

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

COUNTY COUNCIL

BARBARA CLARK, CHAIRMAN

HENRY ETHERIDGE
THEODUS L. DRAYTON

D. THOMAS JOHNSON
L. MARTIN SAULS, IV

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE K. MALPHRUS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015

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INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

358 Third Avenue – Courthouse Square – Post Office Box 1149
Ridgeland, South Carolina 29936 - 843-717-3690 – Fax: 843-726-7800

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 7, 2015

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 accounting 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, 2015.

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

The County's financial statements have been audited by Baird & Company CPAS, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2015 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 unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with GAAP. The independent auditors' reports are 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 assets 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 founded in 1912 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 27,170. 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 courts service. The County underwent a salary and staffing study 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 54-56 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 2016 assessable base is \$123,246,225, up 6.0% from the assessable base of \$116,201,942 in fiscal year 2015. The County's private sector average weekly wage increased 1.8% from \$668 last year to the current \$680. The U.S. Census reports that the median household income for Jasper County is \$36,413.

The 2014 U.S. Census population estimate for Jasper County is 27,170. 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 9.7% population percentage increase in Jasper County from April 1, 2010 to July 1, 2014. The State of South Carolina experienced a 4.5% population increase statewide during the same period.

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

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

As a result of The Great Recession, Jasper County experienced a growth slow-down yet continues to grow at roughly 2%-3% each year. The impact of the recession and resulting construction slowdown in Jasper County was hard felt, as many private sector jobs in Jasper County were traditionally construction or service-related supporting growth and tourism in the region.

Jasper County's unemployment rate is currently 4.7% which is the lowest county unemployment rate in the state. The state unemployment rate is 5.6%. 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 and Jasper 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 new speculative building is under construction in Point South which is located at Exit 33 on I-95. A new speculative building will also be constructed in the County-owned Cypress Ridge Business/Industrial Park just west of the interstate and the Town of Ridgeland. Jasper County and the Town of Ridgeland have previously worked toward developing a new industrial park along I-95 between Exits 21 & 22 in Ridgeland known as the Ridgeland Industrial Park. Jasper County and the City of Hardeeville have worked together to develop a City-owned industrial park named the Hardeeville Commerce Park located along I-95 at Exit 5. Additionally, the County is in the process of constructing a new runway at the Ridgeland-Claude Dean Airport in Ridgeland to improve safety and increase business development opportunities in the County. The project is anticipated to cost \$20 million and is eligible for 90% grant funding from the Federal Aviation Administration (FAA) and 5% grant funding from the SC Aeronautics Commission.

Since 2007, the States of Georgia and South Carolina have been working together, through a bi-state effort, to develop and operate a new deep-water shipping terminal in Jasper County on approximately 1,500 acres of land located in the southern portion of Jasper County along the Savannah River. This port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office to oversee the design and development of the new port. All preliminary design and feasibility studies have been completed for the new port. The permitting process through the U.S. Army Corps of Engineers began in November 2015. The new port is anticipated to be operational in 2028.

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 assure that the future cost of providing County services did not exceed the revenues received from the new growth. To that end, the County has maintained a growth management strategy that encourages a vast majority of all of the residential and commercial development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland.

With most of the planned residential and commercial development, Jasper County and the municipalities of Hardeeville and Ridgeland were involved in jointly negotiating development agreements with developer fees that offset the initial cost of providing additional government services beyond property tax revenue generated from the development. Fees were assessed to assist the entities with providing school, library, police, fire, and parks and recreation infrastructure. When and if all of the residential and commercial development proceeds as proposed, the County and its municipalities will receive over \$300 million in voluntary developer fees.

The Jasper County Council also supports the development of affordable housing to ensure that affordable housing opportunities remain in Jasper County as the area grows. A housing needs assessment was completed for Jasper County in 2008. Since that time, new affordable rental, single-family home construction, and rehabilitation projects have been completed. The County has provided direct financial support for some of these projects. Jasper County also provides an annual budget appropriation to a non-profit organization developing affordable housing in the County.

Since The Great Recession, the County reacted to uncertain financial conditions by cutting its operating budget, reducing its workforce, and controlling expenditures. Two years ago, the County was able to see the positive results of making those difficult financial management decisions. The County's bond rating with Standard & Poor's increased from A+ to AA- and the County ended the year with expenditures under budget and a substantial increase in fund balance. Again this year, the County experienced positive results. Expenditures are under budget by \$254,460, fund balance has increased \$1,371,122, combined ending fund balance is \$14,813,749, and the unassigned fund balance for the general fund is \$8,964,563 or 37% of total fund expenditures.

