

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

COUNTY COUNCIL

D. THOMAS JOHNSON, CHAIRMAN

HENRY ETHERIDGE
THEODUS L. DRAYTON
(deceased March 2018)

L. MARTIN SAULS, IV
BARBARA CLARK

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE K. MALPHRUS – RETIRED JUNE 2018
KIMBERLY BURGESS – HIRED SEPTEMBER 2018

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	7
Organizational Chart	8
List of Principal Officials	9
FINANCIAL SECTION	
Independent Auditors' Report	10
Management's Discussion and Analysis	12
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	20
Statement of Activities	21
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Fiduciary Funds	26
<i>Notes to the Financial Statements</i>	27
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	58
Schedule of the Proportionate Share of the Net Pension Liability	61
Schedule of Contributions	62
Schedule of Changes in the Total OPEB Liability and Related Ratios	63
Supplementary Information	
<i>Combining Individual Fund Statements and Schedules:</i>	
Nonmajor Governmental Funds	64
Combining Balance Sheet - Nonmajor Governmental Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	66
Fiduciary Funds	67
Combining Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds	68
Schedule of Fines, Assessments, and Surcharges	70

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
STATISTICAL SECTION	
Narrative	72
Net Position by Components	73
Changes in Net Position	74
Fund Balances, Governmental Funds	75
Changes in Fund Balances, Governmental Funds	76
Assessed and Estimated Value of Taxable Property	77
Property Tax Rates - Direct and Overlapping	78
Principal Property Taxpayers	79
Property Tax Levies and Collections	80
Ratios of Outstanding Debt by Type	81
Ratios of General Bonded Debt Outstanding	82
Direct and Overlapping Governmental Activities Debt	83
Legal Debt Margin Information	84
Pledged Revenue Coverage	85
Demographic Statistics	86
Principal Employers	87
Permanent Positions for County Employees by Function	88
Operating Indicators by Function/Program	89
Capital Assets Statistics by Function/Program	90
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	91
Notes to the Schedule of Expenditures of Federal Awards	92
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	93
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	95
Schedule of Findings and Questioned Costs	97

INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

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

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 21, 2018

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, 2018.

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

The County's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018 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, 2018 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 58-60 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

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

Local Economy

The County's budgeted fiscal year 2019 assessable base is \$136,032,966., up 6.8% from the assessable base of \$127,274,610. in fiscal year 2018. The County's current average weekly wage is \$700. The U.S. Census reports that the median household income for Jasper County is \$39,740., up 1.9% from the previous year. The 2017 U.S. Census population estimate for Jasper County is 28,458.

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

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.

Jasper County's unemployment rate is currently 3.0%. The state unemployment rate is 3.3%. 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 County is currently preparing to construct a fourth speculative building in the County-owned Cypress Ridge Business/Industrial Park just west of the interstate and Town of Ridgeland. Jasper County and the Town of Ridgeland have previously worked toward developing a new industrial area along I-95 between Exits 21 & 22 in Ridgeland. Jasper County and the City of Hardeeville have worked together to develop a City-owned industrial park named the Hardeeville Commerce Park located along I-95 at Exit 5. Additionally, the County is currently constructing a new runway, parallel taxiway, and terminal at the Ridgeland-Claude Dean Airport to improve safety and increase business development opportunities in the County. The project is anticipated to cost \$22 million and is eligible for 90% grant funding from the Federal Aviation Administration (FAA) and 5% grant funding from the SC Aeronautics Commission.

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

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

Long-term Financial Planning

Jasper County spent much time and effort in years past trying to understand and manage 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 development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland.

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

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

Jasper County also supports the development of affordable housing to ensure that affordable housing opportunities are available for Jasper County's workforce as the area grows. A housing needs assessment was completed for Jasper County in 2008. Since that time, new affordable rental, single-family home construction, and rehabilitation projects have been completed. 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. A renewed interest in affordable housing opportunities for Beaufort County's workforce has surfaced this year. Jasper County looks forward to being part of that discussion and hopes to update Jasper County's housing needs assessment so that relevant data is available for that discussion.

As growth continues and the county is required to provide services to a larger population, the County must maintain discipline in spending as it has in the past so as not to depend upon speculative revenue when budgeting. This practice will continue to allow the County to react to changes in the economy and remain fiscally sound. The County ends Fiscal Year 2018 with a fund balance increase of \$3,554,402, a combined ending fund balance of \$22,042,228, and an unassigned fund balance for the general fund of \$11,175,135, or 43% of total fund expenditures.

Significant Financial Policies

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

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the 20th consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



Andrew P. Fulghum
County Administrator



Kimberly Burgess, CPA
Director of Administrative Services/Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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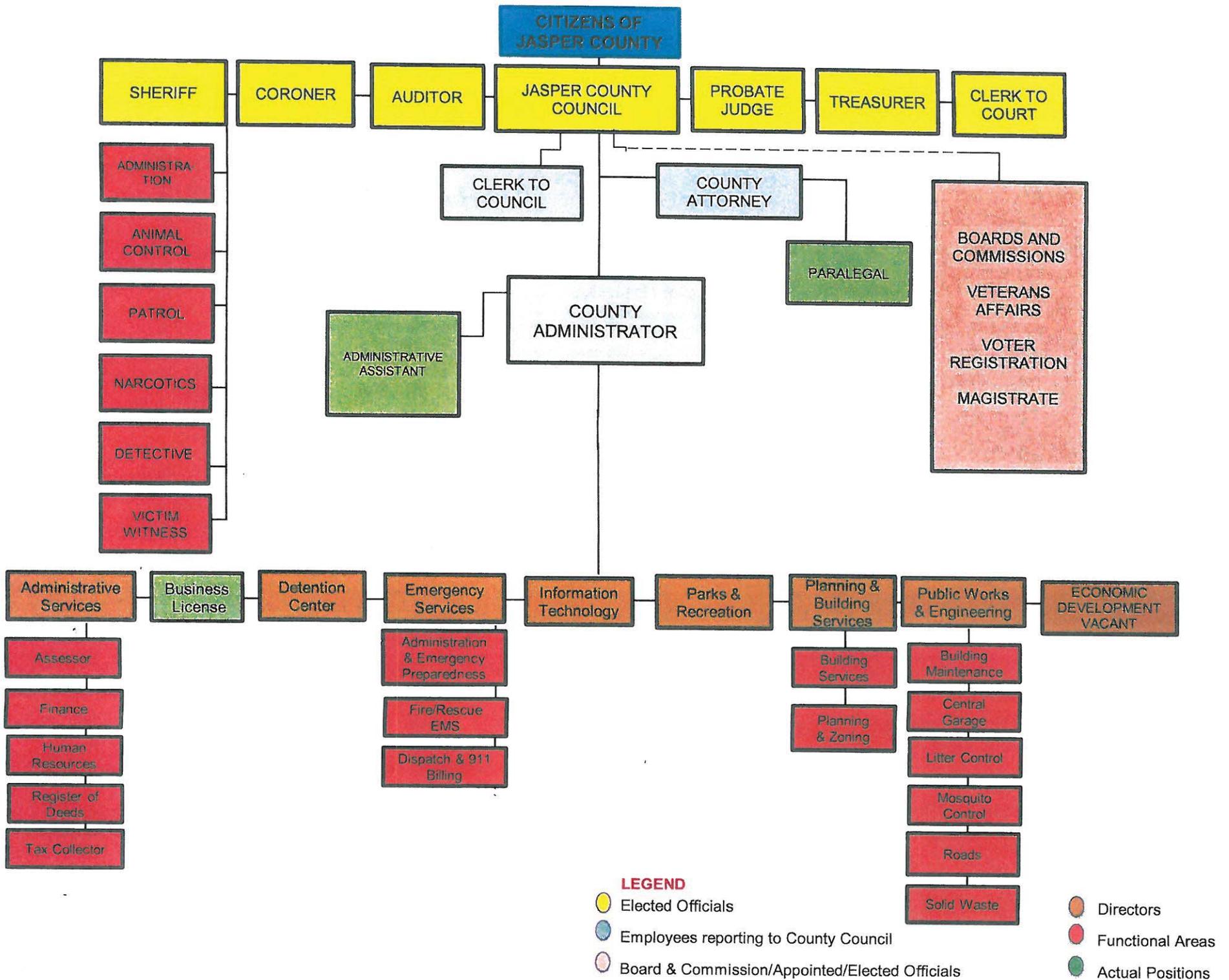
**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO



**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2018**

TITLE	NAME
Chairman – County Council.....	D. Thomas Johnson
Vice Chairman – County Council.....	Barbara Clark
Council Member.....	L. Martin Sauls, IV
Council Member.....	Theodus L. Drayton (deceased March 2018) Greg Altizer (special election July 2018)
Council Member.....	Henry Etheridge
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus (retired June 2018) Kimberly Burgess (hired September 2018)
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley (retired January 2018) Frank Edwards (hired February 2018)
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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, 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 21, 2018

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, 2018. 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 \$13,161,238 (net position).
- The County's total net position decreased by a net amount of \$1,762,928 which represented an increase of \$7,898,473 in operations and a prior period adjustment of \$9,661,401 that decreased net position in accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$22,042,228, an increase of \$3,554,402.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$11,175,135 or 43% 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 four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. All of the fiduciary funds are agency funds – assets equal liabilities. The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-57 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets and deferred outflows exceeded liabilities and deferred inflows by \$13,161,238 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		
	2018	2017
Current and Other Assets		
Cash and Other Assets	\$ 27,341,058	\$ 23,853,565
Capital Assets	44,929,303	41,090,237
Total Assets	<u>72,270,361</u>	<u>64,943,802</u>
Deferred Outflows of Resources	5,210,145	4,284,902
Long-term Liabilities Outstanding	58,450,507	50,003,269
Other Liabilities	3,745,458	3,889,448
Total Liabilities	<u>62,195,965</u>	<u>53,892,717</u>
Deferred Inflows of Resources	2,126,303	411,821
Net Position		
Net Investment in Capital Assets	25,723,403	20,468,539
Restricted	7,013,929	3,825,960
Unrestricted	(19,576,094)	(9,370,333)
Total Net Position	<u>\$ 13,161,238</u>	<u>\$ 14,924,166</u>

By far the largest portion of the County's net position \$25,723,403 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.

