

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

COUNTY COUNCIL

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BARBARA CLARK

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE K. MALPHRUS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

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Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 13, 2017

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, 2017.

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 Baird & Company CPAS, 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, 2017 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, 2017 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 28,465. 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 three council members elected every two years. Four of the council members are elected to single member 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 County underwent a salary and staffing study in 2008 that redefined the functional areas of certain department heads. These recommendations were adopted by the County to allow for greater accountability. The financial statements were reorganized to comply with these changes.

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 57-59 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 2018 assessable base is \$127,274,610., up 3.2% from the assessable base of \$123,353,297. in fiscal year 2017. The County's private sector average weekly wage increased 4.7% from \$705 last year to the current \$738. The U.S. Census reports that the median household income for Jasper County is \$38,991., up 5% from the previous year.

The 2016 U.S. Census population estimate for Jasper County is 28,465. 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 14.9% population percentage increase in Jasper County from April 1, 2010 to July 1, 2016. The State of South Carolina experienced a 4.7% population increase statewide during the same period.

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 is 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 a majority 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 in multi-use communities with vested densities.

Approximately 30,000 acres of large tract, mixed use development projects have been approved in those areas. Over the past decade, Jasper County, the City of Hardeeville, and the Town of Ridgeland have authorized approximately 77,000 new dwelling units. Over 4,000 acres of proposed commercial development projects have also been approved.

Jasper County's unemployment rate is currently 3.6%. The state unemployment rate is 3.9%. 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. 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 and formulate 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 third speculative building in the County-owned Cypress Ridge Business/Industrial Park just west of the interstate and the Town of Ridgeland was recently constructed and sold. The County is currently preparing to construct a fourth speculative building in Cypress Ridge Business/Industrial Park. Jasper County and the Town of Ridgeland have previously worked toward developing a new industrial park along I-95 between Exits 21 & 22 in Ridgeland known as the Ridgeland Industrial Park. 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. Additionally, the County is currently constructing a new runway, parallel taxiway, and terminal at the Ridgeland-Claude Dean Airport in Ridgeland to improve safety and increase business development opportunities in the County. The project is

anticipated to cost \$20 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. All preliminary design and feasibility studies have been completed for 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 2025.

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 the growth it was experiencing. 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 and commercial 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 developer fees that offset the initial cost of providing additional government services beyond property tax revenue generated from the development. Fees were assessed to assist the entities with providing school, library, police, fire, and parks and recreation infrastructure. When and if all of the residential and commercial development proceeds as proposed, the County and its municipalities will have received over \$300 million in voluntary developer fees. Two large scale residential communities totaling 12,000 units were announced this year in the City of Hardeeville.

The Jasper County Council also supports the development of affordable housing to ensure that affordable housing opportunities remain in Jasper County 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. The County has provided direct financial support for some of these projects. Jasper County also provides an annual budget appropriation to a non-profit organization developing affordable housing in the County.

Since The Great Recession, the County reacted to uncertain financial conditions by cutting its operating budget, reducing its workforce, and controlling expenditures. Four years ago, the County was able to start seeing the positive results of making those difficult financial management decisions. The County's bond rating with Standard & Poor's increased from A+ to AA- and the County ended the year with expenditures under budget and a substantial increase in fund balance. In fiscal year 2017, the County budgeted to use fund balance to fund salary increases and recovery efforts associated with Hurricane Matthew. Despite this intended use of fund balance, the County experienced positive financial results again this year. The County's net position increased by \$4,557,257, fund balance increased by \$1,464,196, the combined ending fund balance ended at \$18,487,826, and the unassigned fund balance for the general fund was \$10,588,816, or 42% 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 the reporting of its net pension 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, 2016. This was the 19th 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



Ronnie Malphrus
Deputy Administrator-Finance

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Government Finance Officers Association

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

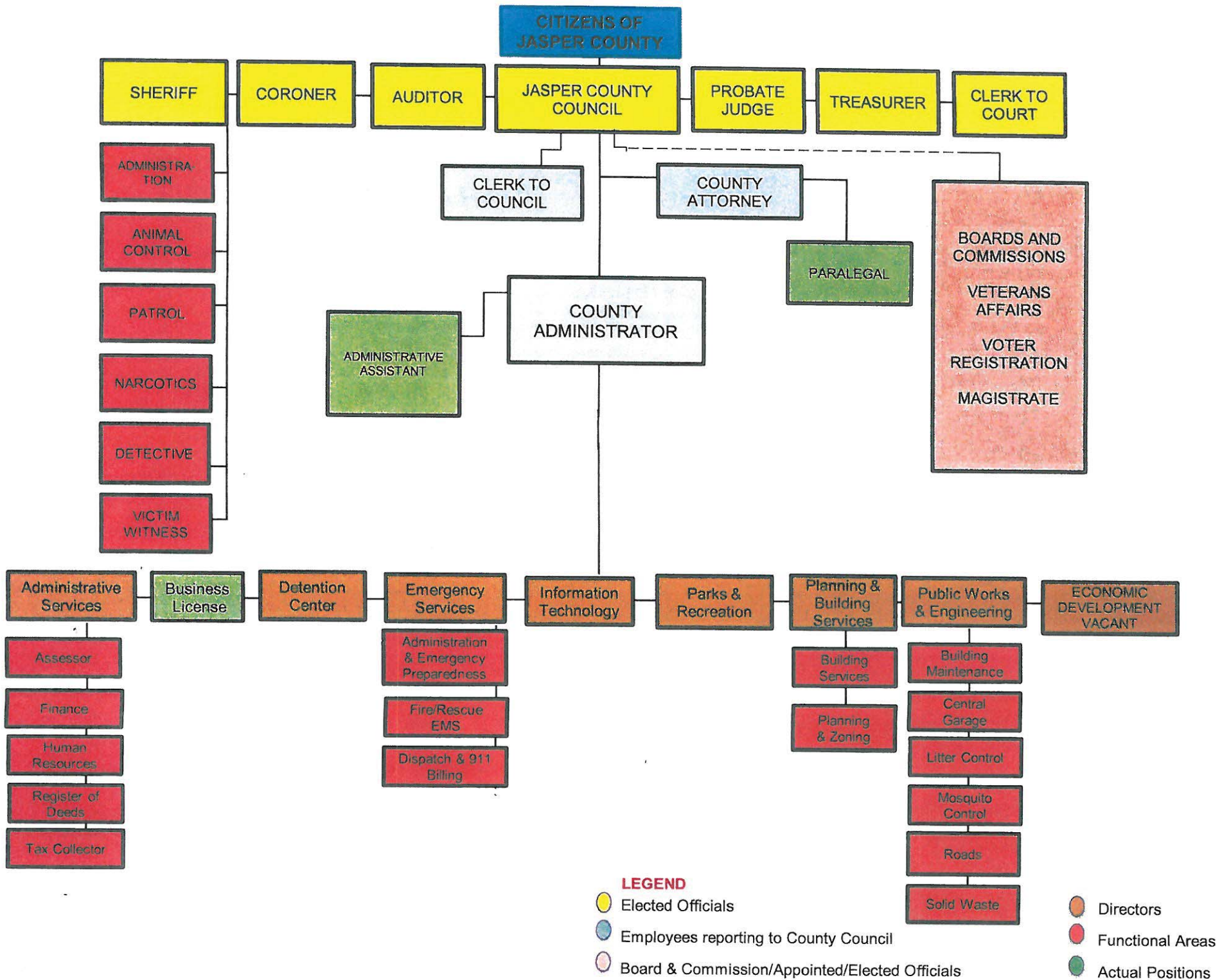
Presented to

**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2017**

TITLE	NAME
Chairman – County Council.....	L. Martin Sauls, IV
Vice Chairman – County Council.....	D. Thomas Johnson
Council Member.....	Theodus L. Drayton
Council Member.....	Henry Etheridge
Council Member.....	Barbara Clark
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley
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, 2017, 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, 2017, 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 57-59, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions on pages 60-61, 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, 2017, 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, 2017

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, 2017. 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 \$14,924,166 (net position).
- The County's total net position increased by \$4,557,257.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$18,487,826, an increase of \$1,464,196.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$10,588,816 or 42% 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 governments 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 five 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 27-56 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 57-59 and historical pension information on pages 60-61.

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 62-68 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 \$14,924,166 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		
	2017	2016
Current and Other Assets		
Cash and Other Assets	\$ 23,853,565	\$ 21,085,276
Capital Assets	41,090,237	36,642,994
Total Assets	<u>64,943,802</u>	<u>57,728,270</u>
Deferred Outflows of Resources	<u>4,284,902</u>	<u>1,712,592</u>
Long-term Liabilities Outstanding	50,003,269	46,377,579
Other Liabilities	<u>3,889,448</u>	<u>2,651,412</u>
Total Liabilities	<u>53,892,717</u>	<u>49,028,991</u>
Deferred Inflows of Resources	<u>411,821</u>	<u>64,962</u>
Net Position		
Net Investment in Capital Assets	20,468,539	16,690,228
Restricted	3,825,960	3,108,207
Unrestricted	<u>(9,370,333)</u>	<u>(9,451,526)</u>
Total Net Position	<u>\$ 14,924,166</u>	<u>\$ 10,346,909</u>

By far the largest portion of the County's net position \$20,468,539 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.

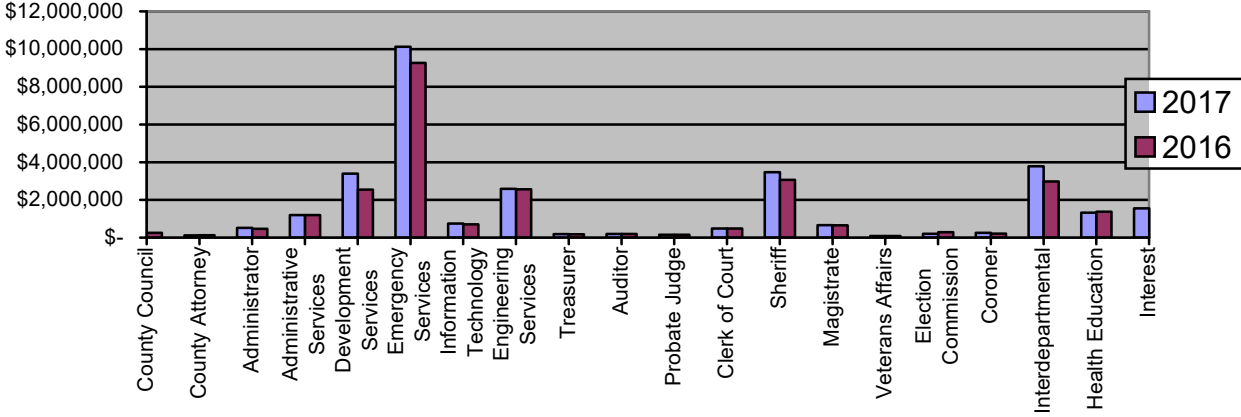
The restricted portion of net position of \$3,825,960 represents the balance of net position that has restricted resources and is not available to fund other commitments. The restricted net position relates to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

Governmental activities. The County's total net position increased by \$4,577,257 in 2017 compared to an increase of \$3,105,992 in 2016. Key elements of this increase are as shown in the following table.