Since 2007, the County has progressed from struggling to provide services with shrinking revenue sources and a depleted fund balance through budgeting to provide services with relatively flat revenues to now seeing increased revenue from growth and solid growth in fund balance. The combined, multi-year efforts to institute financial austerity measures, reduce basic operating expenditures and defer capital purchases have greatly benefited the County. Again this year, the County will be in the fortunate position to be able to consider using some of its fund balance to make building repairs, replace equipment, and buy rolling stock without having to finance such projects and purchases.

Significant Financial Policies

The County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required the restatement of net position at June 30, 2014 and the reporting of its net pension liability each year going forward.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. This was the 17th 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,

A handwritten signature in black ink, appearing to read 'A. P. Fulghum', written in a cursive style.

Andrew P. Fulghum
County Administrator

A handwritten signature in black ink, appearing to read 'Ronnie K. Malphrus', written in a cursive style.

Ronnie Malphrus
Deputy Administrator-Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

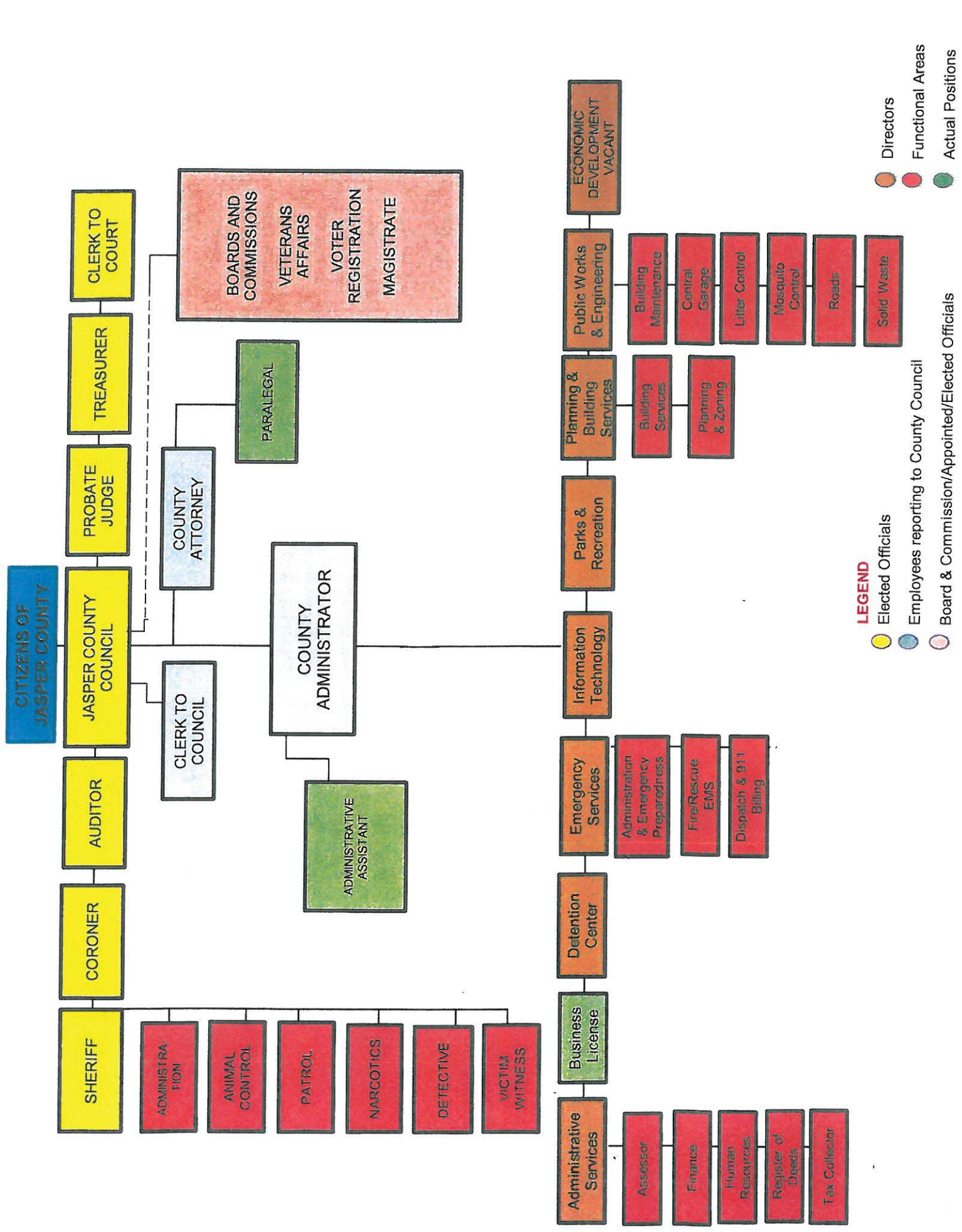
Presented to

Jasper County
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



LEGEND

- Yellow circle: Elected Officials
- Blue circle: Employees reporting to County Council
- Green circle: Board & Commission/Appointed/Elected Officials
- Orange circle: Directors
- Red circle: Functional Areas
- Light green circle: Actual Positions

FINANCIAL SECTION

**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015**

TITLE	NAME
Chairman – County Council.....	Barbara Clark
Vice Chairman – County Council.....	L. Martin Sauls, IV
Council Member.....	Theodus L. Drayton
Council Member.....	Henry Etheridge
Council Member.....	D. Thomas Johnson
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley
Treasurer.....	Verna Garvin
Sheriff.....	Gregory Jenkins
Auditor.....	Hazel Holmes

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, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 audits 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, 2015, and the respective changes in financial position 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 Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund, Schedule of the Proportionate Share of the Net Pension Liability, and Schedule of Contributions on pages 12-19 and 54-58 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 audits 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 and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, 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 awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, 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, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, 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 7, 2015, 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.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 7, 2015