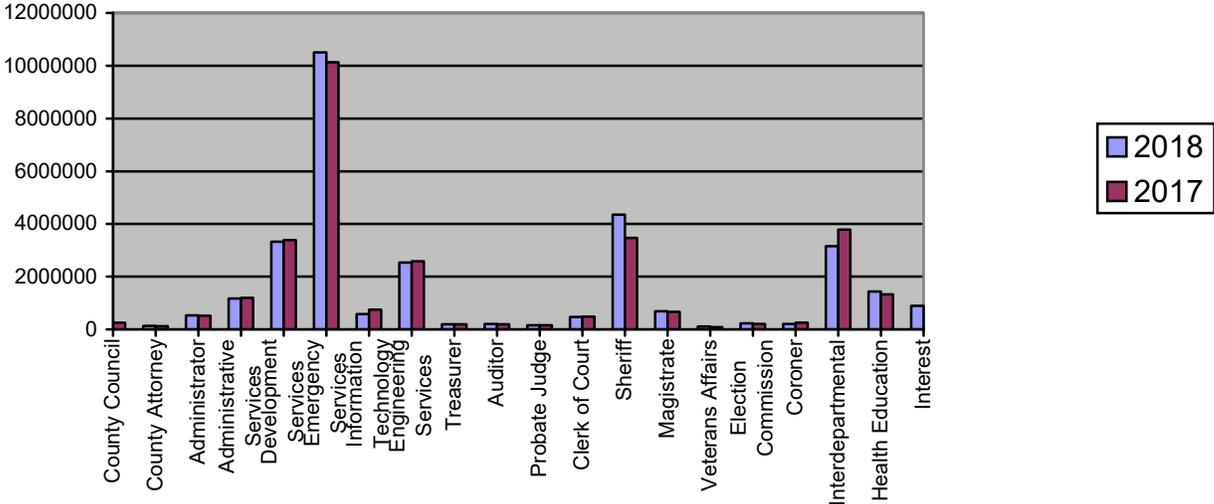
The restricted portion of net position of \$7,013,929 represents the balance of net position that has restricted resources and is not available to fund other commitments. The restricted net position relates to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

Governmental activities. The County's total net position changed by \$1,762,928 which was comprised of a change in net assets of \$7,898,473 and a prior-period adjustment of \$9,661,401 for GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* in 2018 compared to an increase of \$4,577,257 in 2017. Key elements of this increase are as shown in the following table.

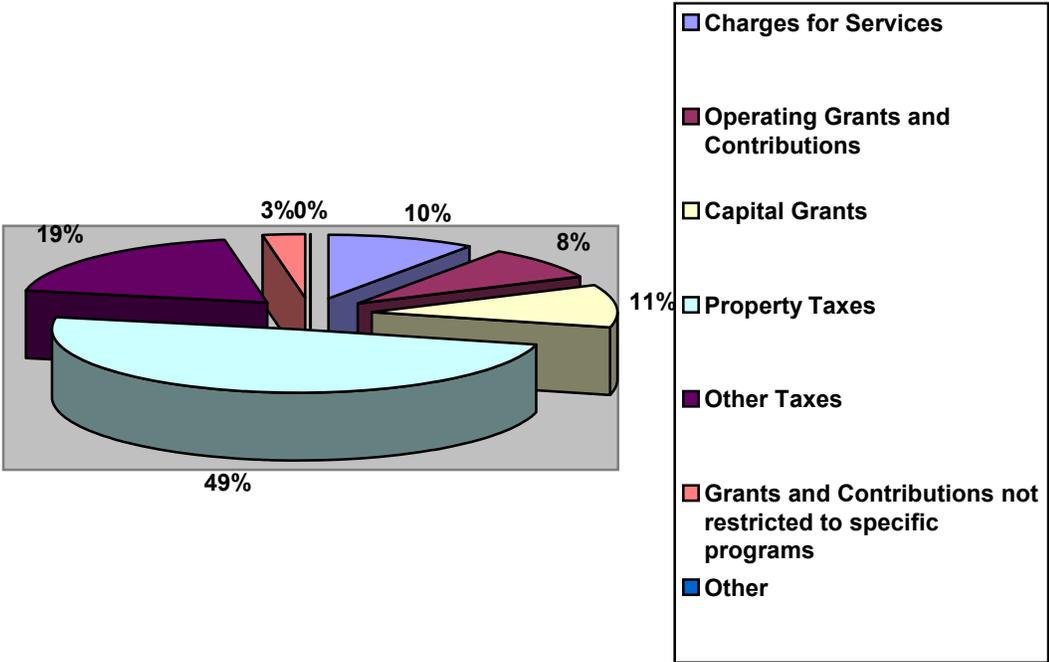
JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,827,553	\$ 3,525,883
Operating Grants and Contributions	3,245,923	2,632,029
Capital Grants and Contributions	4,234,844	5,551,282
General Revenues:		
Property Taxes	19,120,165	18,745,948
Other Taxes	7,515,206	3,813,160
Grants and Contributions not restricted to specific programs	1,054,625	995,085
Other	32,119	609,523
Total Revenues	<u>39,030,435</u>	<u>35,872,910</u>
Expenses:		
County Council	\$ 244,545	251,262
County Attorney	129,877	120,624
Administrator	528,912	516,243
Administrative Services	1,169,173	1,194,183
Development Services	3,327,220	3,393,276
Emergency Services	10,509,277	10,127,643
Information Technology	583,283	746,557
Engineering Services	2,536,813	2,586,351
Treasurer	195,672	187,322
Auditor	201,906	198,471
Probate Judge	155,724	154,245
Clerk of Courts	455,164	480,299
Sheriff	4,367,704	3,468,726
Magistrate	687,226	662,546
Veterans Affairs	108,545	86,641
Election Commission	234,239	202,508
Coroner	210,564	253,747
Interdepartmental	3,160,909	3,788,099
Health, Education and Welfare	1,437,061	1,322,785
Interest Expense	888,148	1,554,125
Total Expenses	<u>31,131,962</u>	<u>31,295,653</u>
Change in net position	7,898,473	4,577,257
Net position - beginning	14,924,166	10,346,909
Prior Period Restatement	(9,661,401)	-
Net position - ending	<u>\$ 13,161,238</u>	<u>\$ 14,924,166</u>

Total revenues were up \$3,153,325 and expenses were down \$163,691, most of which related to the funds generated by the local option special purpose sales tax of \$3,140,688 for transportation purposes.

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 \$22,042,228, an increase of \$3,554,402 in comparison with an increase of \$1,464,196 in the prior year.

The fund balance of the County's General Fund increased by \$992,043 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$1,508,714. This positive variance can be explained as follows:
 - Tax revenues were over budget \$1,906,826. This is attributable to an improvement in the economy resulting in an increase in local option sales taxes collected from growth and an overall increase in the County's assessed valuation.
 - Fines, fees and licenses were over budget \$932,949. This is attributable to higher than anticipated revenues in EMS fees of \$200,592, road maintenance fees of \$119,295, development fees of \$337,763, magistrate fines of \$216,814, and register of deeds of \$101,406.
 - Intergovernmental revenues were over budget \$149,983 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 \$110,065. Key elements of this positive variance can be explained as follows:
 - The County was under budget in salaries and related benefits by approximately \$350,000 due unfilled vacancies in various departments.
 - Grant matching funds were approximately \$695,000 under budget because the emergency shelter construction was delayed.
 - The County underwent emergency procedures for a potential hurricane threat during the year. Fluctuations in budget overages for fuel and cleanup efforts contributed to budget overages in the following departments.
 - Detention center was over budget \$227,000.
 - Fire and rescue was over budget \$258,000.
 - The Sheriff's department was over budget by \$455,000.
 - Various other expenses related to telephone, maintenance, and uniforms were also over budget.

The debt service fund has a total fund balance of \$1,754,785 which is restricted for future debt payments. The increase of \$227,810 relates to the refunding of bonds.

The economic development fund has a total fund balance of \$2,103,380 which is assigned for future economic development projects. The decrease of \$519,887 relates to the grant received for the construction of a spec building.

The capital projects fund has a total fund balance of \$3,029,973 because the County received advances on amounts to be expended on various projects. The increase of \$2,980,189 relates to the recently enacted capital projects special purpose sales tax.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. There were positive variances in both revenues and expenditures. There was a \$300,000 supplemental budgetary appropriation for emergency services, engineering services, and the sheriff's department.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2018 amounts to \$44,929,303 (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	\$ 166,842
Construction in progress: Ridgeland Airport and Cypress Ridge	4,215,792
Land and improvements: Airport land and land option	107,900
Infrastructure: Campground Road and basketball court paving	190,696
Radios, Mosquito Sprayer, Server, Scanner, Compactor, Lawnmower	(800,748)
Tahoe, Chargers, Explorer, Rangers, Colorado Truck, ATV, Ambulance	464,461
Total Capital Outlay	<u>\$ 4,344,943</u>

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

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$58,450,507. The County's total long-term obligations increased by \$8,447,238 during the current fiscal year. The County utilized \$325,350 in general obligation bonds for airport construction and a capital lease of \$460,000 to purchase police vehicles, radios and radars during 2018. All other long-term debt was paid as scheduled. Other post employment benefits increased by \$8,945,848 in accordance with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, while the net pension liability increased by \$1,118,156.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2018	2017
Bank loans	\$ 464,512	\$ 1,374,912
Capital Leases	804,370	1,375,038
General obligation bonds	5,632,431	5,338,862
Revenue bond	13,380,000	13,907,798
Compensated absences	868,562	877,998
Net Pension Liability	20,582,286	19,464,130
Other post employment benefits	16,610,379	7,664,531
Total	<u>\$ 58,342,540</u>	<u>\$ 50,003,269</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the County is \$11,210,564 with \$5,632,431 of general obligation debt issued that offsets this limit for a legal debt margin of \$5,578,133.

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 2018 stands at 3.1% versus 3.6% a year ago. In comparison, the State's unemployment rate is 3.6% and the national rate is 4.2% as of June 2018.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2017 tax year increased from \$137,119,099 to \$140,132,048.

All of these factors were considered in preparing the County's budget for the 2019 fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$13,161,238. The County set millage for the 2019 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 2019 are projected to increase 5.1% to \$27,295,679 from \$25,947,925 in 2018.