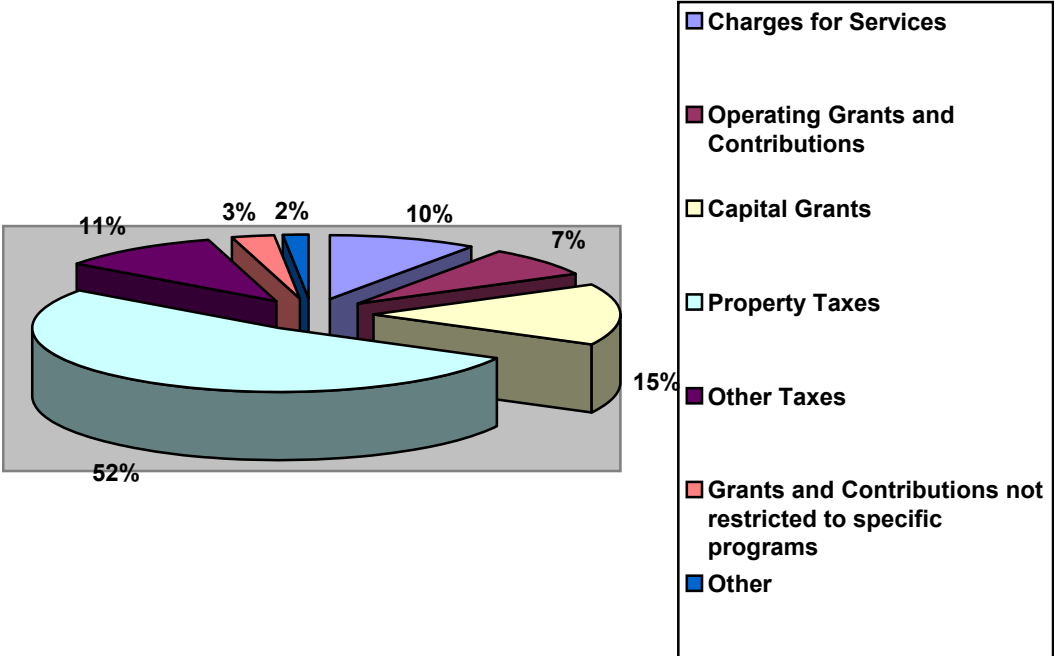
JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,525,883	\$ 3,396,991
Operating Grants and Contributions	2,632,029	1,428,999
Capital Grants and Contributions	5,551,282	2,543,774
General Revenues:		
Property Taxes	18,745,948	18,238,642
Other Taxes	3,813,160	3,852,025
Grants and Contributions not restricted to specific programs	995,085	1,047,710
Other	609,523	322,352
Total Revenues	<u>35,872,910</u>	<u>30,830,493</u>
Expenses:		
County Council	\$ 251,262	252,936
County Attorney	120,624	123,795
Administrator	516,243	469,224
Administrative Services	1,194,183	1,194,741
Development Services	3,393,276	2,542,464
Emergency Services	10,127,643	9,271,317
Information Technology	746,557	707,467
Engineering Services	2,586,351	2,566,479
Treasurer	187,322	181,095
Auditor	198,471	197,023
Probate Judge	154,245	151,938
Clerk of Courts	480,299	484,724
Sheriff	3,468,726	3,063,133
Magistrate	662,546	656,365
Veterans Affairs	86,641	84,009
Election Commission	202,508	286,443
Coroner	253,747	216,135
Interdepartmental	3,788,099	2,981,098
Health, Education and Welfare	1,322,785	1,373,727
Interest Expense	1,554,125	920,388
Total Expenses	<u>31,295,653</u>	<u>27,724,501</u>
Change in net position	4,577,257	3,105,992
Net position - beginning	10,346,909	7,240,917
Prior Period Restatement	-	-
Net position - ending	<u>\$ 14,924,166</u>	<u>\$ 10,346,909</u>

Total revenues were up \$5,042,417 and expenses were up \$3,571,152 most of which related to an increase in operating and capital grants.

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 \$18,487,826, an increase of \$1,464,196 in comparison with an increase of \$2,209,881 in the prior year.

The fund balance of the County's General Fund increased by \$641,852 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$1,080,998. This positive variance can be explained as follows:
 - Tax revenues were over budget \$1,602,730. This is attributable to an improvement in the economy resulting in an increase in local option sales taxes collected from growth.
 - Fines, fees and licenses were over budget \$834,442. This is attributable to higher than anticipated revenues in EMS fees of \$267,113, road maintenance fees of \$172,500, building permits of \$66,724, and register of deeds of \$103,860.
 - Intergovernmental revenues were over budget \$208,292 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 \$1,700,000.
- Overall expenditures were under budget by \$13,371. Key elements of this positive variance can be explained as follows:
 - The County was over budget in salaries and related benefits by approximately \$250,000 due to hurricane that went through the area. Most of this occurred in emergency services, law enforcements and clean-up efforts. Other fluctuations in budget overages for fuel and cleanup efforts contributed to budget overages in these departments as well.
 - Grant matching funds were approximately \$500,000 under budget because the emergency shelter construction was delayed.
 - Other significant budget overages occurred in the following departments:
 - Coroners department had post mortems over budget \$62,000.
 - Emergency Telecommunications radio was over budget \$80,000.
 - Various other expenses related to telephone, maintenance, and uniforms were also over budget.

The debt service fund has a total fund balance of \$1,526,975 which is restricted for future debt payments. The increase of \$483,810 relates to the refunding of bonds.

The economic development fund has a total fund balance of \$2,623,267 which is assigned for future economic development projects. The increase of \$194,963 relates to the grant received for the construction of a spec building.

The capital projects fund has a total fund balance of \$49,784 because the County received advances on amounts to be expended on various projects. The decrease of \$29,745 relates to completion of projects during the year.

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. During the current fiscal year, County Council approved supplemental budget increases of \$300,000. There were positive variances in both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2017 amounts to \$41,090,237 (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	\$ 52,933
Construction in progress: Ridgeland Airport and Cypress Ridge	4,420,694
Land and improvements: Airport land and land option	92,198
Infrastructure: Campground Road and basketball court paving	824,373
Radios, Mosquito Sprayer, Server, Scanner, Compactor, Lawnmower	134,209
Tahoe, Chargers, Explorer, Rangers, Colorado Truck, ATV, Ambulance	518,078
Total Capital Outlay	<u>\$ 6,042,485</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 \$50,003,269. The County's total long-term obligations increased by \$3,625,690 during the current fiscal year. The County issued a \$1.5 million General Obligation Bond in 2015 but only sold \$838,862 before June 30, 2017. The County added a 2017 Revenue bond of \$8,290,000 and reduced 2011 Revenue bond by \$7,240,000. All other long-term debt was paid as scheduled. Post employment benefits increased by \$807,132 and the net pension liability increased by \$2,203,175.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2017	2016
Bank loans	\$ 1,374,912	\$ 1,432,493
Capital Leases	1,375,038	1,809,425
General obligation bonds	5,338,862	5,117,851
Revenue bond	13,907,798	13,025,490
Compensated absences	877,998	873,966
Net Pension Liability	19,464,130	17,260,955
Other post employment benefits	7,664,531	6,857,399
Total	<u>\$ 50,003,269</u>	<u>\$ 46,377,579</u>

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 \$10,969,528 with \$5,338,862 of general obligation debt issued that offsets this limit for a legal debt margin of \$5,630,666.

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 2017 stands at 3.6% versus 5.0% a year ago. In comparison, the State's unemployment rate is 3.9% and the national rate is 4.4% as of June 2017.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2016 tax year increased from \$132,693,021 to \$137,119,099.

All of these factors were considered in preparing the County's budget for the 2018 fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$12,612,510. The County set millage for the 2018 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 2018 are projected to increase 2.4% to \$27,057,925 from \$26,424,079 in 2017.

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, 2017**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 11,236,119
Receivables	5,561,685
Lease Receivable	524,912
Restricted Cash	3,763,834
Property Held for Resale	2,613,114
Prepaid Insurance	153,901
Capital Assets,	
Not being depreciated	10,574,405
Being depreciated, net	30,515,832
Total Assets	64,943,802
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	3,684,756
Deferred Outflows Related to Refunding	600,146
Total Deferred Outflows of Resources	4,284,902
Total Assets and Deferred Outflows of Resources	\$ 69,228,704
LIABILITIES	
Accounts Payable	\$ 3,017,926
Salaries and Benefits Payable	509,155
Unearned Revenue	227,469
Accrued Interest	134,898
Noncurrent Liabilities	
Due within one year	1,801,431
Due in more than one year	48,201,838
Total Liabilities	53,892,717
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	411,821
Total Deferred Inflows of Resources	411,821
NET POSITION	
Net Investment in Capital Assets	20,468,539
Restricted for:	
Law Enforcement	84,131
Courts Administration	621,778
Debt Service	1,526,975
Tourist related expenditures	844,949
E911 expenditures	745,132
Other purposes	2,995
Unrestricted	(9,370,333)
Total Net Position	14,924,166
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 69,228,704

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, 2017**

<u>Functions/Programs</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
					<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
Governmental Activities					
County Council	\$ 251,262	\$ -	\$ -	\$ -	\$ (251,262)
County Attorney	120,624	-	-	-	(120,624)
Administrator	516,243	-	-	-	(516,243)
Administrative Services	1,194,183	324,521	-	-	(869,662)
Development Services	3,393,276	857,960	1,831,158	4,667,586	3,963,428
Emergency Services	10,127,643	1,133,456	232,048	-	(8,762,139)
Information Technology	746,557	-	-	-	(746,557)
Engineering Services	2,586,351	595,801	-	883,696	(1,106,854)
Treasurer	187,322	-	1,575	-	(185,747)
Auditor	198,471	-	1,575	-	(196,896)
Probate Judge	154,245	26,976	1,575	-	(125,694)
Clerk of Court	480,299	159,736	87,250	-	(233,313)
Sheriff	3,468,726	4,275	412,110	-	(3,052,341)
Magistrate	662,546	423,158	-	-	(239,388)
Veterans Affairs	86,641	-	4,704	-	(81,937)
Election Commission	202,508	-	57,034	-	(145,474)
Coroner	253,747	-	-	-	(253,747)
Interdepartmental	3,788,099	-	-	-	(3,788,099)
Health, Education and Welfare	1,322,785	-	3,000	-	(1,319,785)
Interest	1,554,125	-	-	-	(1,554,125)
Total Governmental Activities	<u>\$ 31,295,653</u>	<u>\$ 3,525,883</u>	<u>\$ 2,632,029</u>	<u>\$ 5,551,282</u>	<u>(19,586,459)</u>
General Revenues					
Property Taxes					18,745,948
Local Option Sales Taxes					3,171,793
Franchise Taxes					46,888
Accommodation and Hospitality Taxes					594,479
Grants and contributions not restricted to specific programs					995,085
Miscellaneous					609,523
Total General Revenues, Special Items and Transfers					<u>24,163,716</u>
Change in net position					4,577,257
Net position, beginning					10,346,909
Net position, ending					<u>\$ 14,924,166</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 10,808,056	\$ -	\$ 428,063	\$ -	\$ -	\$ 11,236,119
Receivables - net	2,201,741	85,385	8,690	3,226,147	39,722	5,561,685
Restricted Cash	623,694	1,495,102	-	-	1,645,038	3,763,834
Interfund Receivables	1,629,454	-	-	-	-	1,629,454
Property Held for Resale	-	-	2,613,114	-	-	2,613,114
Total Assets	<u>\$ 15,262,945</u>	<u>\$ 1,580,487</u>	<u>\$ 3,049,867</u>	<u>\$ 3,226,147</u>	<u>\$ 1,684,760</u>	<u>\$ 24,804,206</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,262,416	\$ -	\$ 206,654	\$ 1,539,386	\$ 9,470	\$ 3,017,926
Salaries and Benefits Payable	509,155	-	-	-	-	509,155
Unearned Revenue	-	-	219,946	7,523	-	227,469
Interfund Payables	-	-	-	1,629,454	-	1,629,454
Total Liabilities	<u>1,771,571</u>	<u>-</u>	<u>426,600</u>	<u>3,176,363</u>	<u>9,470</u>	<u>5,384,004</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	<u>878,864</u>	<u>53,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>932,376</u>
Total Deferred Inflows of Resources	<u>878,864</u>	<u>53,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>932,376</u>
Fund Balances						
Restricted	623,694	1,526,975	-	-	1,675,290	3,825,959
Committed	-	-	-	49,784	-	49,784
Assigned	1,400,000	-	2,623,267	-	-	4,023,267
Unassigned	10,588,816	-	-	-	-	10,588,816
Total Fund Balances	<u>12,612,510</u>	<u>1,526,975</u>	<u>2,623,267</u>	<u>49,784</u>	<u>1,675,290</u>	<u>18,487,826</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,262,945</u>	<u>\$ 1,580,487</u>	<u>\$ 3,049,867</u>	<u>\$ 3,226,147</u>	<u>\$ 1,684,760</u>	<u>\$ 24,804,206</u>