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, 2015. 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 County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement of the beginning net position in governmental activities of \$15,316,453 and an end of year balance of \$15,403,531 for the net pension liability.
- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$7,240,917 (net position).
- The County's total net position increased by \$1,444,929
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$14,813,749, an increase of \$1,371,122.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,964,563 or 40% of total fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Jasper County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets, liabilities, and deferred outflows/inflows of resources with the difference reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, finance, public works, sanitation, emergency services, codes and law enforcement, courts, economic development, health, education and welfare, and parks, recreation and tourism. The County currently has no business type activities.

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

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-53 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 54-56 and historical pension information on pages 57-58.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 59-61 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 exceeded liabilities by \$7,240,917 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		
	2015	2014
Current and Other Assets		
Cash and Other Assets	\$ 18,030,510	\$ 16,896,290
Capital Assets	32,936,928	31,939,900
Total Assets	<u>50,967,438</u>	<u>48,836,190</u>
Deferred Outflows of Resources	1,554,262	-
Long-term Liabilities Outstanding	41,900,880	24,887,106
Other Liabilities	1,829,969	2,836,642
Total Liabilities	<u>43,730,849</u>	<u>27,723,748</u>
Deferred Inflows of Resources	1,549,934	-
Net Position		
Net Investment in Capital Assets	13,998,492	12,769,520
Restricted	2,135,942	2,332,105
Unrestricted	(8,893,517)	6,010,817
Total Net Position	<u>\$ 7,240,917</u>	<u>\$ 21,112,442</u>

By far the largest portion of the County's net position \$13,998,492 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 \$2,135,942 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.

The balance of \$(8,893,517) represents a deficit in unrestricted net position. This deficit relates to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement to decrease the beginning net position by \$15,316,453.