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, 2018**

ASSETS	GOVERNMENTAL ACTIVITIES
Cash	\$ 9,751,951
Receivables	8,756,732
Lease Receivable	464,512
Restricted Cash	6,943,889
Property Held for Resale	1,130,866
Prepays	293,108
Capital Assets,	
Not being depreciated	14,898,097
Being depreciated, net	30,031,206
Total Assets	72,270,361
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	4,205,645
Deferred Outflows Related to OPEB	285,632
Deferred Outflows Related to Refunding	718,868
Total Deferred Outflows of Resources	5,210,145
Total Assets and Deferred Outflows of Resources	\$ 77,480,506
LIABILITIES	
Accounts Payable	\$ 2,292,400
Salaries and Benefits Payable	563,683
Unearned Revenues	754,357
Accrued Interest	132,018
Noncurrent Liabilities	
Due within one year	1,402,103
Due in more than one year	
Debt Obligations	19,855,739
Net Pension Liability	20,582,286
Net OPEB Liability	16,610,379
Total Liabilities	62,192,965
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	527,317
Deferred Inflows Related to OPEB	1,598,986
Total Deferred Inflows of Resources	2,126,303
NET POSITION	
Net Investment in Capital Assets	25,723,403
Restricted for:	
Law Enforcement	96,471
Transportation	2,980,189
Courts Administration	722,866
Debt Service	1,754,785
Tourist related expenditures	1,055,792
E911 expenditures	398,441
Other purposes	5,385
Unrestricted	(19,576,094)
Total Net Position	13,161,238
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 77,480,506

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, 2018**

<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	\$ 244,545	\$ -	\$ -	\$ -	\$ (244,545)
County Attorney	129,877	-	-	-	(129,877)
Administrator	528,912	-	-	-	(528,912)
Administrative Services	1,169,173	341,406	-	-	(827,767)
Development Services	3,327,220	1,121,032	2,471,347	3,956,210	4,221,369
Emergency Services	10,509,277	1,135,127	242,427	-	(9,131,723)
Information Technology	583,283	-	-	-	(583,283)
Engineering Services	2,536,813	631,777	-	278,634	(1,626,402)
Treasurer	195,672	-	-	-	(195,672)
Auditor	201,906	-	-	-	(201,906)
Probate Judge	155,724	32,502	-	-	(123,222)
Clerk of Court	455,164	8,605	116,789	-	(329,770)
Sheriff	4,367,704	35,290	366,300	-	(3,966,114)
Magistrate	687,226	521,814	-	-	(165,412)
Veterans Affairs	108,545	-	4,704	-	(103,841)
Election Commission	234,239	-	22,448	-	(211,791)
Coroner	210,564	-	-	-	(210,564)
Interdepartmental	3,160,909	-	-	-	(3,160,909)
Health, Education and Welfare	1,437,061	-	21,908	-	(1,415,153)
Interest	888,148	-	-	-	(888,148)
Total Governmental Activities	<u>\$ 31,131,962</u>	<u>\$ 3,827,553</u>	<u>\$ 3,245,923</u>	<u>\$ 4,234,844</u>	<u>(19,823,642)</u>
General Revenues					
Property Taxes					19,120,165
Local Option Sales Taxes					3,630,216
Local Option Special Purpose Taxes					3,140,688
Franchise Taxes					57,620
Accommodation and Hospitality Taxes					686,682
Grants and contributions not restricted to specific programs					1,054,625
Miscellaneous					32,119
Total General Revenues, Special Items and Transfers					<u>27,722,115</u>
Change in net position					7,898,473
Net position, beginning					14,924,166
Prior period restatement (see note 14)					(9,661,401)
Net position, ending					<u>\$ 13,161,238</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 9,639,149	\$ -	\$ 63,019	\$ 49,783	\$ -	\$ 9,751,951
Receivables - net	3,543,238	112,114	1,501,213	3,537,658	62,509	8,756,732
Restricted Cash	729,418	1,729,784	-	2,995,689	1,488,998	6,943,889
Interfund Receivables	2,249,366	-	-	-	-	2,249,366
Prepays	-	-	293,108	-	-	293,108
Property Held for Resale	-	-	1,130,866	-	-	1,130,866
Total Assets	<u>\$ 16,161,171</u>	<u>\$ 1,841,898</u>	<u>\$ 2,988,206</u>	<u>\$ 6,583,130</u>	<u>\$ 1,551,507</u>	<u>\$ 29,125,912</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 856,170	\$ -	\$ 137,992	\$ 1,296,268	\$ 1,970	\$ 2,292,400
Salaries and Benefits Payable	563,683	-	-	-	-	563,683
Unearned Revenue	-	-	746,834	7,523	-	754,357
Interfund Payables	-	-	-	2,249,366	-	2,249,366
Total Liabilities	<u>1,419,853</u>	<u>-</u>	<u>884,826</u>	<u>3,553,157</u>	<u>1,970</u>	<u>5,859,806</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	1,136,765	87,113	-	-	-	1,223,878
Total Deferred Inflows of Resources	<u>1,136,765</u>	<u>87,113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,223,878</u>
Fund Balances						
Restricted	729,418	1,754,785	-	2,980,189	1,549,537	7,013,929
Committed	-	-	-	49,784	-	49,784
Assigned	1,700,000	-	1,810,272	-	-	3,510,272
Nonspendable	-	-	293,108	-	-	293,108
Unassigned	11,175,135	-	-	-	-	11,175,135
Total Fund Balances	<u>13,604,553</u>	<u>1,754,785</u>	<u>2,103,380</u>	<u>3,029,973</u>	<u>1,549,537</u>	<u>22,042,228</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 16,161,171</u>	<u>\$ 1,841,898</u>	<u>\$ 2,988,206</u>	<u>\$ 6,583,130</u>	<u>\$ 1,551,507</u>	<u>\$ 29,125,912</u>

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

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

Total fund balances for governmental funds \$ 22,042,228

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

Land and Improvements	\$ 5,105,920	
Construction in Progress	9,792,177	
Buildings and Improvements, net of \$7,489,253 accumulated depreciation	19,771,134	
Machinery and Equipment, net of \$4,539,195 accumulated depreciation	2,435,930	
Vehicles, net of \$4,539,195 accumulated depreciation	2,213,869	
Infrastructure, net of \$2,083,834 accumulated depreciation	<u>5,610,273</u>	
Total Capital Assets		44,929,303

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 1,223,878

Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds. 464,512

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

Deferred outflows of resources:		
Related to pensions	4,205,645	
Related to OPEB	285,632	
Related to advance refunding	582,067	
Deferred inflows of resources:		
Related to pensions	(527,317)	
Related to OPEB	<u>(1,598,986)</u>	
Total deferred outflows and inflows of resources		2,947,041

Prepaid insurance costs that are amortized over a period of years that are reported as expenditures in the funds. 136,801

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, 2018 are:

Accrued Interest Payable	(132,018)	
Net Pension Liability	(20,582,286)	
Post Retirement Benefits Payable	(16,610,379)	
Bonds, Notes and Leases Payable	(20,389,280)	
Compensated Absences	<u>(868,562)</u>	
Total Long-Term Liabilities		<u>(58,582,525)</u>

Total net position of governmental activities \$ 13,161,238

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

JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 21,114,626	\$ 1,491,744	\$ -	\$ 3,140,688	\$ 596,811	\$ 26,343,869
Fines, Fees and Licenses	3,533,749	-	104,269	-	189,535	3,827,553
Intergovernmental	1,458,908	-	-	4,342,613	262,524	6,064,045
Miscellaneous	422,356	3,646	2,082,975	85,162	1,221	2,595,360
Total Revenues	<u>26,529,639</u>	<u>1,495,390</u>	<u>2,187,244</u>	<u>7,568,463</u>	<u>1,050,091</u>	<u>38,830,827</u>
EXPENDITURES						
Current:						
County Council	246,403	-	-	-	-	246,403
County Attorney	128,384	-	-	-	-	128,384
Administrator	537,561	-	-	-	-	537,561
Administrative Services	1,197,448	-	-	-	-	1,197,448
Development Services	1,117,935	-	1,726,619	55,112	341,808	3,241,474
Emergency Services	9,677,258	-	-	107,253	264,925	10,049,436
Information Technology	556,232	-	-	-	-	556,232
Engineering Services	2,026,904	-	-	331,787	9,494	2,368,185
Treasurer	193,959	-	-	-	-	193,959
Auditor	200,284	-	-	-	-	200,284
Probate Judge	155,724	-	-	-	-	155,724
Clerk of Court	452,933	-	-	-	-	452,933
Sheriff	3,878,429	-	-	-	243,052	4,121,481
Magistrate	680,224	-	-	-	-	680,224
Veterans Affairs	106,318	-	-	-	-	106,318
Election Commission	232,172	-	-	-	-	232,172
Coroner	210,564	-	-	-	-	210,564
Interdepartmental	1,283,027	-	-	-	-	1,283,027
Health, Education and Welfare	1,437,061	-	-	-	-	1,437,061
Debt Service:						
Principal	598,969	455,000	850,000	60,400	-	1,964,369
Interest	39,392	787,459	-	23,829	-	850,680
Capital Outlay:						
Administrative Services	6,013	-	-	-	-	6,013
Development Services	31,003	-	149,719	4,226,447	-	4,407,169
Engineering Services	159,405	-	5,914	96,396	-	261,715
Sheriff	89,931	-	-	460,000	-	549,931
Emergency Services	303,908	-	-	12,400	116,301	432,609
Information Technology	190,419	-	-	-	-	190,419
Total Expenditures	<u>25,737,860</u>	<u>1,242,459</u>	<u>2,732,252</u>	<u>5,373,624</u>	<u>975,580</u>	<u>36,061,775</u>
Excess (deficiency) of revenues over (under) expenditures	<u>791,779</u>	<u>252,931</u>	<u>(545,008)</u>	<u>2,194,839</u>	<u>74,511</u>	<u>2,769,052</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	785,350	-	785,350
Transfers In	305,000	-	25,121	-	104,736	434,857
Transfers Out	(104,736)	(25,121)	-	-	(305,000)	(434,857)
Total Other Financing Sources (Uses)	<u>200,264</u>	<u>(25,121)</u>	<u>25,121</u>	<u>785,350</u>	<u>(200,264)</u>	<u>785,350</u>
Net change in fund balances	992,043	227,810	(519,887)	2,980,189	(125,753)	3,554,402
Fund balances, beginning	12,612,510	1,526,975	2,623,267	49,784	1,675,290	18,487,826
Fund balances, ending	<u>\$ 13,604,553</u>	<u>\$ 1,754,785</u>	<u>\$ 2,103,380</u>	<u>\$ 3,029,973</u>	<u>\$ 1,549,537</u>	<u>\$ 22,042,228</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, 2018**

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	\$	3,554,402
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$5,847,856) was more than depreciation (\$1,543,816) in the current period.</p>		
		4,304,040
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.</p>		
		(91,894)
<p>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:</p>		
Issuance of Debt	\$ (785,350)	
Repayment of Principal	1,964,369	
Accrued Interest, Premiums, and Discounts	<u>(37,468)</u>	1,141,551
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		291,502
<p>Governmental funds report employee benefits as expenditures. However, in the statements of activities, the cost of employee benefits earned net of employee contributions is reported as an expense.</p>		
Pension contributions	1,523,261	
Cost of benefits earned net of employee contributions	<u>(2,236,024)</u>	(712,763)
OPEB contributions	285,632	
Cost of OPEB benefits earned net of employee contributions	<u>(883,433)</u>	(597,801)
<p>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.</p>		
Compensated Absences		<u>9,436</u>
Total change in net position of governmental activities	\$	<u><u>7,898,473</u></u>

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

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018**

	<u>Agency Funds</u>
ASSETS	
Cash	\$ 30,913,772
Total Assets	<u>\$ 30,913,772</u>
 LIABILITIES	
Due to Others	<u>\$ 30,913,772</u>
Total Liabilities	<u>\$ 30,913,772</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, 2018**

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, 2018**

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, 2018**

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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Information

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

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make several supplemental budgetary appropriations throughout the year. There was a supplemental budgetary appropriation of \$300,000 made in the general fund during the year for emergency services, engineering services, and the sheriff's department.