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

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

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

Total fund balances for governmental funds \$ 18,487,826

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	\$ 4,949,720	
Construction in Progress	5,624,685	
Buildings and Improvements, net of \$6,937,669 accumulated depreciation	20,155,876	
Machinery and Equipment, net of \$4,232,212 accumulated depreciation	2,874,128	
Vehicles, net of \$4,406,729 accumulated depreciation	1,881,874	
Infrastructure, net of \$1,899,457 accumulated depreciation	<u>5,603,954</u>	
Total Capital Assets		41,090,237

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 932,376

Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds. 524,912

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	3,684,756	
Related to advance refunding	600,146	
Deferred inflows of resources:		
Related to pensions	<u>(411,821)</u>	
Total deferred outflows and inflows of resources		3,873,081

Prepaid insurance costs that are amortized over a period of years that are reported as expenditures in the funds. 153,901

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, 2017 are:

Accrued Interest Payable	(134,898)	
Net Pension Liability	(19,464,130)	
Post Retirement Benefits Payable	(7,664,531)	
Bonds, Notes and Leases Payable	(21,996,610)	
Compensated Absences	<u>(877,998)</u>	
Total Long-Term Liabilities		<u>(50,138,167)</u>

Total net position of governmental activities \$ 14,924,166

JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	GENERAL	DEBT SERVICE	ECONOMIC DEVELOPMENT	CAPITAL PROJECTS	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	\$ 20,525,184	\$ 1,470,951	\$ -	\$ -	\$ 489,874	\$ 22,486,009
Fines, Fees and Licenses	3,153,242	-	193,856	-	178,785	3,525,883
Intergovernmental	1,475,717	-	-	5,662,908	208,613	7,347,238
Miscellaneous	375,934	2,601	1,831,083	288,415	229	2,498,262
Total Revenues	<u>25,530,077</u>	<u>1,473,552</u>	<u>2,024,939</u>	<u>5,951,323</u>	<u>877,501</u>	<u>35,857,392</u>
EXPENDITURES						
Current:						
County Council	250,218	-	-	-	-	250,218
County Attorney	118,961	-	-	-	-	118,961
Administrator	510,047	-	-	-	-	510,047
Administrative Services	1,195,827	-	-	-	-	1,195,827
Development Services	1,027,895	-	1,688,054	349,110	248,371	3,313,430
Emergency Services	9,435,550	-	-	107,948	84,039	9,627,537
Information Technology	740,966	-	-	-	-	740,966
Engineering Services	2,056,344	-	-	187,420	10,856	2,254,620
Treasurer	184,739	-	-	-	-	184,739
Auditor	202,737	-	-	-	-	202,737
Probate Judge	153,235	-	-	-	-	153,235
Clerk of Court	478,907	-	-	-	-	478,907
Sheriff	3,198,747	-	-	360	164,994	3,364,101
Magistrate	665,561	-	-	-	-	665,561
Veterans Affairs	84,937	-	-	-	-	84,937
Election Commission	202,112	-	-	-	-	202,112
Coroner	253,668	-	-	-	-	253,668
Interdepartmental	1,832,864	617,575	-	-	-	2,450,439
Health, Education and Welfare	1,322,785	-	-	-	-	1,322,785
Debt Service:						
Principal	527,909	515,000	-	57,581	-	1,100,490
Interest	68,739	906,432	-	26,648	-	1,001,819
Bond Issue Costs	-	394,413	-	-	-	394,413
Capital Outlay:						
Development Services	41,893	-	9,922	4,633,009	-	4,684,824
Engineering Services	49,897	-	-	685,494	-	735,391
Sheriff	278,362	-	-	-	-	278,362
Emergency Services	246,068	-	-	14,100	-	260,168
Information Technology	29,309	-	-	-	-	29,309
Interdepartmental	47,620	-	-	-	-	47,620
Clerk of Court	6,811	-	-	-	-	6,811
Total Expenditures	<u>25,212,708</u>	<u>2,433,420</u>	<u>1,697,976</u>	<u>6,061,670</u>	<u>508,260</u>	<u>35,914,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>317,369</u>	<u>(959,868)</u>	<u>326,963</u>	<u>(110,347)</u>	<u>369,241</u>	<u>(56,642)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	314,533	-	314,533
Refunding Bonds Issued	-	8,290,000	-	-	-	8,290,000
Premium on Debt Issuance	-	156,305	-	-	-	156,305
Payment to Refunded Debt Escrow Agent	-	(7,240,000)	-	-	-	(7,240,000)
Transfers In	387,000	237,373	101,325	3,442	59,075	788,215
Transfers Out	(62,517)	-	(233,325)	(237,373)	(255,000)	(788,215)
Total Other Financing Sources (Uses)	<u>324,483</u>	<u>1,443,678</u>	<u>(132,000)</u>	<u>80,602</u>	<u>(195,925)</u>	<u>1,520,838</u>
Net change in fund balances	641,852	483,810	194,963	(29,745)	173,316	1,464,196
Fund balances, beginning	11,970,658	1,043,165	2,428,304	79,529	1,501,974	17,023,630
Fund balances, ending	<u>\$ 12,612,510</u>	<u>\$ 1,526,975</u>	<u>\$ 2,623,267</u>	<u>\$ 49,784</u>	<u>\$ 1,675,290</u>	<u>\$ 18,487,826</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, 2017**

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	\$	1,464,196
--	----	-----------

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 (\$6,042,485) was more than depreciation (\$1,595,242) in the current period.		4,447,243
--	--	-----------

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:

Repayment of Principal	\$ 8,340,490		
Issuance of Bonds	(8,760,838)		
Accrued Interest, Premiums, and Discounts	(123,364)		
Amortization on bond deferred charges	<u>583,046</u>		39,334

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		15,518
--	--	--------

Governmental funds report pension contributions as expenditures. However in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	1,298,064		
Cost of benefits earned net of employee contributions	<u>(1,875,934)</u>		(577,870)

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.

Other Post Employment Benefits	(807,132)		
Compensated Absences	<u>(4,032)</u>		<u>(811,164)</u>

Total change in net position of governmental activities	\$	<u><u>4,577,257</u></u>
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**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017**

	Agency Funds
ASSETS	
Cash	\$ 24,779,699
Total Assets	<u>\$ 24,779,699</u>
 LIABILITIES	
Due to Others	\$ 24,779,699
Total Liabilities	<u>\$ 24,779,699</u>

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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 inter-fund 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.

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, 2017**

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 other 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, 2017**

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 of 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 60 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 60 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, 2017**

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, however, there were no supplemental budgetary appropriations made in the general fund during the year.

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, 2017**

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.

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:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	20 to 50
Vehicles and Equipment	5 to 20

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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 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 that arises 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. 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, 2017**

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 2016 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, 2017**

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, 2017, the County had the following cash and investments that are included in governmental funds of \$14,999,953 and the agency fund cash of \$24,779,699.

<u>Investment</u>	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 1,100,924	\$ 1,407,694
Certificates of Deposit	12 months or less	13,039,734	6,010,973
US Government Securities	Daily	262,250	262,250
<u>Cash</u>			
Checking Accounts		25,376,344	32,781,584
Change Funds		400	-
Total Deposits and Investments		<u>\$ 39,779,652</u>	<u>\$ 40,462,501</u>

* Account is swept daily. \$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, 2017 is \$262,250.

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. As of June 30, 2017, the bank balance was \$40,462,501. All of the County's deposits at year end were covered by federal depository insurance and or by collateral held in the pledging financial institution. Therefore, none of the County's deposits were exposed to custodial credit risk as of June 30, 2017.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 RECEIVABLES

Receivables at June 30, 2017, 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	\$ 4,515,457	\$ 320,925	\$ -	\$ -	\$ -	\$ 4,836,382
Accounts	4,741,010	-	-	-	-	4,741,010
Other	890,509	-	8,690	3,226,147	39,722	4,165,068
Gross receivables	10,146,976	320,925	8,690	3,226,147	39,722	13,742,460
Allowance for doubtful accounts						
Taxes	(3,386,593)	(235,540)	-	-	-	(3,622,133)
Accounts	(4,558,642)	-	-	-	-	(4,558,642)
Net total receivables	<u>\$ 2,201,741</u>	<u>\$ 85,385</u>	<u>\$ 8,690</u>	<u>\$ 3,226,147</u>	<u>\$ 39,722</u>	<u>\$ 5,561,685</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	\$ -	\$ 7,523
Special purpose drawdown not yet spent	-	6,118
Developer review fees	-	213,828
Property taxes not collected within 60 Days	932,676	-
Total	<u>\$ 932,676</u>	<u>\$ 227,469</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, 2017 is \$524,912. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 60,400	\$ 23,829	\$ 84,229
2019	63,358	20,871	84,229
2020	66,460	17,769	84,229
2021	69,714	14,515	84,229
2022	73,128	11,104	84,232
2023-2026	191,852	11,700	203,552
Total	<u>\$ 524,912</u>	<u>\$ 99,788</u>	<u>\$ 624,700</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2017 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2017</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 4,905,822	\$ 92,198	\$ -	\$ 4,998,020
Construction in progress	1,155,691	4,549,651	128,957	5,576,385
Total capital assets, not being depreciated	<u>6,061,513</u>	<u>4,641,849</u>	<u>128,957</u>	<u>10,574,405</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	27,040,612	52,933	-	27,093,545
Machinery and equipment	6,972,131	134,209	-	7,106,340
Vehicles	5,803,181	518,078	32,656	6,288,603
Infrastructure	6,679,038	824,373	-	7,503,411
Total capital assets being depreciated	<u>46,494,962</u>	<u>1,529,593</u>	<u>32,656</u>	<u>47,991,899</u>
Less accumulated depreciation for:				
Buildings and improvements	6,389,245	548,424	-	6,937,669
Machinery and equipment	3,686,328	545,884	-	4,232,212
Vehicles	4,104,372	335,013	32,656	4,406,729
Infrastructure	1,733,536	165,921	-	1,899,457
Total accumulated depreciation	<u>15,913,481</u>	<u>1,595,242</u>	<u>32,656</u>	<u>17,476,067</u>
Total capital assets being depreciated, net	<u>30,581,481</u>	<u>(65,649)</u>	<u>-</u>	<u>30,515,832</u>
Governmental activity capital assets, net	<u>\$ 36,642,994</u>	<u>\$ 4,576,200</u>	<u>\$ 128,957</u>	<u>\$ 41,090,237</u>

The County has construction commitments remaining of \$1,074,044 for the airport acquisition and the Cypress Ridge storm drain and roads that are included in construction in progress.