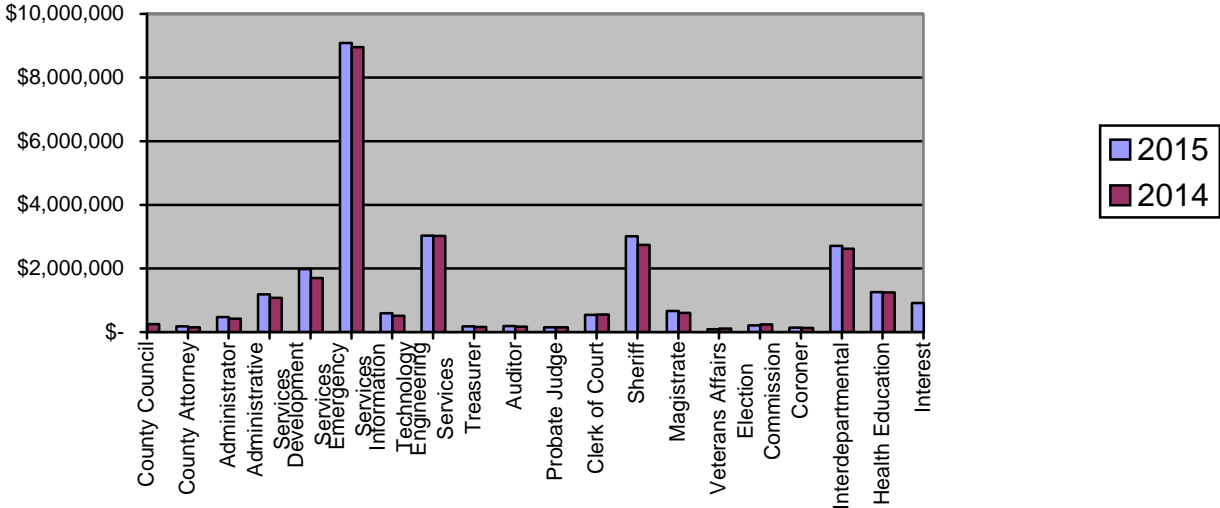
Governmental activities. The County's total net position increased by \$1,444,929 in 2015 compared to an increase of \$263,609 in 2014. Key elements of this increase are as shown in the following table.

JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2015	2014
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,148,979	\$ 3,093,379
Operating Grants and Contributions	1,182,931	759,123
Capital Grants and Contributions	1,416,623	443,934
General Revenues:		
Property Taxes	17,774,631	17,004,900
Other Taxes	3,184,234	3,266,973
Grants and Contributions not restricted to specific programs	1,279,897	1,063,635
Other	300,626	391,260
Total Revenues	<u>28,287,921</u>	<u>26,023,204</u>
Expenses:		
County Council	247,869	254,207
County Attorney	180,703	153,760
Administrator	475,399	417,323
Administrative Services	1,183,860	1,073,387
Development Services	1,977,275	1,694,855
Emergency Services	9,089,407	8,955,251
Information Technology	597,297	515,238
Engineering Services	3,033,537	3,021,142
Treasurer	177,494	165,829
Auditor	188,562	172,498
Probate Judge	155,556	149,696
Clerk of Courts	542,034	549,871
Sheriff	3,010,819	2,739,914
Magistrate	658,900	598,242
Veterans Affairs	85,452	105,951
Election Commission	211,264	237,012
Coroner	145,566	133,309
Interdepartmental	2,711,506	2,622,246
Health, Education and Welfare	1,253,636	1,242,661
Interest Expense	916,856	957,203
Total Expenses	<u>26,842,992</u>	<u>25,759,595</u>
Change in net position	1,444,929	263,609
Net position - beginning	21,112,441	20,848,832
Prior Period Restatement	(15,316,453)	-
Net position - ending	<u>\$ 7,240,917</u>	<u>\$ 21,112,441</u>

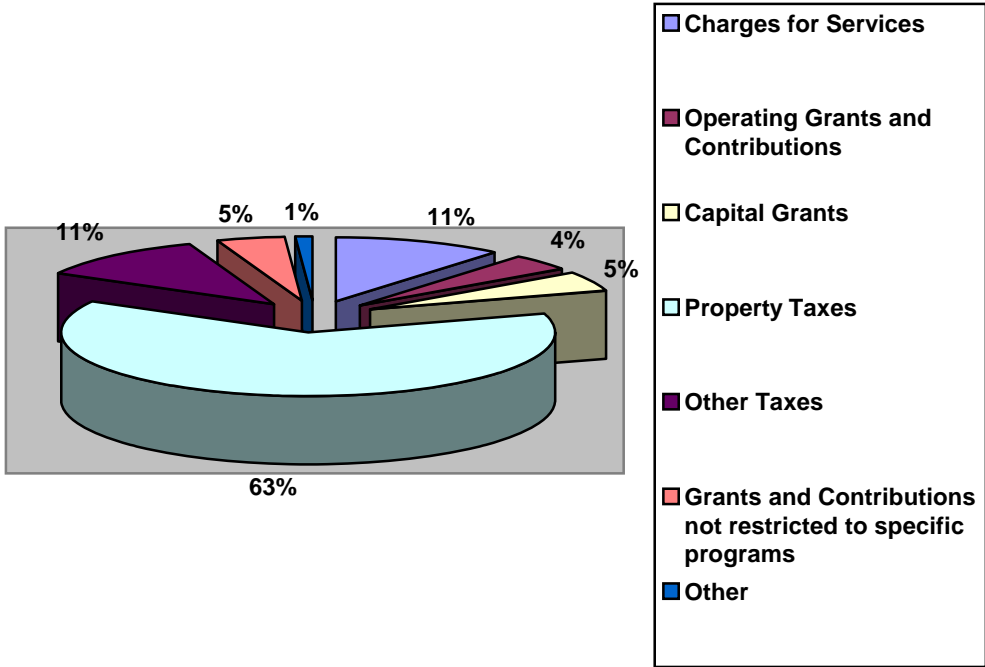
Total revenues were up \$2,264,717 and expenses were up \$1,083,397 most of which related to an increase in operating and capital grants.