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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond debt issue of the County if the particular portfolio of the investment company or investment trust in which the investment is made (1) is limited to obligations described above and (2) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

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

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

Inventories

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

Capital Assets

Capital assets, which include property and equipment and infrastructure assets (e.g. roads, lighting, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as property and equipment with an initial, individual cost of more than \$5,000 and infrastructure assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or acquisition value if purchased or constructed. Donated capital assets are recorded at fair 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue resulting from property taxes 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 and other postemployment benefit liability. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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 2017 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, 2018**

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, 2018, the County had the following cash and investments that are included in governmental funds of \$16,695,840 and the agency fund cash of \$30,913,772.

	Maturity	Book Balance	Bank Balance
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 1,391,205	\$ 1,787,832
Certificates of Deposit	12 months or less	13,558,020	13,558,020
US Government Securities	Daily	174,722	174,722
 <u>Cash</u>			
Checking Accounts		32,485,265	33,030,699
Change Funds		400	-
Total Deposits and Investments		\$ 47,609,612	\$ 48,551,273

* 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, 2018 is \$1,787,832.

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, 2018, the bank balance was \$48,551,273. \$39,351,516 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, \$9,199,757 of the County's deposits were exposed to custodial credit risk as of June 30, 2018.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 3 RECEIVABLES

Receivables at June 30, 2018, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Debt Service</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 5,547,060	\$ 448,458	\$ -	\$ -	\$ -	\$ 5,995,518
Accounts	4,997,054	-	-	-	-	4,997,054
Other	1,973,269	-	1,501,213	3,537,658	62,509	7,074,649
Gross receivables	12,517,383	448,458	1,501,213	3,537,658	62,509	18,067,221
Allowance for doubtful accounts						
Taxes	(4,160,294)	(336,344)	-	-	-	(4,496,638)
Accounts	(4,813,851)	-	-	-	-	(4,813,851)
Net total receivables	<u>\$ 3,543,238</u>	<u>\$ 112,114</u>	<u>\$ 1,501,213</u>	<u>\$ 3,537,658</u>	<u>\$ 62,509</u>	<u>\$ 8,756,732</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	-	290,716
Emergency Shelter	-	450,000
Property taxes not collected within 60 Days	1,223,878	-
Total	<u>\$ 1,223,878</u>	<u>\$ 754,357</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, 2018 is \$464,512. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 63,358	\$ 20,871	\$ 84,229
2020	66,460	17,769	84,229
2021	69,714	14,515	84,229
2022	73,128	11,101	84,229
2023	76,709	7,520	84,229
2024-2026	115,143	4,180	119,323
Total	<u>\$ 464,512</u>	<u>\$ 75,956</u>	<u>\$ 540,468</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2018 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 4,998,020	\$ 107,900	\$ -	\$ 5,105,920
Construction in progress	5,576,385	4,215,792	-	9,792,177
Total capital assets, not being depreciated	<u>10,574,405</u>	<u>4,323,692</u>	<u>-</u>	<u>14,898,097</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	27,093,545	166,842		27,260,387
Machinery and equipment	7,106,340	437,273	1,238,021	6,305,592
Vehicles	6,288,603	729,353	264,892	6,753,064
Infrastructure	7,503,411	190,696	-	7,694,107
Total capital assets being depreciated	<u>47,991,899</u>	<u>1,524,164</u>	<u>1,502,913</u>	<u>48,013,150</u>
Less accumulated depreciation for:				
Buildings and improvements	6,937,669	551,584		7,489,253
Machinery and equipment	4,232,212	410,497	773,047	3,869,662
Vehicles	4,406,729	397,358	264,892	4,539,195
Infrastructure	1,899,457	184,377	-	2,083,834
Total accumulated depreciation	<u>17,476,067</u>	<u>1,543,816</u>	<u>1,037,939</u>	<u>17,981,944</u>
Total capital assets being depreciated, net	<u>30,515,832</u>	<u>(19,652)</u>	<u>464,974</u>	<u>30,031,206</u>
Governmental activity capital assets, net	<u>\$ 41,090,237</u>	<u>\$ 4,304,040</u>	<u>\$ 464,974</u>	<u>\$ 44,929,303</u>

The County has construction commitments remaining of \$4,184,655 for the airport acquisition and the Cypress Ridge storm drain and roads that are included in construction in progress in the capital projects fund.

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

<u>Governmental Activities</u>	
Administrative Services	\$ 2,601
Development Services	80,820
Emergency Services	470,876
Engineering Services	176,989
Clerk of Court	2,603
Sheriff	217,300
Information Technology	25,309
Interdepartmental	567,318
Total depreciation expense - governmental activities	<u>\$ 1,543,816</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 5 PROPERTY HELD FOR RESALE

As of June 30, 2018, the County owns several parcels of land and buildings held for speculative purposes and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on these assets since it is considered held for sale. The detail on property held for resale is as follows:

	June 30, 2017	Additions	Cost of Land Sold	June 30, 2018
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	1,512,934	-	1,512,934	-
Cypress Ridge Spec Bldg 4	-	30,686	-	30,686
Total	<u>\$ 2,613,114</u>	<u>\$ 30,686</u>	<u>\$ 1,512,934</u>	<u>\$ 1,130,866</u>

The County has construction commitments of \$136,024 remaining on the Cypress Ridge Spec Bldg. 4 at June 30, 2018 in the economic development fund.

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2018 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 2,249,366
		<u>\$ 2,249,366</u>

The \$2,249,366 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 and loan proceeds.

Interfund Transfers

Interfund balances for the year ended June 30, 2018 consisted of the following:

	Transfers In	Transfers Out
General Fund/Nonmajor E-911	\$ 155,000	\$ 155,000
General Fund/Capital Projects Fund	25,121	25,121
Nonmajor State A-Tax/General Fund	104,736	104,736
Local A-Tax funds to General Fund as budgeted	150,000	150,000
Total	<u>\$ 434,857</u>	<u>\$ 434,857</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, 2018**

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2018.

Governmental Activities	June 30, 2017	Increases	Decreases	June 30, 2018	Due Within A Year
Bank loans	\$ 1,374,912	\$ -	\$ 910,400	\$ 464,512	\$ 63,358
Capital leases	1,375,038	460,000	1,030,668	804,370	467,299
General obligation bond	5,338,862	325,350	31,781	5,632,431	131,446
Revenue Bonds	13,805,000	-	425,000	13,380,000	440,000
Plus amount for bonds issued at a premium	232,385	-	6,953	225,432	-
Less amounts for bonds issued at a discount	(129,587)	-	(12,122)	(117,465)	-
Total	21,996,610	785,350	2,392,680	20,389,280	1,102,103
Compensated absences	877,998	407,945	417,381	868,562	300,000
Total	<u>\$ 22,874,608</u>	<u>\$ 1,193,295</u>	<u>\$ 2,810,061</u>	<u>\$ 21,257,842</u>	<u>\$ 1,402,103</u>

Long-term debt payable at June 30, 2018 is comprised of the following issues:

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%.	<u>\$ 464,512</u>

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 63,358	\$ 20,871	\$ 84,229
2020	66,460	17,769	84,229
2021	69,714	14,515	84,229
2022	73,128	11,101	84,229
2023	76,709	7,520	84,229
2024-2026	115,143	4,180	119,323
Total	<u>\$ 464,512</u>	<u>\$ 75,956</u>	<u>\$ 540,468</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.	\$ 4,470,000
\$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.	1,162,431
Total General Obligation Bonds	\$ 5,632,431

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 131,446	\$ 257,720	\$ 389,166
2020	139,579	252,586	392,165
2021	142,603	247,013	389,616
2022	145,821	242,395	388,216
2023	154,134	237,682	391,816
2024-2028	833,848	1,109,606	1,943,454
2029-2033	255,000	985,290	1,240,290
2034-2038	865,000	888,690	1,753,690
2039-2042	2,965,000	361,952	3,326,952
Total	\$ 5,632,431	\$ 4,582,934	\$ 10,215,365

\$300,000 capital lease for purchase of 5 used fire tankers with annual payments of \$61,947 for five years including interest at 1.19%.	\$ 121,796
\$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%.	321,141
\$460,000 capital lease for the purchase of police vehicles, radios, and radars with annual payments of \$98,567 for 5 years.	361,433
Total Capital Leases	\$ 804,370

Equipment Under Capital Leases

The County has entered into the above leases for vehicle, heavy equipment, and radios. The cost of this equipment is \$2,742,262 with accumulated amortization of \$1,136,489 for a net value of \$1,605,773. These leases are paid from the general fund.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

Fiscal Year Ending June 30,	Amount
2019	\$ 490,125
2020	160,591
2021	98,567
2022	98,567
Sub-total	847,850
Less amount representing interest	(43,480)
Total	\$ 804,370

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. 1,900,000

The County issued installment purchase revenue bonds Series 2017 in the amount of \$8,290,000. 7,510,000

Total Revenue Bond	\$ 13,380,000
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The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 440,000	\$ 549,700	\$ 989,700
2020	455,000	533,300	988,300
2021	470,000	516,350	986,350
2022	170,000	498,800	668,800
2023	485,000	480,650	965,650
2024-2028	1,830,000	2,180,926	4,010,926
2029-2033	5,555,000	1,872,080	7,427,080
2034-2038	3,750,000	586,798	4,336,798
2039	225,000	34,900	259,900
Total	\$ 13,380,000	\$ 7,253,504	\$ 20,633,504

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018, \$5,650,000 and \$4,650,000 were outstanding.

Defeasance Debt

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

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2018 there was \$174,607 in debt service reserve accounts. Also, \$1,555,177 is on hand toward the interest and principal on the bonds. The current budget for 2018-2019 includes 12 mills for the payment of debt service.

Commitments Under Noncapitalized Leases

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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, 2018 are \$868,562 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 \$216,730 to the plan, including \$216,730 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

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

The following table provides a summary of the number of participants in the plan as of June 30, 2016:

Membership	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	44
Inactive Plan Memebers Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	209
Total Plan Members	253

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits - 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	\$	824,463
Interest on net OPEB obligation		514,790
Adjustment to ARC		<u>(1,838,076)</u>
Annual OPEB cost (expense)		(498,823)
Contributions made		<u>(216,730)</u>
Increase in net OPEB obligation		(715,553)
Net OPEB obligation-beginning of year		<u>17,325,932</u>
Net OPEB obligation-end of year	\$	<u><u>16,610,379</u></u>

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

Discount Rate – For plans that do not have formal assets, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For the purpose of this valuation, the municipal bond rate is 3.56% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 2.92% as of the prior measurement date.