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

<u>Governmental Activities</u>	
Administrative Services	\$ 2,000
Development Services	75,287
Emergency Services	458,421
Engineering Services	330,690
Clerk of Court	1,239
Sheriff	152,976
Information Technology	4,396
Interdepartmental	570,233
Total depreciation expense - governmental activities	<u>\$ 1,595,242</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 5 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	<u>June 30, 2016</u>	<u>Additions</u>	<u>Cost of Land Sold</u>	<u>June 30, 2017</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 3	746,546	766,388	-	1,512,934
Total	<u>\$ 1,846,726</u>	<u>\$ 766,388</u>	<u>\$ -</u>	<u>\$ 2,613,114</u>

The County has construction commitments of \$807,810 remaining on the Cypress Ridge Spec Bldg. 3 at June 30, 2017.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2017 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Capital Projects	\$ 1,629,454
		<u>\$ 1,629,454</u>

The \$1,629,454 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, 2017 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund/Nonmajor E-911	\$ 105,000	\$ 105,000
General Fund/Capital Projects Fund	101,325	101,325
General Fund/Economic Development Fund	132,000	132,000
Nonmajor State A-Tax/General Fund	59,075	59,075
Local A-Tax funds to General Fund as budgeted	150,000	150,000
Debt Service fund to General Fund	3,442	3,442
Capital Projects/Debt Service	237,373	237,373
Total	<u>\$ 788,215</u>	<u>\$ 788,215</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, 2017**

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2017.

Governmental Activities	June 30, 2016	Increases	Decreases	June 30, 2017	Due Within A Year
Bank loans	\$ 1,432,493	\$ -	\$ 57,581	\$ 1,374,912	\$ 60,400
Capital leases	1,809,425	-	434,387	1,375,038	932,166
General obligation bond	5,117,851	314,533	93,522	5,338,862	83,865
Revenue Bonds	13,270,000	8,290,000	7,755,000	13,805,000	425,000
Plus amount for bonds issued at a premium	82,779	156,305	6,699	232,385	-
Less amounts for bonds issued at a discount	<u>(327,289)</u>	<u>-</u>	<u>(197,702)</u>	<u>(129,587)</u>	<u>-</u>
Total	21,385,259	8,760,838	8,149,487	21,996,610	1,501,431
Net pension liability	17,260,955	3,382,878	1,179,703	19,464,130	-
Compensated absences	873,966	419,040	415,008	877,998	300,000
Other post employment benefits	6,857,399	1,152,262	345,130	7,664,531	-
Total	<u>\$ 46,377,579</u>	<u>\$ 13,715,018</u>	<u>\$ 10,089,328</u>	<u>\$ 50,003,269</u>	<u>\$ 1,801,431</u>

Bank Loans Payable

Balance

\$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%.

\$ 524,912

\$850,000 loan from the South Carolina Public Service Authority for economic development with annual payments beginning in 2019, matures in 2025.

850,000

Total Bank Loans Payable

\$ 1,374,912

Long-term debt payable at June 30, 2017 is comprised of the following issues:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 60,400	\$ 23,829	\$ 84,229
2019	184,787	20,871	205,658
2020	187,889	17,769	205,658
2021	191,143	14,515	205,658
2022	194,557	11,101	205,658
2023-2026	556,136	11,700	567,836
Total	<u>\$ 1,374,912</u>	<u>\$ 99,785</u>	<u>\$ 1,474,697</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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.	\$ 4,500,000
\$1,500,000 General Obligation Series 2015 with semi-annual interest payments at 2.99% interest and annual principal, matures in 10 years for the acquisition and construction of the Ridgeland Airport facility.	838,862
Total General Obligation Bonds	\$ 5,338,862

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 124,294	\$ 247,345	\$ 371,639
2019	127,135	244,505	371,640
2020	135,060	239,479	374,539
2021	138,075	234,014	372,089
2022	141,180	229,509	370,689
2023-2027	543,118	1,079,176	1,622,294
2028-2032	240,000	1,002,090	1,242,090
2033-2037	275,000	907,940	1,182,940
2038-2042	3,615,000	532,690	4,147,690
Total	\$ 5,338,862	\$ 4,716,748	\$ 10,055,610

Capital Leases	Balance
\$923,021 capital leases for purchase of John Deere heavy equipment costing \$1,238,021 that expires in October 2017.	\$ 560,257
\$300,000 capital lease for purchases of 5 used fire tankers with annual payments of \$61,947 for five years including interest at 1.19%.	181,518
\$936,618 capital lease for purchase of radio equipment from Motorola with annual payments of \$330,422.91 for 3 years at an interest rate of 2.890%.	633,263
Total Capital Leases	\$ 1,375,038

Equipment Under Capital Leases

The County has entered into the above leases for vehicle, heavy equipment, and radios. The cost of this equipment is \$3,001,389 with accumulated amortization of \$989,863 for a net value of \$2,011,526. These leases are paid from the general fund.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

Fiscal Year Ending June 30,	Amount
2018	\$ 953,370
2019	392,369
2020	61,960
Sub-total	1,407,699
Less amount representing interest	(32,661)
Total	\$ 1,375,038

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.

1,960,000

The County issued installment purchase revenue bonds Series 2017 in the amount of \$8,290,000.

7,875,000

Total Revenue Bond

\$ 13,805,000

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2018	\$ 425,000	\$ 549,700	\$ 974,700
2019	440,000	533,300	973,300
2020	455,000	516,350	971,350
2021	470,000	498,800	968,800
2022	170,000	480,650	650,650
2023-2027	2,035,000	2,180,926	4,215,926
2028-2032	4,970,000	1,872,080	6,842,080
2033-2037	4,160,000	586,798	4,746,798
2038-2039	680,000	34,900	714,900
Total	\$ 13,805,000	\$ 7,253,504	\$ 21,058,504

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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 refunded 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, 2017, \$5,800,000 and \$4,800,000 were outstanding.

The Jasper County, South Carolina Special Source Revenue Bond Notes, Series 2005 (Jasper County School Project) special source revenue bonds in the amount of \$11,540,000 were issued to help with the construction of Jasper County Schools. The bonds are to be repaid with the school portion of a fee-in-lieu tax. The County has no liability for repayment of the debt. At June 30, 2017, \$1,390,000 was 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, 2017 there was \$199,697 in debt service reserve accounts. Also, \$1,295,405 is on hand toward the interest and principal on the bonds. The current budget for 2016-2017 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017 are \$877,998 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.

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, 2017, the County contributed \$345,130 to the plan, including \$345,130 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 45. 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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$ 1,015,114
Interest on net OPEB obligation	308,583
Adjustment to ARC	<u>(171,435)</u>
Annual OPEB cost (expense)	1,152,262
Contributions made	<u>(345,130)</u>
Increase in net OPEB obligation	807,132
Net OPEB obligation-beginning of year	<u>6,857,399</u>
Net OPEB obligation-end of year	<u><u>\$ 7,664,531</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2016 and the three preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 1,119,453	26.0%	\$ 6,045,037
2016	\$ 1,136,015	28.5%	\$ 6,857,399
2017	\$ 1,152,262	30.0%	\$ 7,664,531

Funded Status and Funding Progress - As of June 30, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$10,383,379 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,383,379.

The covered payroll (annual payroll of active employees covered by the plan) was \$10,261,363, and the ratio of the UAAL to the covered payroll was 0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The occurrences that must be considered include employee turnover, pay increases, disablement, retirement, deaths, and investment income on anticipated plan assets. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions-Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

In the June 30, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5% investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.5% initially, reduced by decrements to an ultimate rate of 4.5% after ten years. Both rates included a 3.0% inflation assumption. The actuarial value of assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities value at 4.5%. The UAAL is being amortized on an open basis as a level percentage of projected payroll (assumed to increase at 3%) required to fully amortize the UAAL over a thirty-year period.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2015	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 7,598,775	136.6%
6/30/2016	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 9,789,418	106.1%
6/30/2017	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 10,261,363	101.2%

Pension Plan

Description of the Entity

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

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 on 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Plan Descriptions

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

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

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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. 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.

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. Upon recommendation by the actuary in the annual actuarial valuation, the PEBA board may adopt and present to the Budget and Control Board for approval an increase in the SCRS and PORS employer and employee contribution rates, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.90% of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty-year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one half of 1.00% per year.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employee Class Two	8.66%	8.16%
Employee Class Three	8.66%	8.16%
PORS		
Employee Class Two	9.24%	8.74%
Employee Class Three	9.24%	8.74%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>
SCRS		
Employer Class Two	11.41%	10.91%
Employer Class Three	11.41%	10.91%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	13.84%	13.34%
Employer Class Three	13.84%	13.34%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Incidental Death Program	0.20%	0.20%

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

Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarial assumptions and methods used during the evaluation process are subject to periodic revision, typically with an experience study, as actual results over an extended period of time are compared with past expectations and new estimates are made about the future.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued as of July 1, 2015. As a result of the experience study, the actuary recommended adjustments to the actuarial assumptions, which included salary increase, payroll growth, mortality, retirement, terminations, refunds, disability, inflation, and asset valuation method. The experience study also recommended reducing the long-term investment rate of return assumption, which is a prescribed assumption that is set in state statute by the General Assembly, from 7.50 to 7.25 percent. With the exception of the rate of return, all recommended assumption and method changes were adopted by both the PEBA Board and SFAA, as co-fiduciaries. The General Assembly did not change the assumed annual rate of return during the 2016 legislative session so that assumption currently remains at 7.50 percent. The newly adopted assumptions and methods will be first used to perform the July 1, 2016, actuarial valuation, the results of which will be used in determining the total pension liability as of the June 30, 2017, measurement date.

The June 30, 2016, total pension liability, net pension liability, and sensitivity information were determined by consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2015, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board which utilized membership data as of July 1, 2015. The total pension liability was rolled forward from the valuation date to the plan's fiscal year ended June 30, 2016, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

The following provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service) ¹	4.0% to 10.0% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ includes inflation at 2.75%

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000. Assumptions used in the July 1, 2015, valuations for SCRS and PORS are as follows:

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Net Pension Liability

The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2016, for SCRS and PORS are presented as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 18,465,876	\$ 9,769,639	\$ 8,696,237	52.9%
PORS	27,222,439	16,454,546	10,767,893	60.4%

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments, as used in the July 1, 2015 actuarial valuations, is based upon the 30-year capital market outlook at the end of the third quarter 2015. The long-term expected rate of return 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 as adopted beginning January 1, 2016. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes 4.75% real rate of return and a 2.75% inflation component.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

<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	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total Expected Real Return	100.0%		5.10%
Inflation for Actuarial Purposes			2.75%
Total Expected Nominal Return			7.85%

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the funding policy specified in the South Carolina Code of Laws will remain unchanged in future years. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity Analysis

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.50%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.50%) or 1.00% higher (8.50%) than the current rate.