The prior period restatement in 2015 relates to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which required a restatement to decrease the beginning net position by \$15,316,453.

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 \$14,813,749, an increase of \$1,371,122 in comparison with an increase of \$1,654,836 in the prior year.

The fund balance of the County's General Fund increased by \$1,822,923 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$1,990,865. This positive variance can be explained as follows:
 - Taxes were over budget \$1,375,048. This is attributable to a higher than expected assessed value.
- Overall expenditures were under budget by \$254,460. This positive variance can be explained as follows:
 - Employee turnover, retirements, and delays in filling County position created a positive variance on the salaries and benefits budgeted.

The debt service fund has a total fund balance of \$768,263 which is restricted for future debt payments.

The economic development fund has a total fund balance of \$1,989,847, a portion of which is nonspendable property held for resale \$1,100,180 and assigned for future projects \$889,667.

The capital projects fund has a total fund balance of \$0 because the County is waiting for reimbursements for funds expended on various projects at year end.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. During the current fiscal year, County Council did not approve any supplemental budget increases or reductions. There were positive variances in both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2015 amounts to \$32,936,928 (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:

Health Department building & other building improvements	\$ 649,269
Construction in progress: Ridgeland Airport	864,660
Jaws of life, kitchen equipment, fingerprinting scanner, sound system, radios	132,883
Fire tankers, Dodge Chargers, Ford Explorer, Ambulance	665,686
Total Capital Outlay	<u>\$ 2,312,498</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 \$41,900,880. The County's total long-term obligations decreased by \$358,326 during the current fiscal year. The County issues a \$1.5 million General Obligation Bond in 2015 but only sold \$111,277 before June 30th. The County added a new capital lease of \$300,000 for emergency vehicles. All other long-term debt was paid as scheduled. Post employment benefits increased by \$828,082. GASB Statement No. 68 was implemented and is reflected in the summary below. Changes in outstanding debt are summarized below.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS		
	Governmental Activities	
	2015	2014
Bank loans	\$ 637,386	\$ 755,071
Capital Leases	1,002,519	771,236
General obligation bonds	4,611,277	4,500,000
Revenue bond	13,324,640	13,833,790
Compensated absences	876,490	806,455
Net Pension Liability*	15,403,531	16,375,699
Other post employment benefits	6,045,037	5,216,955
Total	<u>\$ 41,900,880</u>	<u>\$ 42,259,206</u>

*GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, was implemented in the fiscal year ended June 30, 2015. The net position was restated for the net pension liability as of July 1, 2014.

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the County is \$10,361,054. There is \$4,611,277 of general obligation debt issued in 2011 and 2015 to offset this limit for a legal debt margin of \$5,749,777.

Additional information on the County's long-term debt can be found in note 6 on page 38 of this report.

Economic Factors and Next Year's Budget

- Unemployment as of June 2015 stands at 5.9% versus 6.0% a year ago. In comparison, the state's unemployment rate is 6.6% and the national rate is 5.3% as of June 2015.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2014 tax year increased from \$125,055,407 to \$129,513,171.

All of these factors were considered in preparing the County's budget for the 2015 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$8,964,563. The County set millage for the 2016 budget year at 142, which is the same as the previous year. Budgeted expenditures for 2016 are projected to increase 0.6% to \$24,329,171 from \$22,951,866 in 2015. Also, the County has budgeted 12 mills for the debt service fund to retire the bonds.

