u>\$ 5,497,591</u>	<u>\$ 5,630,666</u>	<u>\$ 5,578,133</u>	<u>\$ 6,451,363</u>
Total net debt applicable to the limit as a percentage of debt limit	-	-	<u>0.45</u>	<u>47.3%</u>	<u>45.0%</u>	<u>44.5%</u>	<u>48.2%</u>	<u>48.7%</u>	<u>50.2%</u>	<u>46.5%</u>

Under state finance law, the County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

Source: County Audit Report
County Auditor

JASPER COUNTY, SOUTH CAROLINA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2014 *	\$ 1,285,496	\$ 410,000	\$ 816,643	1.05
2015	1,357,423	510,000	871,460	0.98
2016	1,412,046	300,000	862,144	1.22
2017	1,473,552	515,000	906,432	1.04
2018	1,495,390	455,000	787,459	1.20
2019	1,677,029	470,000	765,723	1.36

Source: County Audit Report

*This was the first year that revenue was pledged for the payment of debt.

JASPER COUNTY, SOUTH CAROLINA
 DEMOGRAPHIC STATISTICS
 LAST TEN FISCAL YEARS

FISCAL YEAR ENDED JUNE 30,	PERSONAL INCOME (thousands of dollars)	POPULATION	PERSONAL INCOME PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE	UNEMPLOYMENT RATE
2010	566,504	24,940	22,715	34.8	4,136	9.9	9.9
2011	587,417	25,418	23,110	35.4	4,025	9.8	9.8
2012	598,243	25,973	23,033	35.4	4,012	8.9	8.9
2013	634,288	26,710	23,747	35.6	3,936	8.1	8.1
2014	660,261	27,170	24,301	34.0	3,997	6.0	6.0
2015	722,056	27,170	25,951	34.0	3,879	5.9	5.9
2016	722,056	27,824	25,951	36.3	3,928	5.0	5.0
2017	747,895	28,465	26,274	36.5	3,996	3.6	3.6
2018	790,052	28,458	27,762	37.9	3,951	3.1	3.1
2019	847,161	28,971	29,242	38.1	4,031	3.3	3.3

Data Source:

- (1) US Bureau of the Census
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Lowcountry Council of Governments
- (4) South Carolina Department of Education
- (5) South Carolina Employment Security Commission

JASPER COUNTY, SOUTH CAROLINA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO

EMPLOYER	2019			2010		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Coastal Carolina Medical Center	403	1	16.80 %	203	5	9.53 %
Jasper County School District	315	2	13.13	450	1	21.12
Peacock Management Group LLC	296	3	12.34	-	-	-
Jasper County	280	4	11.67	217	4	10.18
Wal-Mart	254	5	10.59	350	2	16.42
Beaufort-Jasper Comprehensive Health	250	6	10.42	250	3	11.73
Cleland Site Prep Inc.	180	7	7.50	93	9	4.36
Ridgeland Correctional Institution	171	8	7.13	196	6	9.20
Tico Manufacturing	157	9	6.54	-	-	-
City of Hardeeville	93	10	3.88	-	-	-
Malphrus Construction	-	-	-	150	7	7.04
J.C. Board of Disabilities & Special Needs	-	-	-	120	8	5.63
Ridgeland Nursing Center	-	-	-	102	9	4.79
Total	2,399		19.51 %	2,131		27.62 %

Source: County Economic Development Department

JASPER COUNTY, SOUTH CAROLINA
 PERMANENT POSITIONS FOR COUNTY EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
County Council	6	6	6	6	6	6	6	6	6	6
Administrator	3	2	3	2	2	2	2	2	2	2
Administrative Services	19	17	16	16	16	16	17	17	18	18
Development Services	5	4	5	5	5	5	5	5	4	7
Emergency Services	6	4	4	4	4	4	4	4	4	4
Engineering Services	40	39	35	35	35	33	38	38	34	37
Treasurer	3	3	3	3	3	3	3	3	4	4
Auditor	4	4	4	4	4	4	4	4	4	4
Probate Judge	2	2	2	2	2	2	2	2	2	2
Clerk of Court	8	9	7	7	7	7	6	6	7	6
Sheriff	39	39	42	42	42	41	40	40	40	54
Magistrate	11	11	11	11	11	11	11	11	12	14
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	2	2	2	2	2	2	2	2	2	2
Coroner	3	2	2	2	2	2	3	3	3	3
Recreation	5	5	5	5	5	5	6	6	6	6
Fire & Rescue	39	38	43	47	47	47	42	42	43	52
Emergency Telecommunications	12	11	11	12	15	13	12	12	13	14
Information Technology	1	1	1	2	2	2	2	2	3	3
Detention	39	39	34	37	37	35	36	36	37	39
County Attorney	N/A	2	2	2	2	2	2	2	2	1
Total	249	242	240	248	251	244	245	245	248	280