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

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
SCRS	\$ 10,848,317	8,696,237	\$ 6,904,711
PORS	14,112,180	10,767,893	7,762,328

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2016, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 310,786	\$ 664,661
Interest on the total pension liability	1,315,670	1,926,029
Changes in plan benefits	-	-
Plan administrative costs	5,353	8,721
Plan member contributions	(307,038)	(488,997)
Expected return on plan assets	(752,584)	(1,253,262)
Recognition of current year amortization - Difference between expected and actual experience	61,691	72,777
Recognition of current year amortization - Difference between projected and actual investment earnings	139,971	238,106
Other	405	(4,861)
Total	<u>\$ 774,254</u>	<u>\$ 1,163,174</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 net pension liability 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.

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedule reflects the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding as of June 30, 2016.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 249,922	\$ 9,444
Net difference between projected and actual earnings	1,952,618	-
Changes in proportion and differences between contributions and proportionate share of contributions	187,786	402,377
Contributions subsequent to the measurement date	1,294,430	-
Total	<u>\$ 3,684,756</u>	<u>\$ 411,821</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Difference between expected and actual experience			
	SCRS	PORS	Total
Balance	\$ 80,703	\$ 159,775	\$ 240,478
Amortization period¹	4.17	4.77	4.47
Amortized² period ending June 30,			
2017	\$ (61,691)	\$ (72,777)	\$ (134,468)
2018	(14,571)	(64,678)	(79,249)
2019	(3,905)	(15,310)	(19,215)
2020	(536)	(7,010)	(7,546)
Difference between projected and actual investment earnings			
	SCRS	PORS	Total
Initial Balance	\$ 731,633	\$ 1,220,985	\$ 1,952,618
Amortization period³	5	5	5
Amortized² period ending June 30,			
2017	\$ (139,971)	\$ (238,106)	\$ (378,077)
2018	(139,971)	(238,106)	(378,077)
2019	(287,707)	(473,203)	(760,910)
2020	(163,984)	(271,570)	(435,554)

¹In accordance with GASB 68, paragraph 71a, the difference between each year's expected and actual experience is required to be amortized over the average remaining service lives of all employees provided with pensions through the plan at June 30.

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

³In accordance with GASB 68, paragraph 71b, the difference between each year's projected and actual investment earnings is required to be amortized over a closed, 5 year period.

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed in Pension Expense.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Employer Contributions

Employers' proportionate shares were calculated on the basis of employer contributions actually remitted to the plan for the fiscal year ended June 30, 2016. 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. Employer contributions are paid from the General Fund.

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

	SCRS	PORS
Employer Contributions Reported in SCRS Statement of Changes in Net Position for the fiscal year ended June 30, 2016	\$ 455,365	\$ 743,856
Deduct: Employer Contributions Not Representative of Future Contribution Effort	(19,328)	(235)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2016 Measurement Date	\$ 436,037	\$ 743,621

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2016, and the accounting and financial reporting actuarial valuation as of June 30, 2016. 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.

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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 insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period 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:

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 12 FUND BALANCES

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non - Major</u>
Restricted					
Courts Administration	\$ 621,778	\$ -	\$ -	\$ -	\$ -
Sheriff funds	1,916	-	-	-	82,214
E-911 funds	-	-	-	-	745,132
Accom/Hospitality Tax	-	-	-	-	844,949
Waste Tire	-	-	-	-	2,995
Debt Payments	-	-	-	1,526,975	-
Total Restricted	<u>623,694</u>	<u>-</u>	<u>-</u>	<u>1,526,975</u>	<u>1,675,290</u>
Committed	<u>-</u>	<u>-</u>	<u>49,784</u>	<u>-</u>	<u>-</u>
Assigned					
2018 Budget	1,400,000	-	-	-	-
Development Projects	-	2,593,052	-	-	-
Joint Planning Fund	-	30,215	-	-	-
Total Assigned	<u>1,400,000</u>	<u>2,623,267</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>10,588,816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 12,612,510</u>	<u>\$ 2,623,267</u>	<u>\$ 49,784</u>	<u>\$ 1,526,975</u>	<u>\$ 1,675,290</u>

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

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

Capital Assets	\$ 41,090,237
Debt on Capital Assets:	
Revenue Bonds	(13,805,000)
General Obligation Bonds	(5,338,862)
Capital Leases	(1,375,038)
Premium on Bonds Payable	(232,385)
Discount on Bonds Payable	129,587
Net Investment in Capital Assets	<u>\$ 20,468,539</u>

The long-term debt includes \$524,912 in bank loans payable that offsets the lease receivable from LCOG and includes \$850,000 for an economic development loan that is included in property held for resale. Neither loan is included in debt on capital assets.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2017**

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, 2017:

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	30%	\$ 261,957
Provide manufacturing facilities for employment opportunities	23% to 75%	\$ 89,423
Provide infrastructure for utility power expansion	70%	\$ 6,730,714

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.

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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 18,922,454	\$ 18,922,454	\$ 20,525,184	\$ 1,602,730
Fines, Fees and Licenses	2,318,800	2,318,800	3,153,242	834,442
Intergovernmental	1,267,425	1,267,425	1,475,717	208,292
Miscellaneous	1,640,400	1,940,400	375,934	(1,564,466)
Total Revenues	<u>24,149,079</u>	<u>24,449,079</u>	<u>25,530,077</u>	<u>1,080,998</u>
EXPENDITURES				
Current:				
County Council	<u>273,150</u>	<u>277,026</u>	<u>250,218</u>	<u>26,808</u>
County Attorney	<u>169,900</u>	<u>169,900</u>	<u>118,961</u>	<u>50,939</u>
Administrator	<u>450,050</u>	<u>478,106</u>	<u>510,047</u>	<u>(31,941)</u>
Administrative Services				
Tax Collector	196,000	199,000	203,284	(4,284)
Assessor	486,318	486,318	478,699	7,619
Finance Department	182,350	186,181	184,351	1,830
Register of Deeds	144,950	146,972	141,411	5,561
Keep America Beautiful	10,000	10,000	-	10,000
Human Resources	<u>241,720</u>	<u>241,720</u>	<u>188,082</u>	<u>53,638</u>
Total Administrative Services	<u>1,261,338</u>	<u>1,270,191</u>	<u>1,195,827</u>	<u>74,364</u>
Development Services				
Economic Development Department	182,100	182,100	111,777	70,323
Business Licenses	66,000	68,111	66,426	1,685
Planning Commission	191,800	191,800	162,100	29,700
Recreation Department	363,380	363,380	332,177	31,203
Sgt Jasper Park	202,400	208,615	215,081	(6,466)
Building Permits	<u>135,400</u>	<u>144,816</u>	<u>140,334</u>	<u>4,482</u>
Total Development Services	<u>1,141,080</u>	<u>1,158,822</u>	<u>1,027,895</u>	<u>130,927</u>
Emergency Services				
Emergency Telecommunications	912,900	912,900	1,025,241	(112,341)
Levy Fire Contract	255,000	262,000	268,607	(6,607)
Fire and Rescue	3,003,500	3,014,500	3,558,562	(544,062)
Emergency Services Department	1,253,250	1,253,250	1,263,995	(10,745)
Detention Center	2,901,000	2,901,000	3,111,075	(210,075)
Cherry Point Fire Station	<u>459,850</u>	<u>459,850</u>	<u>208,070</u>	<u>251,780</u>
Total Emergency Services	<u>8,785,500</u>	<u>8,803,500</u>	<u>9,435,550</u>	<u>(632,050)</u>
Information Technology	<u>610,390</u>	<u>610,390</u>	<u>740,966</u>	<u>(130,576)</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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Engineering Services				
Administrative	\$ 249,550	\$ 254,068	\$ 258,544	\$ (4,476)
Central Garage	178,500	178,500	155,141	23,359
Mosquito Control	17,200	17,200	10,824	6,376
Litter Control	66,800	66,800	10,736	56,064
Roads and Bridges	541,800	541,800	505,493	36,307
Building Maintenance	344,300	344,300	321,343	22,957
Solid Waste	878,000	878,000	794,263	83,737
Total Engineering Services	<u>2,276,150</u>	<u>2,280,668</u>	<u>2,056,344</u>	<u>224,324</u>
Treasurer	<u>180,250</u>	<u>188,244</u>	<u>184,739</u>	<u>3,505</u>
Auditor	<u>195,050</u>	<u>207,302</u>	<u>202,737</u>	<u>4,565</u>
Probate Judge	<u>155,200</u>	<u>156,575</u>	<u>153,235</u>	<u>3,340</u>
Clerk of Court				
Clerk of Court	518,750	518,750	463,303	55,447
Clerk of Court Incentive	-	-	15,604	(15,604)
Total Clerk of Court	<u>518,750</u>	<u>518,750</u>	<u>478,907</u>	<u>39,843</u>
Sheriff				
Sheriff	2,876,600	2,876,600	3,128,604	(252,004)
Victims Witness Program	60,310	60,888	57,828	3,060
Total Sheriff	<u>2,936,910</u>	<u>2,937,488</u>	<u>3,198,747</u>	<u>(261,259)</u>
Magistrate				
Central Traffic	157,500	159,529	156,253	3,276
Magistrate Lynah	112,350	118,240	117,073	1,167
Hardeeville	144,350	144,350	128,018	16,332
Central Bond	106,045	113,728	109,274	4,454
Magistrate McDonald	110,150	112,194	111,191	1,003
Magistrate Badgett	53,480	53,480	43,752	9,728
Total Magistrate	<u>683,875</u>	<u>701,521</u>	<u>665,561</u>	<u>35,960</u>
Veterans Affairs	<u>111,450</u>	<u>111,450</u>	<u>84,937</u>	<u>26,513</u>
Election Commission	<u>255,700</u>	<u>260,472</u>	<u>202,112</u>	<u>58,360</u>
Coroner	<u>190,680</u>	<u>191,881</u>	<u>253,668</u>	<u>(61,787)</u>
Interdepartmental				
Interdepartmental	848,400	1,021,537	1,104,235	(82,698)
Data Processing	378,000	378,000	389,616	(11,616)
Capital Improvements	839,000	839,000	339,013	499,987
Total Interdepartmental	<u>2,065,400</u>	<u>2,238,537</u>	<u>1,832,864</u>	<u>405,673</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, 2017