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, 2015**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 9,987,904
Receivables	3,607,561
Lease Receivable	637,386
Restricted Cash	2,526,478
Property Held for Resale	1,100,180
Prepaid Insurance	171,001
Capital Assets not being depreciated	
Land	2,664,566
Construction in Progress	864,660
Capital Assets being depreciated	
Buildings and Improvements	21,047,310
Machinery and Equipment	2,029,694
Vehicles	1,584,944
Infrastructure	4,745,754
Total Assets	50,967,438
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	1,554,262
Total Deferred Outflows of Resources	1,554,262
Total Assets and Deferred Outflows of Resources	\$ 52,521,700
LIABILITIES	
Accounts Payable	\$ 1,072,450
Salaries and Benefits Payable	444,499
Unearned Revenue	111,249
Accrued Interest	201,771
Noncurrent Liabilities	
Due within one year	744,321
Due in more than one year	41,156,559
Total Liabilities	43,730,849
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	1,549,934
Total Deferred Inflows of Resources	1,549,934
NET POSITION	
Net Investment in Capital Assets	13,998,492
Restricted for:	
Law Enforcement	75,504
Debt Service	768,263
Tourist related expenditures	543,781
E911 expenditures	748,394
Unrestricted	(8,893,517)
Total Net Position	7,240,917
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 52,521,700

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, 2015**

<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	\$ 247,869	\$ -	\$ -	\$ -	\$ (247,869)
County Attorney	180,703	-	-	-	(180,703)
Administrator	475,399	-	-	-	(475,399)
Administrative Services	1,183,860	267,277	-	-	(916,583)
Development Services	1,977,275	663,734	201,988	1,416,623	305,070
Emergency Services	9,089,407	1,299,304	107,537	-	(7,682,566)
Information Technology	597,297	-	-	-	(597,297)
Engineering Services	3,033,537	466,929	458,134	-	(2,108,474)
Treasurer	177,494	-	1,575	-	(175,919)
Auditor	188,562	-	1,575	-	(186,987)
Probate Judge	155,556	26,861	1,575	-	(127,120)
Clerk of Court	542,034	118,538	89,510	-	(333,986)
Sheriff	3,010,819	48,624	288,307	-	(2,673,888)
Magistrate	658,900	257,712	4,556	-	(396,632)
Veterans Affairs	85,452	-	-	-	(85,452)
Election Commission	211,264	-	28,174	-	(183,090)
Coroner	145,566	-	-	-	(145,566)
Interdepartmental	2,711,506	-	-	-	(2,711,506)
Health, Education and Welfare	1,253,636	-	-	-	(1,253,636)
Interest	916,856	-	-	-	(916,856)
Total Governmental Activities	<u>\$ 26,842,992</u>	<u>\$ 3,148,979</u>	<u>\$ 1,182,931</u>	<u>\$ 1,416,623</u>	<u>(21,094,459)</u>
General Revenues					
Property Taxes					17,774,631
Local Option Sales Taxes					2,786,971
Franchise Taxes					34,014
Accommodation and Hospitality Taxes					363,249
Grants and contributions not restricted to specific programs					1,279,897
Earnings on investments					15,325
Miscellaneous					285,301
Total General Revenues, Special Items and Transfers					<u>22,539,388</u>
Change in net position					1,444,929
Net position, beginning					21,112,441
Prior period restatement (see note 14)					(15,316,453)
Net position, ending					<u>\$ 7,240,917</u>