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

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

Health Care Trend Rates – Initial trend of 7.00% declining to an ultimate trend rate of 4.15% after 15 years.

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

<u>Health Care Cost Trend Rate Sensitivity</u>		
Current Health Care Cost Rate		
<u>1% Decrease</u>	<u>Assumption</u>	<u>1% Increase</u>
\$ 13,685,597	\$ 16,610,379	\$ 20,434,260

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

<u>Discount Rate Sensitivity</u>		
Current Discount		
<u>1% Decrease</u>	<u>Rate</u>	<u>1% Increase</u>
<u>2.56%</u>	<u>3.56%</u>	<u>4.56%</u>
\$ 19,534,036	\$ 16,610,379	\$ 14,257,207

<u>Year Ending June 30</u>	<u>Net Deferred Outflows/(Inflows)</u>
2019	\$ (239,090)
2020	(239,090)
2021	(239,090)
2022	(239,090)
2023	(239,090)
Thereafter	(403,536)
Total	\$ (1,598,986)

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 South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds.

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

Plan Descriptions

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

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, 2018**

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/current annual salary. A brief summary of benefit terms for each system is presented below.

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

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, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Contributions

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

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

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

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

	<u>Fiscal Year 2018¹</u>	<u>Fiscal Year 2017¹</u>
SCRS		
Employee Class Two	9.00%	8.66%
Employee Class Three	9.00%	8.66%
PORS		
Employee Class Two	9.75%	9.24%
Employee Class Three	9.75%	9.24%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Contributions - Continued

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

	<u>Fiscal Year 2018¹</u>	<u>Fiscal Year 2017¹</u>
SCRS		
Employer Class Two	13.41%	11.41%
Employer Class Three	13.41%	11.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	15.84%	13.84%
Employer Class Three	15.84%	13.84%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

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

²Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to SCRS.

All contributions are paid by the County's general fund.

Actuarial Assumptions and Methods

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Actuarial Assumptions and Methods - Continued

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

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

¹ includes inflation at 2.25%

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

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

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

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2017, 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 (Asset)</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 18,816,778	\$ 10,036,575	\$ 8,780,203	53.3%
PORS	30,214,951	18,412,868	11,802,083	60.9%

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Long-term Expected Rate of Return

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

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

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate (Private)	5.0%	4.32%	0.22%
Real Estate (REITs)	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
Hedge Funds (non-PA)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credits	18.0%		
Mixed Credit	6.0%	3.92%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.02%
Total Expected Real Return	100.0%		5.32%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			<u>7.57%</u>

Discount Rate

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	\$ 11,316,475	\$ 8,780,203	\$ 7,241,281
PORS	15,934,983	11,802,083	8,546,554

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2017, are presented below:

Description	SCRS	PORS
Service cost (annual cost of current service)	\$ 313,606	\$ 718,067
Interest on the total pension liability	1,294,140	2,037,937
Changes in plan benefits	-	-
Plan administrative costs	5,254	9,258
Plan member contributions	(322,376)	(550,736)
Expected return on plan assets	(686,521)	(1,243,005)
Recognition of current year amortization - Difference between expected and actual experience & assumption changes	231,586	393,887
Recognition of current year amortization - Difference between projected and actual investment earnings	53,664	97,414
Other	604	(5,497)
Total	\$ 889,957	\$ 1,457,325

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources

The following schedules reflect the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding as of June 30, 2017.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	SCRS	PORS	SCRS	PORS
Difference between expected and actual experience	\$ 39,142	\$ 105,241	\$ 4,867	\$ -
Assumption changes	513,987	1,120,126	-	-
Net difference between projected and actual earnings	245,102	420,557	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	16,714	221,515	498,665	23,785
Contributions subsequent to the measurement date	554,086	987,466	-	-
Total	<u>\$ 1,369,031</u>	<u>\$ 2,854,905</u>	<u>\$ 503,532</u>	<u>\$ 23,785</u>

Difference between expected and actual experience

	SCRS	PORS	Total
Balance	\$ 34,275	\$ 105,241	\$ 139,516
Amortization period¹	4.15	4.72	4.44
Amortized² period ending June 30,			
2018	\$ (22,151)	\$ (70,407)	\$ (92,558)
2019	(8,437)	(20,309)	(28,746)
2020	(3,307)	(11,885)	(15,192)
2021	(380)	(2,640)	(3,020)

Assumption Changes

	SCRS	PORS	Total
Initial Balance	\$ 513,987	\$ 1,120,126	\$ 1,634,113
Amortization period³	4.15	4.72	4.44
Amortized² period ending June 30,			
2018	\$ (167,259)	\$ (315,261)	\$ (482,520)
2019	(167,259)	(315,261)	(482,520)
2020	(167,259)	(315,261)	(482,520)
2021	(12,210)	(174,343)	(186,553)

Difference between projected and actual investment earnings

	SCRS	PORS	Total
Initial Balance	\$ 245,102	\$ 420,557	\$ 665,659
Amortization period³	5	5	5
Amortized² period ending June 30,			
2018	\$ (53,666)	\$ (97,414)	\$ (151,080)
2019	(195,197)	(335,984)	(531,181)
2020	(76,670)	(131,373)	(208,043)
2021	80,431	144,214	224,645

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Deferred Outflows of Resources and Deferred Inflows of Resources - Continued

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.

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, 2017. Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions toward the purchase of employee service purchases and employer contributions paid by employees.

The following table provides a reconciliation of employer 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, 2017	\$ 455,885	\$ 827,161
Deduct: Employer Contributions Not Representative of Future	(969)	(1,026)
Employer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2017 Measurement Date	\$ 454,916	\$ 826,135

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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, 2017, and the accounting and financial reporting actuarial valuation as of June 30, 2017. 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.

Payables to the Pension Plan

At June 30, 2018, the Town reported payables of \$0 that represents the amount due for the month of June.

NOTE 8 EMPLOYEE BENEFIT PLANS

401(K) Plan

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

NOTE 9 LANDFILL

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

NOTE 10 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

NOTE 12 FUND BALANCES

	General Fund	Economic Development	Capital Projects	Debt Service	Non - Major
Restricted					
Courts Administration	\$ 722,866	\$ -	\$ -	\$ -	\$ -
Sheriff funds	6,552	-	-	-	89,919
E-911 funds	-	-	-	-	398,441
Accom/Hospitality Tax	-	-	-	-	1,055,792
Waste Tire	-	-	-	-	5,385
Transportation	-	-	2,980,189	-	-
Debt Payments	-	-	-	1,754,785	-
Total Restricted	<u>729,418</u>	<u>-</u>	<u>2,980,189</u>	<u>1,754,785</u>	<u>1,549,537</u>
Committed	<u>-</u>	<u>-</u>	<u>49,784</u>	<u>-</u>	<u>-</u>
Assigned					
2018 Budget	1,700,000	-	-	-	-
Development Projects	-	1,780,057	-	-	-
Joint Planning Fund	-	30,215	-	-	-
Total Assigned	<u>1,700,000</u>	<u>1,810,272</u>	<u>-</u>	<u>-</u>	<u>-</u>
Nonspendable	<u>-</u>	<u>293,108</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>11,475,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 13,904,553</u>	<u>\$ 2,103,380</u>	<u>\$ 3,029,973</u>	<u>\$ 1,754,785</u>	<u>\$ 1,549,537</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

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

Capital Assets	\$ 44,929,303
Debt on Capital Assets:	
Revenue Bonds	(13,380,000)
General Obligation Bonds	(5,632,431)
Capital Leases	(804,370)
Deferred Refundings	718,868
Premium on Bonds Payable	(225,432)
Discount on Bonds Payable	117,465
Net Investment in Capital Assets	<u><u>\$ 25,723,403</u></u>

The long-term debt includes \$464,512 in bank loans payable that offsets the lease receivable from LCOG. This loan is not included in debt on capital assets.

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

In accordance with generally accepted accounting principles for fiscal year 17-18, the Board made prior adjustments due to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which require the restatement of the July 1, 2017 net position in Governmental Activities. The result in net position as of July 1, 2017 is a decrease of \$9,661,401 in Governmental Activities.

Governmental Activities	
Net Position June 30, 2017, as Previously Reported	\$ 14,924,166
Prior Period Restatement	(9,661,401)
Net Position, July 1, 2017, as restated	<u>\$ 5,262,765</u>

NOTE 15 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, 2018:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Provide health care to citizens in the area	31%	\$ 266,076
Provide manufacturing facilities for employment opportunities	23% to 74%	\$ 141,035
Provide infrastructure for utility power expansion	71%	\$ 6,427,397

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 15 TAX ABATEMENTS - CONTINUED