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Health, Education and Welfare				
Agency Appropriations	\$ 1,126,421	\$ 1,126,421	\$ 1,148,742	\$ (22,321)
County Libraries	92,560	92,560	85,785	6,775
Health Department	38,000	38,000	30,028	7,972
Department of Social Services	43,725	43,725	36,421	7,304
Miscellaneous County Accounts	54,950	54,950	17,170	37,780
Hardeeville Annex	8,500	8,500	-	8,500
Farmers Market	11,100	11,100	4,639	6,461
Total Health, Education and Welfare	<u>1,375,256</u>	<u>1,375,256</u>	<u>1,322,785</u>	<u>52,471</u>
Debt Service				
Principal	660,000	660,000	527,909	132,091
Interest	-	-	68,739	(68,739)
Total Debt Service	<u>660,000</u>	<u>660,000</u>	<u>596,648</u>	<u>63,352</u>
Capital Outlay				
Development Services	35,000	35,000	41,893	(6,893)
Engineering Services	30,000	30,000	49,897	(19,897)
Sheriff Department	200,000	200,000	278,362	(78,362)
Emergency Services	355,000	355,000	246,068	108,932
Information Technology	10,000	10,000	29,309	(19,309)
Interdepartmental	-	-	47,620	(47,620)
Clerk of Court	-	-	6,811	(6,811)
Total Capital Outlay	<u>630,000</u>	<u>630,000</u>	<u>699,960</u>	<u>(69,960)</u>
Total Expenditures	<u>24,926,079</u>	<u>25,226,079</u>	<u>25,212,708</u>	<u>13,371</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(777,000)</u>	<u>(777,000)</u>	<u>317,369</u>	<u>1,094,369</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	877,000	877,000	387,000	(490,000)
Transfers Out	(100,000)	(100,000)	(62,517)	37,483
Total Other Financing Sources (Uses)	<u>777,000</u>	<u>777,000</u>	<u>324,483</u>	<u>(452,517)</u>
Net change in fund balances	-	-	641,852	641,852
Fund balances, beginning	11,970,658	11,970,658	11,970,658	-
Fund balances, ending	<u>\$ 11,970,658</u>	<u>\$ 11,970,658</u>	<u>\$ 12,612,510</u>	<u>\$ 641,852</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									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	0.042983%	0.043313%	0.040713%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	\$ 7,400,248	\$ 8,214,519	\$ 8,696,237
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	191.02%	203.01%	220.52%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	59.90%	56.99%	52.90%

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	PORS - FISCAL YEAR									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	0.41805%	0.41507%	0.42452%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	\$ 8,003,283	\$ 9,046,436	\$ 10,767,893
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	159.04%	176.49%	199.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	67.50%	64.57%	60.40%

NA - not available

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

SCRS - FISCAL YEAR

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	\$ 441,049	\$ 436,037	\$ 454,915
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	441,049	436,037	454,915
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	11.38%	11.06%	11.54%

PORS - FISCAL YEAR

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	\$ 687,357	\$ 743,621	\$ 854,732
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	687,357	743,621	854,732
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	13.66%	14.51%	15.80%

NA - not available

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, 2017**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
ASSETS					
Receivables - net	\$ -	\$ 2,995	\$ -	\$ 36,727	\$ 39,722
Restricted Cash	847,040	-	82,214	715,784	1,645,038
Total Assets	\$ 847,040	\$ 2,995	\$ 82,214	\$ 752,511	\$ 1,684,760
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 2,091	\$ -	\$ -	\$ 7,379	\$ 9,470
Total Liabilities	2,091	-	-	7,379	9,470
Fund Balances					
Restricted	844,949	2,995	82,214	745,132	1,675,290
Total Fund Balances	844,949	2,995	82,214	745,132	1,675,290
Total Liabilities and Fund Balances	\$ 847,040	\$ 2,995	\$ 82,214	\$ 752,511	\$ 1,684,760

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
REVENUES					
Taxes	\$ 489,874	\$ -	\$ -	\$ -	\$ 489,874
Fines, Fees and Licenses	-	-	-	178,785	178,785
Intergovernmental	-	10,782	197,831	-	208,613
Miscellaneous	229	-	-	-	229
Total Revenue	<u>490,103</u>	<u>10,782</u>	<u>197,831</u>	<u>178,785</u>	<u>877,501</u>
EXPENDITURES					
Current:					
Development Services	248,371	-	-	-	248,371
Emergency Services	-	-	-	84,039	84,039
Engineering Services	-	10,856	-	-	10,856
Sheriff	-	-	164,994	-	164,994
	<u>248,371</u>	<u>10,856</u>	<u>164,994</u>	<u>84,039</u>	<u>508,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>241,732</u>	<u>(74)</u>	<u>32,837</u>	<u>94,746</u>	<u>369,241</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	59,075	-	-	-	59,075
Transfers Out	(150,000)	-	-	(105,000)	(255,000)
Total Other Financing Sources (Uses)	<u>(90,925)</u>	<u>-</u>	<u>-</u>	<u>(105,000)</u>	<u>(195,925)</u>
Net change in fund balances	150,807	(74)	32,837	(10,254)	173,316
Fund balances, beginning	694,142	3,069	49,377	755,386	1,501,974
Fund balances, ending	<u>\$ 844,949</u>	<u>\$ 2,995</u>	<u>\$ 82,214</u>	<u>\$ 745,132</u>	<u>\$ 1,675,290</u>

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, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
School				
Asset - Cash	\$ 10,404,042	\$ 61,100,127	\$ 54,966,975	\$ 16,537,194
Liabilities - Due to Others	\$ 10,404,042	\$ 61,100,127	\$ 54,966,975	\$ 16,537,194
Clerk of Court				
Asset - Cash	\$ 918,131	\$ 2,841,320	\$ 2,818,664	\$ 940,787
Liabilities - Due to Others	\$ 918,131	\$ 2,841,320	\$ 2,818,664	\$ 940,787
Delinquent Tax Collector				
Asset - Cash	\$ 949,340	\$ 5,667,919	\$ 5,369,818	\$ 1,247,441
Liabilities - Due to Others	\$ 949,340	\$ 5,667,919	\$ 5,369,818	\$ 1,247,441
1% Fire Fund				
Asset - Cash	\$ 564	\$ 69,588	\$ 69,589	\$ 563
Liabilities - Due to Others	\$ 564	\$ 69,588	\$ 69,589	\$ 563
Nickle Plate Road Dev				
Asset - Cash	\$ 225,436	\$ 700,164	\$ 700,899	\$ 224,701
Liabilities - Due to Others	\$ 225,436	\$ 700,164	\$ 700,899	\$ 224,701
Treasurers Tax Account				
Asset - Cash	\$ 80,419	\$ 696,903	\$ 738,359	\$ 38,963
Liabilities - Due to Others	\$ 80,419	\$ 696,903	\$ 738,359	\$ 38,963
Town of Ridgeland				
Asset - Cash	\$ 27,650	\$ 559,168	\$ 565,288	\$ 21,530
Liabilities - Due to Others	\$ 27,650	\$ 559,168	\$ 565,288	\$ 21,530
City of Hardeeville				
Asset - Cash	\$ 68,279	\$ 5,153,535	\$ 5,179,473	\$ 42,341
Liabilities - Due to Others	\$ 68,279	\$ 5,153,535	\$ 5,179,473	\$ 42,341
Magistrates Court				
Asset - Cash	\$ 51,428	\$ 1,114,095	\$ 991,792	\$ 173,731
Liabilities - Due to Others	\$ 51,428	\$ 1,114,095	\$ 991,792	\$ 173,731

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, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
Register of Deeds				
Asset - Cash	\$ 21,157	\$ 239,508	\$ 45,631	\$ 215,034
Liabilities - Due to Others	\$ 21,157	\$ 239,508	\$ 45,631	\$ 215,034
Forfeit Land Commission				
Asset - Cash	\$ 34,708	\$ 1,892	\$ 1,639	\$ 34,961
Liabilities - Due to Others	\$ 34,708	\$ 1,892	\$ 1,639	\$ 34,961
Installment Tax Account				
Asset - Cash	\$ 103,823	\$ 174,713	\$ 165,680	\$ 112,856
Liabilities - Due to Others	\$ 103,823	\$ 174,713	\$ 165,680	\$ 112,856
Setting Trust Account				
Asset - Cash	\$ 3,449,281	\$ 3,050,816	\$ 1,352,858	\$ 5,147,239
Liabilities - Due to Others	\$ 3,449,281	\$ 3,050,816	\$ 1,352,858	\$ 5,147,239
Fire Rescue Auxiliary				
Asset - Cash	\$ 147	\$ 5,000	\$ 1,500	\$ 3,647
Liabilities - Due to Others	\$ 147	\$ 5,000	\$ 1,500	\$ 3,647
Legislative Delegation				
Asset - Cash	\$ -	\$ 52,165	\$ 13,454	\$ 38,711
Liabilities - Due to Others	\$ -	\$ 52,165	\$ 13,454	\$ 38,711
Total All Agency Funds				
Total Assets - Cash	\$ 16,334,405	\$ 81,426,913	\$ 72,981,619	\$ 24,779,699
Total Liabilities - Due to Others	\$ 16,334,405	\$ 81,426,913	\$ 72,981,619	\$ 24,779,699

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

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
FOR YEAR ENDED JUNE 30, 2017**

COURT FINES

Court Fines Collected	\$	451,366
Court Fines Retained by County		(451,366)
		-
Court Fines Remitted to the State Treasurer		-

COURT ASSESSMENTS

Court Assessments Collected		495,432
Court Assessments Retained by County		(37,980)
		457,452
Court Assessments Remitted to State Treasurer		457,452

COURT SURCHARGES

Court Surcharges Collected		190,112
Court Surcharges Retained by County		(19,152)
		170,960
Court Surcharges Remitted to the State Treasurer		170,960

VICTIMS ASSISTANCE

Court Assessments Allocated to Victims Assistance		37,980
Court Surcharges Allocated to Victims Assistance		19,152
		57,132
Funds Allocated to Victims Assistance		57,132
Victim Services Expenditures		(28,915)
Funds available for carryforward		28,217
Beginning Balance		6,865
Ending Balance	\$	35,082

The cost of the court fines audit was \$1,000.

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.	70-73
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.	74-77
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.	78-82
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.	83-84
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.	85-87

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**

Schedule 1

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015 *	2016	2017
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924	\$ 13,182,845	\$ 12,769,520	\$ 13,998,492	\$ 16,690,228	\$ 20,468,539
Restricted	685,741	3,944,537	4,205,198	4,539,212	1,750,065	1,883,628	2,332,105	2,135,942	3,108,207	3,825,960
Unrestricted (Deficit)	9,336,633	935,975	1,019,459	2,321,926	7,218,705	5,782,359	6,010,816	(8,893,517)	(9,451,526)	(9,370,333)
Total Governmental Activities Net Position	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>	<u>\$ 14,924,166</u>

* 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)