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

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 9,589,566	\$ -	\$ 322,834	\$ -	\$ 75,504	\$ 9,987,904
Receivables - net	2,643,158	62,136	2,442	865,956	33,869	3,607,561
Restricted Cash	520,978	743,263	-	-	1,262,237	2,526,478
Interfund Receivables	-	-	674,491	-	-	674,491
Property Held for Resale	-	-	1,100,180	-	-	1,100,180
Total Assets	<u>\$ 12,753,702</u>	<u>\$ 805,399</u>	<u>\$ 2,099,947</u>	<u>\$ 865,956</u>	<u>\$ 1,371,610</u>	<u>\$ 17,896,614</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 880,622	\$ -	\$ 6,374	\$ 183,942	\$ 1,512	\$ 1,072,450
Salaries and Benefits Payable	444,499	-	-	-	-	444,499
Unearned Revenue	-	-	103,726	7,523	-	111,249
Interfund Payables	-	-	-	674,491	-	674,491
Total Liabilities	<u>1,325,121</u>	<u>-</u>	<u>110,100</u>	<u>865,956</u>	<u>1,512</u>	<u>2,302,689</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	<u>743,040</u>	<u>37,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,176</u>
Total Deferred Inflows of Resources	<u>743,040</u>	<u>37,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>780,176</u>
Fund Balances						
Assigned	1,200,000	-	889,667	-	-	2,089,667
Nonspendable	-	-	1,100,180	-	-	1,100,180
Restricted	520,978	768,263	-	-	1,370,098	2,659,339
Unassigned	<u>8,964,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,964,563</u>
Total Fund Balances	<u>10,685,541</u>	<u>768,263</u>	<u>1,989,847</u>	<u>-</u>	<u>1,370,098</u>	<u>14,813,749</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,753,702</u>	<u>\$ 805,399</u>	<u>\$ 2,099,947</u>	<u>\$ 865,956</u>	<u>\$ 1,371,610</u>	<u>\$ 17,896,614</u>

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

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

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

Total fund balances for governmental funds \$ 14,813,749

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	\$ 2,664,566	
Construction in Progress	864,660	
Buildings and Improvements, net of \$5,856,885 accumulated depreciation	21,047,310	
Machinery and Equipment, net of \$3,295,730 accumulated depreciation	2,029,694	
Vehicles, net of \$3,965,975 accumulated depreciation	1,584,944	
Infrastructure, net of \$1,575,134 accumulated depreciation	<u>4,745,754</u>	
Total Capital Assets		32,936,928

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 780,176

Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds. 637,386

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	1,554,262	
Deferred inflows of resources:		
Related to pensions	<u>(1,549,934)</u>	
Total deferred outflows and inflows of resources		4,328

Prepaid insurance costs that are amortized over a period of years that are reported as expenditures in the funds. 171,001

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, 2015 are:

Net Pension Liability	(15,403,531)	
Accrued Interest Payable	(201,771)	
Post Retirement Benefits Payable	(6,045,037)	
Bonds, Notes and Leases Payable	(19,575,822)	
Compensated Absences	<u>(876,490)</u>	
Total Long-Term Liabilities		<u>(42,102,651)</u>

Total net position of governmental activities \$ 7,240,917

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, 2015

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 17,336,989	\$ 1,356,372	\$ -	\$ -	\$ 270,027	\$ 18,963,388
Fines, Fees and Licenses	4,755,681	999	101,013	-	362,545	5,220,238
Intergovernmental	1,564,253	-	-	1,977,519	9,813	3,551,585
Miscellaneous	332,808	52	221,987	88,641	147,335	790,823
Total Revenues	<u>23,989,731</u>	<u>1,357,423</u>	<u>323,000</u>	<u>2,066,160</u>	<u>789,720</u>	<u>28,526,034</u>
EXPENDITURES						
Current:						
County Council	244,342	-	-	-	-	244,342
County Attorney	199,719	-	-	-	-	199,719
Administrator	475,621	-	-	-	-	475,621
Administrative Services	1,179,860	-	-	-	-	1,179,860
Development Services	947,335	-	475,267	281,520	203,581	1,907,703
Emergency Services	8,684,196	-	-	94,554	27,767	8,806,517
Information Technology	591,375	-	-	-	-	591,375
Engineering Services	2,259,331	-	-	448,319	8,991	2,716,641
Treasurer	175,003	-	-	-	-	175,003
Auditor	187,193	-	-	-	-	187,193
Probate Judge	151,686	-	-	-	-	151,686
Clerk of Court	536,843	-	-	-	-	536,843
Sheriff	2,799,247	-	-	5,232	135,266	2,939,745
Magistrate	634,959	-	-	-	-	634,959
Veterans Affairs	86,536	-	-	-	-	86,536
Election Commission	184,748	-	-	-	-	184,748
Coroner	145,546	-	-	-	-	145,546
Interdepartmental	1,169,799	60	-	-	-	1,169,859
Health, Education and Welfare	1,253,636	-	-	-	-	1,253,636
Debt Service:						
Principal	134,071	510,000	-	52,331	-	696,402
Interest	24,132	871,460	-	31,898	-	927,490
Capital Outlay:						
Development Services	36,409	-	-	864,660	-	901,069
Sheriff	147,336	-	-	-	-	147,336
Emergency Services	297,621	-	26,750	312,983	-	637,354
Interdepartmental	-	-	-	549,877	-	549,877
Clerk of Court	26,862	-	-	-	-	26,862
Total Expenditures	<u>22,573,406</u>	<u>1,381,520</u>	<u>502,017</u>	<u>2,641,374</u>	<u>375,605</u>	<u>27,473,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,416,325</u>	<u>(24,097)</u>	<u>(179,017)</u>	<u>(575,214)</u>	<u>414,115</u>	<u>1,052,112</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	411,277	-	411,277
Bond Issue Costs	-	-	-	(92,267)	-	(92,267)
Transfers In	453,700	-	-	-	47,102	500,802
Transfers Out	(47,102)	-	(102,000)	(86,700)	(265,000)	(500,802)
Total Other Financing Sources (Uses)	<u>406,598</u>	<u>-</u>	<u>(102,000)</u>	<u>232,310</u>	<u>(217,898)</u>	<u>319,010</u>
Net change in fund balances	1,822,923	(24,097)	(281,017)	(342,904)	196,217	1,371,122
Fund balances, beginning	8,862,618	792,360	2,270,864	342,904	1,173,881	13,442,627
Fund balances, ending	<u>\$ 10,685,541</u>	<u>\$ 768,263</u>	<u>\$ 1,989,847</u>	<u>\$ -</u>	<u>\$ 1,370,098</u>	<u>\$ 14,813,749</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, 2015**