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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 19,207,800	\$ 19,207,800	\$ 21,114,626	\$ 1,906,826
Fines, Fees and Licenses	2,600,800	2,600,800	3,533,749	932,949
Intergovernmental	1,308,925	1,308,925	1,458,908	149,983
Miscellaneous	1,603,400	1,903,400	422,356	(1,481,044)
Total Revenues	<u>24,720,925</u>	<u>25,020,925</u>	<u>26,529,639</u>	<u>1,508,714</u>
EXPENDITURES				
Current:				
County Council	<u>277,800</u>	<u>277,800</u>	<u>246,403</u>	<u>31,397</u>
County Attorney	<u>185,300</u>	<u>185,300</u>	<u>128,384</u>	<u>56,916</u>
Administrator	<u>496,150</u>	<u>496,150</u>	<u>537,561</u>	<u>(41,411)</u>
Administrative Services				
Tax Collector	199,225	199,225	206,928	(7,703)
Assessor	480,518	480,518	458,744	21,774
Finance Department	231,800	231,800	185,395	46,405
Register of Deeds	145,500	145,500	147,295	(1,795)
Keep America Beautiful	-	-	84	(84)
Human Resources	<u>265,100</u>	<u>265,100</u>	<u>199,002</u>	<u>66,098</u>
Total Administrative Services	<u>1,322,143</u>	<u>1,322,143</u>	<u>1,197,448</u>	<u>124,695</u>
Development Services				
Economic Development Department	206,100	206,100	147,327	58,773
Business Licenses	69,750	69,750	68,741	1,009
Planning Commission	234,300	234,300	230,939	3,361
Recreation Department	368,600	368,600	345,850	22,750
Sgt Jasper Park	206,700	206,700	189,117	17,583
Building Permits	<u>139,900</u>	<u>139,900</u>	<u>135,961</u>	<u>3,939</u>
Total Development Services	<u>1,225,350</u>	<u>1,225,350</u>	<u>1,117,935</u>	<u>107,415</u>
Emergency Services				
Emergency Telecommunications	1,058,700	1,058,700	1,063,758	(5,058)
Levy Fire Contract	259,000	259,000	251,751	7,249
Fire and Rescue	3,348,000	3,448,000	3,706,349	(258,349)
Emergency Services Department	1,261,426	1,261,426	1,282,144	(20,718)
Detention Center	2,952,200	2,952,200	3,180,061	(227,861)
Cherry Point Fire Station	<u>474,850</u>	<u>474,850</u>	<u>193,195</u>	<u>281,655</u>
Total Emergency Services	<u>9,354,176</u>	<u>9,454,176</u>	<u>9,677,258</u>	<u>(223,082)</u>
Information Technology	<u>630,600</u>	<u>630,600</u>	<u>556,232</u>	<u>74,368</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, 2018**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Engineering Services				
Administrative	\$ 258,350	\$ 258,350	\$ 272,046	\$ (13,696)
Central Garage	166,200	166,200	160,298	5,902
Mosquito Control	23,700	23,700	16,939	6,761
Litter Control	10,000	10,000	5,156	4,844
Roads and Bridges	531,200	531,200	493,297	37,903
Building Maintenance	354,200	354,200	277,887	76,313
Solid Waste	880,200	880,200	801,281	78,919
Total Engineering Services	<u>2,223,850</u>	<u>2,223,850</u>	<u>2,026,904</u>	<u>196,946</u>
Treasurer	<u>198,850</u>	<u>198,850</u>	<u>193,959</u>	<u>4,891</u>
Auditor	<u>198,150</u>	<u>198,150</u>	<u>200,284</u>	<u>(2,134)</u>
Probate Judge	<u>165,950</u>	<u>165,950</u>	<u>155,724</u>	<u>10,226</u>
Clerk of Court				
Clerk of Court	534,450	534,450	449,570	84,880
Clerk of Court Incentive	-	-	3,363	(3,363)
Total Clerk of Court	<u>534,450</u>	<u>534,450</u>	<u>452,933</u>	<u>81,517</u>
Sheriff				
Sheriff	3,202,300	3,352,300	3,818,119	(465,819)
Victims Witness Program	56,660	56,660	59,279	(2,619)
Sheriff Child Support	-	-	1,031	(1,031)
Total Sheriff	<u>3,258,960</u>	<u>3,408,960</u>	<u>3,878,429</u>	<u>(469,469)</u>
Magistrate				
Central Traffic	163,300	163,300	163,917	(617)
Magistrate Lynah	118,650	118,650	122,679	(4,029)
Hardeeville	150,650	150,650	120,148	30,502
Central Bond	115,750	115,750	114,176	1,574
Magistrate McDonald	112,800	112,800	112,601	199
Magistrate Badgett	55,180	55,180	46,703	8,477
Total Magistrate	<u>716,330</u>	<u>716,330</u>	<u>680,224</u>	<u>36,106</u>
Veterans Affairs	<u>114,350</u>	<u>114,350</u>	<u>106,318</u>	<u>8,032</u>
Election Commission	<u>286,900</u>	<u>286,900</u>	<u>232,172</u>	<u>54,728</u>
Coroner	<u>215,600</u>	<u>215,600</u>	<u>210,564</u>	<u>5,036</u>
Interdepartmental				
Interdepartmental	851,300	851,300	777,803	73,497
Data Processing	389,000	389,000	386,955	2,045
Capital Improvements	814,000	814,000	118,269	695,731
Total Interdepartmental	<u>2,054,300</u>	<u>2,054,300</u>	<u>1,283,027</u>	<u>771,273</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, 2018

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Health, Education and Welfare				
Agency Appropriations	\$ 1,163,836	\$ 1,163,836	\$ 1,218,123	\$ (54,287)
County Libraries	97,580	97,580	89,934	7,646
Health Department	37,000	37,000	33,434	3,566
Department of Social Services	40,250	40,250	36,694	3,556
Miscellaneous County Accounts	44,950	44,950	47,305	(2,355)
Hardeeville Annex	10,500	10,500	8,324	2,176
Farmers Market	6,600	6,600	3,247	3,353
Total Health, Education and Welfare	<u>1,400,716</u>	<u>1,400,716</u>	<u>1,437,061</u>	<u>(36,345)</u>
Debt Service				
Principal	668,000	668,000	598,969	69,031
Interest	-	-	39,392	(39,392)
Total Debt Service	<u>668,000</u>	<u>668,000</u>	<u>638,361</u>	<u>29,639</u>
Capital Outlay				
Administrative Services	-	-	6,013	(6,013)
Development Services	-	-	31,003	(31,003)
Engineering Services	10,000	60,000	159,405	(99,405)
Sheriff Department	-	-	89,931	(89,931)
Emergency Services	-	-	303,908	(303,908)
Information Technology	10,000	10,000	190,419	(180,419)
Total Capital Outlay	<u>20,000</u>	<u>70,000</u>	<u>780,679</u>	<u>(710,679)</u>
Total Expenditures	<u>25,547,925</u>	<u>25,847,925</u>	<u>25,737,860</u>	<u>110,065</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(827,000)</u>	<u>(827,000)</u>	<u>791,779</u>	<u>1,618,779</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	927,000	927,000	305,000	(622,000)
Transfers Out	(100,000)	(100,000)	(104,736)	(4,736)
Total Other Financing Sources (Uses)	<u>827,000</u>	<u>827,000</u>	<u>200,264</u>	<u>(626,736)</u>
Net change in fund balances	-	-	992,043	992,043
Fund balances, beginning	<u>12,612,510</u>	<u>12,612,510</u>	<u>12,612,510</u>	<u>-</u>
Fund balances, ending	<u>\$ 12,612,510</u>	<u>\$ 12,612,510</u>	<u>\$ 13,604,553</u>	<u>\$ 992,043</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	0.042983%	0.043313%	0.040713%	0.039003%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	\$ 7,400,248	\$ 8,214,519	\$ 8,696,237	\$ 8,780,203
Covered Payroll	NA	NA	NA	NA	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	NA	NA	NA	191.02%	203.01%	220.52%	223.10%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	59.90%	56.99%	52.90%	53.30%

61

	PORS - FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	0.41805%	0.41507%	0.42452%	0.43080%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	\$ 8,003,283	\$ 9,046,436	\$ 10,767,893	\$ 11,802,083
Covered Payroll	NA	NA	NA	NA	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	NA	NA	NA	159.04%	176.49%	199.00%	203.78%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	67.50%	64.57%	60.40%	60.90%

NA - not available

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

SCRS - FISCAL YEAR

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	\$ 441,049	\$ 436,037	\$ 454,916	\$ 554,086
Contributions in Relation to the	NA	NA	NA	NA	NA	NA	441,049	436,037	454,916	554,086
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	441,049	436,037	454,916	554,086
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	NA	NA	NA	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173
Contributions as a Percentage of	NA	NA	NA	NA	NA	NA	10.90%	11.06%	11.56%	13.56%
Covered Payroll	NA	NA	NA	NA	NA	NA	10.90%	11.06%	11.56%	13.56%

PORS - FISCAL YEAR

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	\$ 687,357	\$ 743,621	\$ 826,135	\$ 987,466
Contributions in Relation to the	NA	NA	NA	NA	NA	NA	687,357	743,621	826,135	987,466
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	687,357	743,621	826,135	987,466
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	NA	NA	NA	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457
Contributions as a Percentage of	NA	NA	NA	NA	NA	NA	13.41%	13.74%	14.26%	16.24%
Covered Payroll	NA	NA	NA	NA	NA	NA	13.41%	13.74%	14.26%	16.24%

NA - not available

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

	TOTAL OPEB LIABILITY									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Service Cost at the End of the Year	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 824,462
Interest on the TOL	NA	NA	NA	NA	NA	NA	NA	NA	NA	514,790
Difference between Expected and Actual Experience of the Total OPEB Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	(42,143)
Changes in Assumptions	NA	NA	NA	NA	NA	NA	NA	NA	NA	(1,795,933)
Benefit Payments	NA	NA	NA	NA	NA	NA	NA	NA	NA	<u>(216,730)</u>
Net Change in Total OPEB Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	(715,554)
Total OPEB Liability - Beginning	NA	NA	NA	NA	NA	NA	NA	NA	NA	<u>17,325,932</u>
Total OPEB Liability - Ending	NA	NA	NA	NA	NA	NA	NA	NA	NA	<u><u>\$ 16,610,378</u></u>
 Covered Payroll										 <u><u>\$ 9,195,596</u></u>
 Total OPEB Liability as a Percentage of Covered Payroll										 <u><u>180.63%</u></u>

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	<u>ACCOM TAX</u>	<u>WASTE TIRE</u>	<u>SHERIFF</u>	<u>E911</u>	
ASSETS					
Receivables - net	\$ -	\$ 3,286	\$ -	\$ 59,223	\$ 62,509
Restricted Cash	1,057,762	2,099	89,919	339,218	1,488,998
Total Assets	<u>\$ 1,057,762</u>	<u>\$ 5,385</u>	<u>\$ 89,919</u>	<u>\$ 398,441</u>	<u>\$ 1,551,507</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,970	\$ -	\$ -	\$ -	\$ 1,970
Total Liabilities	<u>1,970</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,970</u>
Fund Balances					
Restricted	1,055,792	5,385	89,919	398,441	1,549,537
Total Fund Balances	<u>1,055,792</u>	<u>5,385</u>	<u>89,919</u>	<u>398,441</u>	<u>1,549,537</u>
Total Liabilities and Fund Balances	<u>\$ 1,057,762</u>	<u>\$ 5,385</u>	<u>\$ 89,919</u>	<u>\$ 398,441</u>	<u>\$ 1,551,507</u>

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
REVENUES					
Taxes	\$ 596,811	\$ -	\$ -	\$ -	\$ 596,811
Fines, Fees and Licenses	-	-	-	189,535	189,535
Intergovernmental	-	11,884	250,640	-	262,524
Miscellaneous	1,104	-	117	-	1,221
Total Revenue	597,915	11,884	250,757	189,535	1,050,091
EXPENDITURES					
Current:					
Development Services	341,808	-	-	-	341,808
Emergency Services	-	-	-	264,925	264,925
Engineering Services	-	9,494	-	-	9,494
Sheriff	-	-	243,052	-	243,052
Capital Outlay:					
Emergency Services	-	-	-	116,301	116,301
	341,808	9,494	243,052	381,226	975,580
Excess (deficiency) of revenues over (under) expenditures	256,107	2,390	7,705	(191,691)	74,511
OTHER FINANCING SOURCES (USES)					
Transfers In	104,736	-	-	-	104,736
Transfers Out	(150,000)	-	-	(155,000)	(305,000)
Total Other Financing Sources (Uses)	(45,264)	-	-	(155,000)	(200,264)
Net change in fund balances	210,843	2,390	7,705	(346,691)	(125,753)
Fund balances, beginning	844,949	2,995	82,214	745,132	1,675,290
Fund balances, ending	\$ 1,055,792	\$ 5,385	\$ 89,919	\$ 398,441	\$ 1,549,537