Schedule 2

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
County Council	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265	\$ 221,822	\$ 254,207	\$ 247,869	\$ 252,936	\$ 251,262
County Attorney	-	160,460	158,494	152,084	158,007	159,124	153,760	180,703	123,795	120,624
Administrator	459,140	368,859	410,059	409,656	467,475	492,938	417,323	475,399	469,224	516,243
Administrative Services	1,363,203	1,527,501	1,280,754	1,202,744	1,106,474	1,051,409	1,073,387	1,183,860	1,194,741	1,194,183
Development Services	1,994,679	1,804,506	1,959,726	1,618,401	1,566,414	2,344,972	1,694,855	1,977,275	2,542,464	3,393,276
Emergency Services	9,575,753	11,462,011	10,160,230	8,932,496	8,705,536	8,669,016	8,955,251	9,089,407	9,271,317	10,127,643
Information Technology	-	-	-	-	-	513,785	515,238	597,297	707,467	746,557
Engineering Services	2,650,295	3,036,955	2,418,172	2,350,468	3,037,772	2,985,205	3,021,142	3,033,537	2,566,479	2,586,351
Treasurer	158,188	155,341	137,095	141,852	145,052	138,367	165,829	177,494	181,095	187,322
Auditor	225,344	246,090	195,511	182,117	180,416	194,914	172,498	188,562	197,023	198,471
Probate Judge	182,278	179,219	128,959	144,576	134,651	161,568	149,696	155,556	151,938	154,245
Clerk of Court	470,086	518,406	465,361	467,179	492,783	501,636	549,871	542,034	484,724	480,299
Sheriff	2,929,037	3,224,882	3,053,203	3,075,109	3,313,855	3,137,831	2,739,914	3,010,819	3,063,133	3,468,726
Magistrate	453,478	546,465	571,238	537,170	601,129	603,207	598,242	658,900	656,365	662,546
Veterans Affairs	111,421	99,590	108,363	113,967	113,401	117,868	105,951	85,452	84,009	86,641
Election Commission	238,603	236,943	218,932	172,179	229,723	189,724	237,012	211,264	286,443	202,508
Coroner	102,863	112,996	118,522	116,246	153,135	122,938	133,309	145,566	216,135	253,747
Interdepartmental	1,396,108	2,270,060	2,458,932	2,523,716	2,473,011	2,764,471	2,622,246	2,711,506	2,981,098	3,788,099
Health, Education, and Welfare	1,566,812	1,587,493	1,182,128	1,230,667	1,122,440	1,094,773	1,242,661	1,253,636	1,373,727	1,322,785
Interest Expense	143,638	132,747	329,636	335,501	766,858	850,242	957,203	916,856	920,388	1,554,125
Total Expenses	<u>24,207,878</u>	<u>27,892,601</u>	<u>25,562,919</u>	<u>23,914,471</u>	<u>25,002,397</u>	<u>26,315,810</u>	<u>25,759,595</u>	<u>26,842,992</u>	<u>27,724,501</u>	<u>31,295,653</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
Emergency Services Fees	680,157	722,390	1,089,184	973,303	964,665	952,994	1,169,567	1,299,304	1,242,621	1,133,456
Fines	582,516	522,713	676,356	617,023	554,554	444,629	389,434	451,735	480,927	614,145
Development Services Fees	1,182,848	751,992	642,678	529,801	570,657	718,872	816,226	585,637	905,471	857,960
Engineering Services	-	-	-	-	-	-	-	-	527,949	595,801
Administrative Services	1,138,817	1,061,116	344,399	387,734	789,301	853,623	718,152	812,303	240,023	324,521
Operating Grants and Contributions	658,006	525,791	1,070,983	1,192,917	1,657,806	1,887,385	759,123	1,182,931	1,428,999	2,632,029
Capital Grants and Contributions	787,331	394,806	909,934	-	367,661	1,046,722	443,934	1,416,623	2,543,774	5,551,282
General Revenues										
Taxes	12,895,064	16,700,926	17,660,252	17,430,375	19,785,876	19,619,663	20,271,873	20,958,865	22,090,667	22,559,108
Grants and Contributions not restricted to specific programs	3,333,737	1,153,872	896,719	825,630	771,748	1,329,591	1,063,635	1,279,897	1,047,710	995,085
Earnings on investments	1,174,418	88,067	68,728	62,185	60,442	28,465	25,864	15,325	3,570	-
Other	848,815	473,570	476,820	443,673	412,261	119,861	365,396	285,301	318,782	609,523
Total Revenues	<u>23,281,709</u>	<u>22,395,243</u>	<u>23,836,053</u>	<u>22,462,641</u>	<u>25,934,971</u>	<u>27,001,805</u>	<u>26,023,204</u>	<u>28,287,921</u>	<u>30,830,493</u>	<u>35,872,910</u>
Change in net position	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)	932,574	685,995	263,609	1,444,929	3,105,992	4,577,257
Net Position-Beginning	30,466,343	29,540,174	24,042,816	22,315,950	20,864,120	21,796,694	20,848,832	21,112,441	7,240,917	10,346,909
Prior Period Adjustment	-	-	-	-	-	(1,633,857)	-	(15,316,453)	-	-
Net Position-Ending	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>	<u>\$ 14,924,166</u>

Source: County Audit Reports

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

Schedule 3

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL FUND										
Restricted	\$ -	\$ -	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068	\$ 623,694
Assigned	-	-	-	-	-	-	542,000	1,200,000	1,400,000	1,400,000
Unassigned	6,116,693	1,766,279	2,070,925	2,813,708	4,939,507	6,868,983	7,889,633	8,964,563	10,007,590	10,588,816
Total General Fund	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 5,500,275</u>	<u>\$ 7,219,665</u>	<u>\$ 8,862,618</u>	<u>\$ 10,685,541</u>	<u>\$ 11,970,658</u>	<u>\$ 12,612,510</u>
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 2,624,177	\$ 2,638,581	\$ 2,521,012	\$ 2,270,864	\$ 1,989,847	\$ 2,428,304	\$ 2,623,267
Total Economic Development Fund	<u>\$ 2,104,340</u>	<u>\$ 2,070,316</u>	<u>\$ 2,035,086</u>	<u>\$ 2,624,177</u>	<u>\$ 2,638,581</u>	<u>\$ 2,521,012</u>	<u>\$ 2,270,864</u>	<u>\$ 1,989,847</u>	<u>\$ 2,428,304</u>	<u>\$ 2,623,267</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	766,968	455,066	342,905	-	79,529	49,784
Assigned	482,205	424,062	377,670	551,872	-	-	-	-	-	-
Total Capital Projects Fund	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>	<u>\$ 766,968</u>	<u>\$ 455,066</u>	<u>\$ 342,905</u>	<u>\$ -</u>	<u>\$ 79,529</u>	<u>\$ 49,784</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,370</u>	<u>\$ 440,650</u>	<u>\$ 530,482</u>	<u>\$ 792,360</u>	<u>\$ 768,263</u>	<u>\$ 1,043,165</u>	<u>\$ 1,526,975</u>
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
Assigned	-	-	-	-	103,337	66,012	-	-	-	-
Committed	685,741	912,609	454,792	320,171	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>	<u>\$ 851,984</u>	<u>\$ 1,061,567</u>	<u>\$ 1,173,880</u>	<u>\$ 1,370,098</u>	<u>\$ 1,501,974</u>	<u>\$ 1,675,290</u>

Source: County Audit Reports

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

Schedule 4

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566	\$ 19,595,237	\$ 19,783,721	\$ 18,091,572	\$ 18,963,388	\$ 19,903,845	\$ 22,486,009
Fines, Fees, and Licenses	3,453,864	2,895,500	2,534,153	2,390,591	2,862,250	3,051,045	5,292,009	5,220,238	5,394,712	3,525,883
Intergovernmental	2,598,454	2,190,940	2,989,546	2,080,292	2,443,676	2,997,701	2,365,825	3,551,585	4,128,984	7,347,238
Miscellaneous	1,601,576	561,637	574,828	567,411	1,039,387	2,021,768	452,878	790,823	1,378,744	2,498,262
Total Revenues	23,862,857	22,003,733	23,651,133	22,517,860	25,940,550	27,854,235	26,202,284	28,526,034	30,806,285	35,857,392
Expenditures										
Current:										
County Council	173,655	222,538	204,853	213,154	234,706	226,120	244,730	244,342	249,307	250,218
County Attorney	-	153,288	149,779	151,057	154,652	156,359	157,093	199,719	121,748	118,961
Administrator	462,763	356,342	395,149	402,354	462,518	486,419	417,627	475,621	470,195	510,047
Administrative Services	1,278,477	1,456,237	1,221,345	1,171,607	1,100,949	1,046,490	1,072,687	1,179,860	1,199,991	1,195,827
Development Services	1,951,846	1,747,988	2,810,939	1,530,359	1,528,004	2,289,923	1,625,112	1,907,703	2,467,565	3,313,430
Emergency Services	9,278,103	10,863,837	9,738,625	8,548,424	8,324,789	8,265,465	8,720,336	8,806,517	8,949,552	9,627,537
Information Technology	-	-	-	-	-	513,785	515,238	591,375	703,920	740,966
Engineering Services	2,517,335	3,023,712	2,417,162	2,480,938	2,835,578	2,733,107	2,775,502	2,716,641	2,347,232	2,254,620
Treasurer	152,909	151,414	138,511	139,932	144,769	138,095	168,632	175,003	181,218	184,739
Auditor	222,501	244,309	199,504	191,176	178,350	181,065	177,768	187,193	196,443	202,737
Probate Judge	181,721	177,124	133,452	144,576	134,651	161,568	149,696	151,686	150,659	153,235
Clerk of Court	466,021	511,780	463,147	462,929	488,949	518,360	543,988	536,843	479,603	478,907
Sheriff	2,713,230	2,903,803	2,847,602	2,930,756	3,190,916	3,034,464	2,746,125	2,939,745	2,940,976	3,364,101
Magistrate	455,827	533,569	568,644	542,008	591,428	602,265	601,822	634,959	658,429	665,561
Veterans Affairs	111,219	96,270	109,379	110,624	121,033	114,010	86,536	84,684	84,684	84,937
Election Commission	212,003	209,343	191,239	150,756	203,226	161,787	209,653	184,748	258,753	202,112
Coroner	102,863	111,908	117,434	115,968	152,138	121,620	135,457	145,546	216,135	253,668
Interdepartmental	1,096,383	986,759	1,097,047	1,496,310	1,090,215	1,179,957	1,170,452	1,169,859	1,391,010	2,450,439
Health, Education, and Welfare	1,565,675	1,592,191	1,182,128	1,230,667	1,122,440	1,094,773	1,242,662	1,253,636	1,373,727	1,322,785
Debt Service										
Principal	9,178,376	1,260,178	2,456,355	166,467	617,519	623,885	595,206	696,402	494,303	1,100,490
Interest	288,165	399,799	446,071	497,773	739,226	872,281	943,272	927,490	918,772	1,001,819
Bond Issuance Costs	-	-	-	-	-	-	-	-	-	394,413
Capital Outlay	5,540,295	5,613,195	4,294,413	1,713,813	439,162	2,711,124	608,896	2,262,498	5,045,072	6,042,485
Total Expenditures	37,949,367	32,615,584	31,182,778	24,391,648	23,855,218	27,232,922	24,932,187	27,473,922	30,899,294	35,914,034
Excess (deficiency) of revenues over (under) expenditures	(14,086,510)	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332	621,313	1,270,097	1,052,112	(93,009)	(56,642)
Other Financing Sources (Uses)										
Issuance of Debt	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	314,533
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	8,290,000
Premium on Debt Issuance	-	-	-	-	-	-	-	-	-	156,305
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	-	-	(7,240,000)
Transfers In	897,514	577,074	574,559	2,199,266	585,211	343,616	439,551	500,802	1,177,793	788,215
Transfers Out	(897,514)	(577,074)	(574,559)	(2,199,266)	(585,211)	(343,616)	(439,551)	(500,802)	(1,177,793)	(788,215)
Total Other Financing Sources (Uses)	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	1,520,838
Net Change in Fund Balances	(4,771,784)	(2,517,851)	(3,146,645)	(2,145,086)	2,845,538	1,589,334	1,654,835	1,371,122	2,209,881	1,464,196
Fund Balances, Beginning	19,934,286	15,162,502	12,644,651	9,498,006	7,352,920	10,198,458	11,787,792	13,442,627	14,813,749	17,023,630
Fund Balances, Ending	\$ 15,162,502	\$ 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
Debt service as a percentage of noncapital expenditures	29.2%	6.1%	10.8%	2.9%	5.8%	6.1%	6.3%	6.4%	5.5%	8.4%

Source: County Audit Reports

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

Schedule 5

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
2008	\$ 66,020,450	\$ 54,038,328	\$ 120,058,778	\$ 1,416,408,436	\$ 343,087,006	\$ 1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
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

* Reassessment Year.