JASPER COUNTY, SOUTH CAROLINA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REGISTER OF DEEDS										
Documents Recorded	5,429	4,737	5,654	6,713	5,697	6,032	5,638	5,620	5,369	6,095
SOLID WASTE										
Tons of Solid Waste Handled	9,956	5,353	7,399	7,048	9,967	8,446	9,499	9,657	10,548	10,548
BUILDING DEPARTMENT										
Residential Permits Issued	169	14	159	207	188	203	255	233	320	326
Value of Residential Permits	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057	\$ 6,703,564	\$ 6,342,794	\$ 6,127,234	\$ 19,795,173	\$ 32,309,846	\$ 12,561,961	\$ 6,194,649
Commercial Permits Issued	44	4	30	35	62	64	58	81	79	82
Value of Commercial Permits	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760	\$ 7,016,742	\$ 6,583,575	\$ 5,001,472	\$ 12,564,136	\$ 13,360,362	\$ 109,825,105	\$ 17,168,020
Mobile Home Permits Issued	92	82	120	103	86	104	68	85	94	110
PARKS & RECREATION										
Park Attendance	65,372	57,400	61,024	81,253	17,966 *	19,542	19,552	19,524	24,067	17,340
DETENTION CENTER										
Confinements	2,283	2,587	2,297	1,600	1,992	1,974	1,779	1,830	1,776	1,714
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	849	753	717	684	845	913	586	670	763	740
Gross Sales Within County	\$ 750,636,025	N/A	N/A	\$ 1,050,332,950	\$ 924,434,928	\$ 921,111,732	\$ 1,320,828,986	\$ 1,330,189,000	\$ 1,410,557,365	\$ 1,408,928,392
EMERGENCY SERVICES										
Calls Dispatched	47,359	50,811	50,952	46,271	49,479	51,080	51,384	55,609	62,958	64,913

* Park attendance changed in year 2014 to reflect only Sgt Jasper Park vehicle count.

N/A Information is not available.

* Department opened in November 2005.

Source: Various County Departments

JASPER COUNTY, SOUTH CAROLINA
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
DEVELOPMENT SERVICES:										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	11	11	11	11	11	11	11	11	11	11
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	6	6	6	8
EMERGENCY SERVICES:										
Number of fire stations	8	8	8	8	9	9	11	11	12	12
Number of fire rescue apparatus	19	19	19	19	19	19	15	15	19	21
Number of ambulances	7	7	7	7	7	7	6	7	7	7
ENGINEERING SERVICES:										
Miles of Roads	124	124	124	124	124	124	124	124	124	124
Recycling centers	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
Patrol units	18	18	18	18	18	18	18	18	22	22
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	1 *	1	1

Source: Administrative Services

* Library services taken over by City of Hardeeville in 2017.

** Includes Sgt Jasper Park with ambulance only station

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2019**

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Sub-Recipients	Expenditures
<i>US Department of Health & Human Services</i> Passed through the SC Department of Social Services Child Enforcement Block Grant	93.563		-	\$ 146,535
<i>US Department of Agriculture</i> Passed through the SC State Forestry Commission Volunteer Fire Assistance Grants	10.664		-	5,000
<i>US Department of Housing and Urban Development</i> Passed through the SC Department of Commerce Community Development Block Grant Community Development Block Grant Total Community Development Block Grant	14.228 14.228 14.228	CE-17-006 4-NR-17-001	- - -	50,000 7,733 57,733
<i>US Department of Transportation</i> Airport Improvement Program Airport Improvement Program Total Airport Improvement Program	20.106 20.106 20.106	3-45-0048-010-2016 3-45-0048-011-2017	- - -	2,995,007 90,539 3,085,546
<i>US Department of Homeland Security</i> Passed through the SC Department of Emergency Preparedness LEMPG Grant	97.042		-	107,778
Total Federal Financial Assistance			-	\$ 3,402,592

See accompanying notes to schedule of expenditures of federal awards.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jasper County, South Carolina (the County) under programs of the federal government for the year ended June 30, 2019. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The County has elected not to use the 10% de Minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 NON-CASH AWARDS

The County did not receive any non-cash federal awards during the year ended June 30, 2019.



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INDEPENDENT AUDITORS' 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 County Council
Jasper County, South Carolina
Ridgeland, 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, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Jasper County, South Carolina's basic financial statements, and have issued our report thereon dated December 11, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County, South Carolina's internal control over financial reporting 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 Jasper County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
December 11, 2019



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Jasper County, South Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jasper County, South Carolina's major federal programs for the year ended June 30, 2019. Jasper County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jasper County, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jasper County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Jasper County, South Carolina complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

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

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

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

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



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
December 11, 2019

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of Jasper County, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs of Jasper County, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 2 CFR section 200.516(a).
- G. Major federal program for Jasper County, South Carolina for the fiscal year ended June 30, 2019 are:

<u>Program Name</u>	<u>CFDA#</u>
Airport Improvement Program	20.106

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$750,000.
- I. Jasper County, South Carolina did not qualify as a low risk auditee.

II. Findings and Questioned Costs Related to the Audit of the Financial Statements of the Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2019, which are required to be reported in accordance with *Government Auditing Standards*.

III Findings and Questioned Costs Related to the Audit of Federal Awards of Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2019, which are required to be reported in accordance with 2 CFR section 200.516(a).