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

FIDUCIARY FUNDS

Agency Funds

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

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

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
School				
Asset - Cash	\$ 16,537,194	\$ 62,501,013	\$ 55,045,581	\$ 23,992,626
Liabilities - Due to Others	\$ 16,537,194	\$ 62,501,013	\$ 55,045,581	\$ 23,992,626
Clerk of Court				
Asset - Cash	\$ 940,787	\$ 3,952,964	\$ 3,760,278	\$ 1,133,473
Liabilities - Due to Others	\$ 940,787	\$ 3,952,964	\$ 3,760,278	\$ 1,133,473
Delinquent Tax Collector				
Asset - Cash	\$ 1,247,441	\$ 4,672,320	\$ 4,931,598	\$ 988,163
Liabilities - Due to Others	\$ 1,247,441	\$ 4,672,320	\$ 4,931,598	\$ 988,163
1% Fire Fund				
Asset - Cash	\$ 563	\$ 69,539	\$ 69,539	\$ 563
Liabilities - Due to Others	\$ 563	\$ 69,539	\$ 69,539	\$ 563
Nickle Plate Road Dev				
Asset - Cash	\$ 224,701	\$ 690,761	\$ 849,955	\$ 65,507
Liabilities - Due to Others	\$ 224,701	\$ 690,761	\$ 849,955	\$ 65,507
Treasurers Tax Account				
Asset - Cash	\$ 38,963	\$ 1,449,426	\$ 1,488,389	\$ -
Liabilities - Due to Others	\$ 38,963	\$ 1,449,426	\$ 1,488,389	\$ -
Town of Ridgeland				
Asset - Cash	\$ 21,530	\$ 542,317	\$ 549,718	\$ 14,129
Liabilities - Due to Others	\$ 21,530	\$ 542,317	\$ 549,718	\$ 14,129
City of Hardeeville				
Asset - Cash	\$ 42,341	\$ 5,478,030	\$ 5,465,502	\$ 54,869
Liabilities - Due to Others	\$ 42,341	\$ 5,478,030	\$ 5,465,502	\$ 54,869
Magistrates Court				
Asset - Cash	\$ 173,731	\$ 1,288,027	\$ 1,273,425	\$ 188,333
Liabilities - Due to Others	\$ 173,731	\$ 1,288,027	\$ 1,273,425	\$ 188,333

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, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Register of Deeds				
Asset - Cash	\$ 215,034	\$ 12,881	\$ 12,880	\$ 215,035
Liabilities - Due to Others	\$ 215,034	\$ 12,881	\$ 12,880	\$ 215,035
Forfeit Land Commission				
Asset - Cash	\$ 34,961	\$ 77,720	\$ 72,957	\$ 39,724
Liabilities - Due to Others	\$ 34,961	\$ 77,720	\$ 72,957	\$ 39,724
Installment Tax Account				
Asset - Cash	\$ 112,856	\$ 195,281	\$ 171,325	\$ 136,812
Liabilities - Due to Others	\$ 112,856	\$ 195,281	\$ 171,325	\$ 136,812
Setting Trust Account				
Asset - Cash	\$ 5,147,239	\$ 2,948	\$ 1,069,296	\$ 4,080,891
Liabilities - Due to Others	\$ 5,147,239	\$ 2,948	\$ 1,069,296	\$ 4,080,891
Fire Rescue Auxiliary				
Asset - Cash	\$ 3,647	\$ -	\$ -	\$ 3,647
Liabilities - Due to Others	\$ 3,647	\$ -	\$ -	\$ 3,647
Legislative Delegation				
Asset - Cash	\$ 38,711	\$ -	\$ 38,711	\$ -
Liabilities - Due to Others	\$ 38,711	\$ -	\$ 38,711	\$ -
Total All Agency Funds				
Total Assets - Cash	\$ 24,779,699	\$ 80,933,227	\$ 74,799,154	\$ 30,913,772
Total Liabilities - Due to Others	\$ 24,779,699	\$ 80,933,227	\$ 74,799,154	\$ 30,913,772

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

COUNTY/MUNICIPAL NAME
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court		Total
Court Fines and Assessments:				
Court fines and assessments collected	99,516	466,353		565,869
Court fines and assessments remitted to State Treasurer	177,786	628,120		805,906
Total Court Fines and Assessments retained	277,302	1,094,473		1,371,775
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	6,853	9,246		16,099
Assessments retained	433	49,188		49,621
Total Surcharges and Assessments retained for victim services	7,286	58,434		65,720

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance		23,321	23,321
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer		49,621	49,621
Victim Service Surcharges Retained by City/County Treasurer		16,099	16,099
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)		89,041	89,041

COUNTY/MUNICIPAL NAME
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits		29,791	29,791
Operating Expenditures		80	80
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)		29,871	29,871
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)		59,170	59,170
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year		59,170	59,170

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

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

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

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

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

Schedule 1

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015 *	2016	2017	2018
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 25,723,403
Restricted	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	7,013,929
Unrestricted (Deficit)	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)	(19,576,094)
Total Governmental Activities Net Position	<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>	<u>\$ 13,161,238</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities:										
County Council	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265	\$ 221,822	\$ 254,207	\$ 247,869	\$ 252,936	\$ 251,262	\$ 244,545
County Attorney	160,460	158,494	152,084	158,007	159,124	153,760	180,703	123,795	120,624	129,877
Administrator	368,859	410,059	409,656	467,475	492,938	417,323	475,399	469,224	516,243	528,912
Administrative Services	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	1,169,173
Development Services	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	3,327,220
Emergency Services	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	10,509,277
Information Technology	-	-	-	-	513,785	515,238	597,297	707,467	746,557	583,283
Engineering Services	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	2,536,813
Treasurer	155,341	137,095	141,852	145,052	138,367	165,829	177,494	181,095	187,322	195,672
Auditor	246,090	195,511	182,117	180,416	194,914	172,498	188,562	197,023	198,471	201,906
Probate Judge	179,219	128,959	144,576	134,651	161,568	149,696	155,556	151,938	154,245	155,724
Clerk of Court	518,406	465,361	467,179	492,783	501,636	549,871	542,034	484,724	480,299	455,164
Sheriff	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	4,367,704
Magistrate	546,465	571,238	537,170	601,129	603,207	598,242	658,900	656,365	662,546	687,226
Veterans Affairs	99,590	108,363	113,967	113,401	117,868	105,951	85,452	84,009	86,641	108,545
Election Commission	236,943	218,932	172,179	229,723	189,724	237,012	211,264	226,443	202,508	234,239
Coroner	112,996	118,522	116,246	153,135	122,938	133,309	145,566	216,135	253,747	210,564
Interdepartmental	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	3,160,909
Health, Education, and Welfare	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	1,437,061
Interest Expense	132,747	329,636	335,501	766,858	850,242	957,203	916,856	920,388	1,554,125	888,148
Total Expenses	<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>	<u>31,131,962</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
Emergency Services Fees	722,390	1,089,184	973,303	964,665	952,994	1,169,567	1,299,304	1,242,621	1,133,456	1,135,127
Fines	522,713	676,356	617,023	554,554	444,629	389,434	451,735	480,927	614,145	598,211
Development Services Fees	751,992	642,678	529,801	570,657	718,872	816,226	585,637	905,471	857,960	1,121,032
Engineering Services	-	-	-	-	-	-	-	527,949	595,801	631,777
Administrative Services	1,061,116	344,399	387,734	789,301	853,623	718,152	812,303	240,023	324,521	341,406
Operating Grants and Contributions	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	3,245,923
Capital Grants and Contributions	394,806	909,934	-	367,661	1,046,722	443,934	1,416,623	2,543,774	5,551,282	4,234,844
General Revenues										
Taxes	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	26,635,371
Grants and Contributions not restricted to specific programs	1,153,872	896,719	825,630	771,748	1,329,591	1,063,635	1,279,897	1,047,710	995,085	1,054,625
Earnings on investments	88,067	68,728	62,185	60,442	28,465	25,864	15,325	3,570	-	-
Other	473,570	476,820	443,673	412,261	119,861	365,396	285,301	318,782	609,523	32,119
Total Revenues	<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>	<u>39,030,435</u>
Change in net position	(5,497,358)	(1,726,866)	(1,451,830)	932,574	685,995	263,609	1,444,929	3,105,992	4,577,257	7,898,473
Net Position-Beginning	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	14,924,166
Prior Period Adjustment	-	-	-	-	(1,633,857)	-	(15,316,453)	-	-	(9,661,401)
Net Position-Ending	<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>	<u>\$ 13,161,238</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Restricted	\$ -	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068	\$ 623,694	\$ 729,418
Assigned	-	-	-	-	-	542,000	1,200,000	1,400,000	1,400,000	1,700,000
Unassigned	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	11,175,135
Total General Fund	<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>	<u>\$ 13,604,553</u>
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 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	\$ 1,810,272
Nonspendable	-	-	-	-	-	-	-	-	-	293,108
Total Economic Development Fund	<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>	<u>\$ 2,103,380</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,980,189
Committed	-	-	-	766,968	455,066	342,905	-	79,529	49,784	49,784
Assigned	424,062	377,670	551,872	-	-	-	-	-	-	-
Total Capital Projects Fund	<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>	<u>\$ 3,029,973</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975	\$ 1,754,785
Total Debt Service Fund	<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>	<u>\$ 1,754,785</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	\$ 1,549,537
Assigned	-	-	-	103,337	66,012	-	-	-	-	-
Committed	912,609	454,792	320,171	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 1,549,537</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 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	\$ 26,343,869
Fines, Fees, and Licenses	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	3,827,553
Intergovernmental	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	6,064,045
Miscellaneous	561,637	574,828	567,411	1,039,387	2,021,768	452,878	790,823	1,378,744	2,498,262	2,595,360
Total Revenues	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	38,830,827
Expenditures										
Current:										
County Council	222,538	204,853	213,154	234,706	226,120	244,730	244,342	249,307	250,218	246,403
County Attorney	153,288	149,779	151,057	154,652	156,359	157,093	199,719	121,748	118,961	128,384
Administrator	356,342	395,149	402,354	462,518	486,419	417,627	475,621	470,195	510,047	537,561
Administrative Services	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	1,197,448
Development Services	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	3,241,474
Emergency Services	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	10,049,436
Information Technology	-	-	-	-	513,785	515,238	591,375	703,920	740,966	556,232
Engineering Services	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	2,368,185
Treasurer	151,414	138,511	139,932	144,769	138,095	168,632	175,003	181,218	184,739	193,959
Auditor	244,309	199,504	191,176	178,350	181,065	177,768	187,193	196,443	202,737	200,284
Probate Judge	177,124	133,452	144,576	134,651	161,568	149,696	151,686	150,659	153,235	155,724
Clerk of Court	511,780	463,147	462,929	488,949	518,360	543,988	536,843	479,603	478,907	452,933
Sheriff	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	4,121,481
Magistrate	533,569	568,644	542,008	591,428	602,265	601,822	634,959	658,429	665,561	680,224
Veterans Affairs	96,270	109,379	110,624	121,033	114,010	110,233	86,536	84,684	84,937	106,318
Election Commission	209,343	191,239	150,756	203,226	161,787	209,653	184,748	258,753	202,112	232,172
Coroner	111,908	117,434	115,968	152,138	121,620	135,457	145,546	216,135	253,668	210,564
Interdepartmental	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	1,283,027
Health, Education, and Welfare	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	1,437,061
Debt Service										
Principal	1,260,178	2,456,355	166,467	617,519	623,885	595,206	696,402	494,303	1,100,490	1,964,369
Interest	399,799	446,071	497,773	739,226	872,281	943,272	927,490	918,772	1,001,819	850,680
Bond Issuance Costs	-	-	-	-	-	-	-	-	394,413	-
Capital Outlay	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	5,847,856
Total Expenditures	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	36,061,775
Excess (deficiency) of revenues over (under) expenditures	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332	621,313	1,270,097	1,052,112	(93,009)	(56,642)	2,769,052
Other Financing Sources (Uses)										
Issuance of Debt	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	314,533	785,350
Refunding Bonds Issued	-	-	-	-	-	-	-	-	8,290,000	-
Premium on Debt Issuance	-	-	-	-	-	-	-	-	156,305	-
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	-	-	-	(7,240,000)	-
Transfers In	577,074	574,559	2,199,266	585,211	343,616	439,551	500,802	1,177,793	788,215	434,857
Transfers Out	(577,074)	(574,559)	(2,199,266)	(585,211)	(343,616)	(439,551)	(500,802)	(1,177,793)	(788,215)	(434,857)
Total Other Financing Sources (Uses)	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010	2,302,890	1,520,838	785,350
Net Change in Fund Balances	(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	3,554,402
Fund Balances, Beginning	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
Fund Balances, Ending	\$ 12,644,651	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458	\$ 11,787,792	\$ 13,442,627	\$ 14,813,749	\$ 17,023,630	\$ 18,487,826	\$ 22,042,228
Debt service as a percentage of noncapital expenditures	6.1%	10.8%	2.9%	5.8%	6.1%	6.3%	6.4%	5.5%	7.0%	9.3%