Data Source: County Auditor

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

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
					OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
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

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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**

Schedule 7

<u>TAXPAYER</u>	<u>2017</u>			<u>2008</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>
South Carolina Electric & Gas	\$ 19,753,113	1	14.41%	\$ 21,351,860	1	17.78%
Palmetto Electric	3,426,270	2	2.50%	2,699,530	3	2.25%
Georgia DOT	1,521,110	3	1.11%	2,260,350	4	1.88%
Coastal States Automotive Grp	1,374,750	4	1.00%	-	-	0.00%
Dominion/Carolina Gas Transmission Corporation	1,183,560	5	0.86%	1,347,990	5	1.12%
Auston Chase	1,050,370	6	0.77%	-	-	0.00%
Charleston and Savannah RR	964,885	7	0.70%	-	-	0.00%
Courtney Bend LLC	792,370	8	0.58%	-	-	0.00%
Okeetee Club	739,490	9	0.54%	720,950	8	0.60%
TOLL SC III LP	705,500	10	0.54%	705,500	9	0.59%
Malphrus Construction	-	-	0.00%	2,915,170	2	2.43%
OC Welch	-	-	0.00%	921,570	6	0.77%
CSX Transportation	-	-	0.00%	899,026	7	0.75%
Walmart Real Estate Business	-	-	0.00%	686,390	10	0.57%
Total	<u>\$ 31,511,418</u>		<u>22.98%</u>	<u>\$ 34,508,336</u>		<u>28.74%</u>

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Source: Jasper County Auditor

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

Schedule 8

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
2008	\$ 13,483,864	\$ 12,695,728	94.2%	\$ 602,066	\$ 13,297,794	98.6%
2009	14,024,397	12,599,271	89.8%	893,206	13,492,477	96.2%
2010	14,432,970	13,075,617	90.6%	1,240,543	14,316,160	99.2%
2011	14,327,464	13,008,749	90.8%	1,164,100	14,172,849	98.9%
2012	15,594,355	14,172,710	90.9%	1,215,199	15,278,814	98.0%
2013	15,647,788	14,300,250	91.4%	993,177	15,293,427	97.7%
2014	15,274,388	14,002,959	91.7%	968,943	14,971,902	98.0%
2015	15,412,128	14,017,407	91.0%	761,038	14,778,445	95.9%
2016	16,894,779	15,631,056	92.5%	776,433	16,407,489	97.1%
2017	17,086,884	15,849,362	92.8%	-	15,849,362	92.8%

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**

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION			
2008	\$ -	\$ 820,647	\$ 2,006,035	\$ -	\$ 8,505,000	\$ 11,331,682	2.0%	480.14
2009	-	703,404	2,312,100	-	15,150,000	18,165,504	3.2%	777.60
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

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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	3.1%	156.13
2015	4,611,277	768,263	3,843,014	3.1%	158.14
2016	5,117,851	1,043,165	4,074,686	3.1%	157.01
2017	5,338,862	1,526,975	3,811,887	2.9%	146.89

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, 2017**

<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	\$ 27,940,371	100.00%	\$ 27,940,371
City of Hardeeville	3,226,540	17.50%	564,645
Subtotal overlapping debt	<u>31,166,911</u>		<u>28,505,016</u>
County direct debt	<u>21,996,610</u>	100.00%	<u>21,996,610</u>
Total direct and overlapping debt	<u><u>\$ 53,163,521</u></u>		<u><u>\$ 50,501,626</u></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 2017

Assessed Value	\$ 137,119,099
Debt limit (8% of assessed value)	10,969,528
Debt applicable to limit:	
General Obligation	<u>(5,338,862)</u>
Total net debt applicable to limit	<u>(5,338,862)</u>
Legal Debt Margin	<u><u>\$ 5,630,666</u></u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 9,604,702	\$ 9,777,311	\$ 9,804,378	\$ 9,855,492	\$ 10,068,525	\$ 9,521,598	\$ 10,004,433	\$ 10,361,054	\$ 10,615,442	10,969,528
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<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>
Legal debt margin	<u><u>\$ 9,604,702</u></u>	<u><u>\$ 9,777,311</u></u>	<u><u>\$ 9,804,378</u></u>	<u><u>\$ 9,855,492</u></u>	<u><u>\$ 5,568,525</u></u>	<u><u>\$ 5,021,598</u></u>	<u><u>\$ 5,504,433</u></u>	<u><u>\$ 5,749,777</u></u>	<u><u>\$ 5,497,591</u></u>	<u><u>\$ 5,630,666</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44.7%</u>	<u>47.3%</u>	<u>45.0%</u>	<u>44.5%</u>	<u>48.2%</u>	<u>48.7%</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

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,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2008	23,620	\$ 557,447	\$ 23,601	32.7	4,307	6.0 %
2009	24,234	566,130	23,361	N/A	4,090	10.4
2010	24,940	566,504	22,715	34.8	4,136	9.9
2011	25,418	587,417	23,110	35.4	4,025	9.8
2012	25,973	598,243	23,033	35.4	4,012	8.9
2013	26,710	634,288	23,747	35.6	3,936	8.1
2014	27,170	660,261	24,301	34.0	3,997	6.0
2015	27,170	722,056	25,951	34.0	3,879	5.9
2016	27,824	722,056	25,951	36.3	3,928	5.0
2017	28,465	747,895	26,274	36.5	3,996	3.6

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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**

Schedule 15

EMPLOYER	2017			2008		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	420	1	3.47 %	450	2	4.77 %
Wal-Mart	315	2	2.60	320	3	3.39
Beaufort-Jasper Comprehensive Health	260	3	2.15	250	5	2.65
Peacock Auto Mall	258	4	2.13	-	-	-
Jasper County	245	5	2.03	260	4	2.75
Coastal Carolina Medical Center	190	6	1.57	145	7	1.54
Cleland Construction Company	180	7	1.49	-	-	-
Ridgeland Correctional Institution	164	8	1.36	190	6	2.01
Tico Manufacturing	120	9	0.99	-	-	-
J.C. Board of Disabilities & Special Needs	110	10	0.91	120	8	1.27
Malphrus Construction	-	-	-	558	1	5.91
Razor Component Systems, Inc.	-	-	-	101	9	1.07
Ridgeland Nursing Center	-	-	-	99	10	1.05
Total	<u>2,262</u>		<u>18.70 %</u>	<u>2,493</u>		<u>26.41 %</u>

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Source: County Economic Development Department

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

Schedule 16

FUNCTION/PROGRAM	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Council	5	6	6	6	6	6	6	6	6	6
Administrator	4	3	3	2	3	2	2	2	2	2
Administrative Services	24	22	19	17	16	16	16	16	17	17
Development Services	14	10	5	4	5	5	5	5	5	5
Emergency Services	82	7	6	4	4	4	4	4	4	4
Engineering Services	48	45	40	39	35	35	35	33	38	38
Treasurer	3	3	3	3	3	3	3	3	3	3
Auditor	5	5	4	4	4	4	4	4	4	4
Probate Judge	3	3	2	2	2	2	2	2	2	2
Clerk of Court	8	10	8	9	7	7	7	7	6	6
Sheriff	34	38	39	39	42	42	42	41	40	40
Magistrate	9	11	11	11	11	11	11	11	11	11
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	3	2	2	2	2	2	2	2	2	2
Coroner	1	2	3	2	2	2	2	2	3	3
Recreation	2	6	5	5	5	5	5	5	6	6
Fire & Rescue	N/A	42	39	38	43	47	47	47	42	42
Emergency Telecommunications	N/A	13	12	11	11	12	15	13	12	12
Information Technology	N/A	1	1	1	1	2	2	2	2	2
Detention	N/A	41	39	39	34	37	37	35	36	36
County Attorney	N/A	N/A	N/A	2	2	2	2	2	2	2
Total	247	272	249	242	240	248	251	244	245	245

Source: County Human Resources

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

Schedule 17

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REGISTER OF DEEDS										
Documents Recorded	6,882	5,606	5,429	4,737	5,654	6,713	5,697	6,032	5,638	5,620
SOLID WASTE										
Tons of Solid Waste Handled	9,866	9,866	9,956	5,353	7,399	7,048	9,967	8,446	9,499	9,657
BUILDING DEPARTMENT										
Residential Permits Issued	303	224	169	14	159	207	188	203	255	233
Value of Residential Permits	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057	\$ 6,703,564	\$ 6,342,794	\$ 6,127,234	\$ 19,795,173	\$ 32,309,846
Commercial Permits Issued	61	127	44	4	30	35	62	64	58	81
Value of Commercial Permits	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760	\$ 7,016,742	\$ 6,583,575	\$ 5,001,472	\$ 12,564,136	\$ 13,360,362
Mobile Home Permits Issued	132	116	92	82	120	103	86	104	68	85
PARKS & RECREATION										
Park Attendance	49,054	63,323	65,372	57,400	61,024	81,253	17,966 *	19,542	19,552	19,524
DETENTION CENTER										
Confinements	2,655	2,578	2,283	2,587	2,297	1,600	1,992	1,974	1,779	1,830
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	642	977	849	753	717	684	845	913	586	670
Gross Sales Within County	\$ 939,769,745	\$ 845,973,337	\$ 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
EMERGENCY SERVICES										
Calls Dispatched	21,877	40,061	47,359	50,811	50,952	46,271	49,479	51,080	51,384	55,609

* 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**

Schedule 18

FUNCTION/PROGRAM	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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	6
EMERGENCY SERVICES:										
Number of fire stations	9	8	8	8	8	8	9	9	11	11
Number of fire trucks	19	19	19	19	19	19	19	19	15	15
Number of ambulances	7	7	7	7	7	7	7	7	6	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	18	18
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	2	2	1 *

Source: Administrative Services

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

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2017**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Sub-Recipients</u>	<u>Expenditures</u>
<i>US Department of Health & Human Services</i>				
Passed through the SC Department of Social Services Child Enforcement Block Grant	93.563		\$ -	\$ 87,837
<i>US Department of Agriculture</i>				
Passed through the SC State Forestry Commission Volunteer Fire Assistance Grants	10.664		-	20,000
<i>US Department of Housing and Urban Development</i>				
Passed through the SC Department of Commerce Community Development Block Grant 4-CI-13-011	14.228	4-CI-13-011	-	349,106
<i>US Department of Transportation</i>				
Airport Improvement Program	20.106		-	4,196,748
<i>US Department of Homeland Security</i>				
Passed through the SC Department of Emergency Preparedness LEMPG Grant	97.042		-	51,337
<i>US Department of Interior</i>				
FWS National Wildlife Refuge Fund	15.659		-	43,780
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 4,748,808</u>

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, 2017**

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, 2017. 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, 2017.

NOTE 4 PRIOR YEAR EXPENDITURES

Expenditures of \$219,710 for the Airport Improvement Program are included in the schedule that were incurred during prior years'. These funds were made available during the current year under the new grant.



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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, 2017, 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, 2017.

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, 2017



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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, 2017. 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, 2017.

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, 2017

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017 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.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017, 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, 2017, which are required to be reported in accordance with 2 CFR section 200.516(a).