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	
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
2018	81,433,030	58,699,018	140,132,048	1,782,796,111	454,834,852	2,237,630,963	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
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
2018	93.00	49.00	12.00	154.00	166.00	25.00	32.00	126.48	120.00

Source: County Finance Office

The County did not have components to the rate prior to 2009.

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

Schedule 7

79

<u>TAXPAYER</u>	<u>2018</u>			<u>2009</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	\$ 11,006,835	1	7.85%	\$ 21,351,860	1	17.47%
Palmetto Electric	3,394,720	2	2.42%	2,699,530	3	2.21%
Georgia DOT	1,521,110	3	1.09%	2,260,350	4	1.85%
Charleston and Savannah RR	1,382,933	4	0.99%	-	-	0.00%
Peacock RE LLC	1,307,690	5	0.93%	-	-	0.00%
Dominion Carolina Gas Transmission	1,154,870	6	0.82%	1,347,990	5	1.10%
Auston Chase	1,050,370	7	0.75%	-	-	0.00%
Daniel Defense	966,261	8	0.69%	-	-	0.00%
Courtney Bend LLC	792,370	9	0.57%	-	-	0.00%
Okeetee Club	743,950	10	0.53%	720,950	8	0.59%
OC Welch	-	-	0.00%	921,570	6	0.75%
CSX Transportation	-	-	0.00%	899,026	7	0.74%
Toll SC	-	-	0.00%	705,500	9	0.58%
Walmart Real Estate Business	-	-	0.00%	686,390	10	0.56%
Malphrus Construction	-	-	0.00%	2,915,170	2	2.39%
Total	<u>\$ 23,321,109</u>		<u>16.64%</u>	<u>\$ 34,508,336</u>		<u>28.24%</u>

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
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%	598,662	16,448,024	96.3%
2018	17,352,310	16,187,168	93.3%	-	16,187,168	93.3%

08

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			
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
2018	5,632,431	464,512	804,370	13,487,967	-	20,389,280	2.6%	734.43

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
2018	5,632,431	1,754,785	3,877,646	2.8%	147.58

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, 2018**

<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	\$ 24,845,219	100.00%	\$ 24,845,219
City of Hardeeville	10,026,249	17.50%	1,754,594
Subtotal overlapping debt	<u>34,871,468</u>		<u>26,599,813</u>
County direct debt	<u>20,389,280</u>	100.00%	<u>20,389,280</u>
Total direct and overlapping debt	<u>\$ 55,260,748</u>		<u>\$ 46,989,093</u>

83

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**

Legal Debt Margin Calculation for Fiscal Year 2018

Assessed Value	\$ 140,132,048
Debt limit (8% of assessed value)	11,210,564
Debt applicable to limit:	
General Obligation	<u>(5,632,431)</u>
Total net debt applicable to limit	<u>(5,632,431)</u>
Legal Debt Margin	<u>\$ 5,578,133</u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 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	\$ 11,210,564
Total net debt applicable to limit	<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>	<u>(5,632,431)</u>
Legal debt margin	<u>\$ 9,777,311</u>	<u>\$ 9,804,378</u>	<u>\$ 9,855,492</u>	<u>\$ 5,568,525</u>	<u>\$ 5,021,598</u>	<u>\$ 5,504,433</u>	<u>\$ 5,749,777</u>	<u>\$ 5,497,591</u>	<u>\$ 5,630,666</u>	<u>\$ 5,578,133</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>50.2%</u>

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

Source: County Audit Report
County Auditor

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

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

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
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
2018	28,458	790,052	27,762	37.9	3,951	3.1

86

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

<u>EMPLOYER</u>	<u>2018</u>			<u>2009</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Jasper County School District	500	1	19.81 %	450	2	17.26 %
Coastal Carolina Medical Center	354	2	14.03	226	6	8.67
Wal-Mart	325	3	12.88	341	3	13.08
Jasper County	285	4	11.29	300	4	11.51
Peacock Auto Mall	256	5	10.14	-	-	-
Beaufort-Jasper Comprehensive Health	240	6	9.51	250	5	9.59
Cleland Construction Company	180	7	7.13	93	9	3.57
Ridgeland Correctional Institution	169	8	6.70	211	7	8.09
Tico Manufacturing	130	9	5.15	-	-	-
J.C. Board of Disabilities & Special Needs	85	10	3.37	74	10	2.84
Malphrus Construction	-	-	-	558	1	21.40
Total	<u>2,524</u>		<u>20.52 %</u>	<u>2,607</u>		<u>27.62 %</u>

87

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
County Council	6	6	6	6	6	6	6	6	6	6
Administrator	3	3	2	3	2	2	2	2	2	2
Administrative Services	22	19	17	16	16	16	16	17	17	18
Development Services	10	5	4	5	5	5	5	5	5	4
Emergency Services	7	6	4	4	4	4	4	4	4	4
Engineering Services	45	40	39	35	35	35	33	38	38	34
Treasurer	3	3	3	3	3	3	3	3	3	4
Auditor	5	4	4	4	4	4	4	4	4	4
Probate Judge	3	2	2	2	2	2	2	2	2	2
Clerk of Court	10	8	9	7	7	7	7	6	6	7
Sheriff	38	39	39	42	42	42	41	40	40	40
Magistrate	11	11	11	11	11	11	11	11	11	12
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	2	2	2	2	2	2	2	2	2	2
Coroner	2	3	2	2	2	2	2	3	3	3
Recreation	6	5	5	5	5	5	5	6	6	6
Fire & Rescue	42	39	38	43	47	47	47	42	42	43
Emergency Telecommunications	13	12	11	11	12	15	13	12	12	13
Information Technology	1	1	1	1	2	2	2	2	2	3
Detention	41	39	39	34	37	37	35	36	36	37
County Attorney	N/A	N/A	2	2	2	2	2	2	2	2
Total	272	249	242	240	248	251	244	245	245	248

Source: County Human Resources

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

Schedule 17

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REGISTER OF DEEDS										
Documents Recorded	5,606	5,429	4,737	5,654	6,713	5,697	6,032	5,638	5,620	5,369
SOLID WASTE										
Tons of Solid Waste Handled	9,866	9,956	5,353	7,399	7,048	9,967	8,446	9,499	9,657	10,548
BUILDING DEPARTMENT										
Residential Permits Issued	224	169	14	159	207	188	203	255	233	320
Value of Residential Permits	\$ 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	\$ 12,561,961
Commercial Permits Issued	127	44	4	30	35	62	64	58	81	79
Value of Commercial Permits	\$ 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	\$ 109,825,105
Mobile Home Permits Issued	116	92	82	120	103	86	104	68	85	94
PARKS & RECREATION										
Park Attendance	63,323	65,372	57,400	61,024	81,253	17,966 *	19,542	19,552	19,524	24,067
DETENTION CENTER										
Confinements	2,578	2,283	2,587	2,297	1,600	1,992	1,974	1,779	1,830	1,776
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	977	849	753	717	684	845	913	586	670	763
Gross Sales Within County	\$ 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	\$ 1,410,557,365
EMERGENCY SERVICES										
Calls Dispatched	40,061	47,359	50,811	50,952	46,271	49,479	51,080	51,384	55,609	62,958

* 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

<u>FUNCTION/PROGRAM</u>	Fiscal Year									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
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	8	8	8	8	8	9	9	11	11	12
Number of fire trucks	19	19	19	19	19	19	19	15	15	10
Number of ambulances	7	7	7	7	7	7	7	6	7	9
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	22
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	2	1 *	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, 2018**

<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		\$ -	\$ 122,449
<i>US Department of Agriculture</i>				
Passed through the SC State Forestry Commission Volunteer Fire Assistance Grants	10.664		-	15,000
<i>US Department of Transportation</i>				
Airport Improvement Program	20.106		-	3,674,455
<i>US Department of Homeland Security</i>				
Passed through the SC Department of Emergency Preparedness LEMPG Grant	97.042		-	65,955
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 3,877,859</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, 2018**

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, 2018. 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, 2018.

NOTE 4 PRIOR YEAR EXPENDITURES

Expenditures of \$37,637 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, 2018, 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 21, 2018.

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.

A handwritten signature in black ink that reads "Baird Audit Group, LLC". The script is cursive and fluid.

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
December 21, 2018



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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, 2018. 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, 2018.

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 21, 2018

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

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, 2018 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, 2018**

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, 2018, 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, 2018, which are required to be reported in accordance with 2 CFR section 200.516(a).