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

Net change in fund balances - total governmental funds	\$	1,371,122
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,262,498) was more than depreciation (\$1,182,340) in the current period.		1,080,158
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.		(83,130)
--	--	----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are as follows:

Repayment of Principal	\$ 696,402		
Issuance of Bonds	<u>(411,277)</u>		285,125

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(238,113)
--	--	-----------

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

Pension contributions	1,130,998		
Cost of benefits earned net of employee contributions	<u>(1,213,748)</u>		(82,750)

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

Other Post Employment Benefits	(828,082)		
Compensated Absences	(70,035)		
Accrued Interest, Premiums, and Discounts	<u>10,634</u>		<u>(887,483)</u>

Total change in net position of governmental activities	\$	<u><u>1,444,929</u></u>
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**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015**

	Agency Funds
ASSETS	
Cash	\$ 15,360,110
Total Assets	<u>\$ 15,360,110</u>
LIABILITIES	
Due to Others	\$ 15,360,110
Total Liabilities	<u>\$ 15,360,110</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, 2015**

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, 2015**

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 resources accumulated and payments made for economic development of the County.

The *capital projects fund* accounts for the resources accumulated and payments made for specific major capital projects.

The *debt service fund* accounts for the resources 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, 2015**

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, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Information

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

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the County Administrator. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make several supplemental budgetary appropriations throughout the year, however, there were no supplemental budgetary appropriations made in the general fund during the year.

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

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

Deposits and Investments

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

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

Obligations of the United States, its agencies and instrumentalities;

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

Inventories

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

Capital Assets

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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.

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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 fiscal year 2015 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, 2015**

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, 2015, the County had the following cash and investments that are included in governmental funds of \$11,930,956 and the agency fund cash of \$15,360,110.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 411,873	\$ 1,238,115
Certificates of Deposit	12 months or less	9,022,692	9,022,692
US Government Securities	Daily	496,354	496,354
<u>Cash</u>			
Checking Accounts		17,359,747	17,894,638
Change Funds		400	-
Total Deposits and Investments		<u>\$ 27,291,066</u>	<u>\$ 28,651,799</u>

* Account is swept daily. \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2015 is \$306,708.

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, 2015, the bank balance was \$28,651,799. All of the County's deposits at year end were covered by federal depository insurance and or by collateral held in the pledging financial institution. Therefore, none of the County's deposits were exposed to custodial credit risk as of June 30, 2015.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3 RECEIVABLES

Receivables at June 30, 2015, 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>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 4,939,532	\$ 248,544	\$ -	\$ -	\$ 5,188,076
Fines and Fees	3,990,574	-	-	-	3,990,574
Intergovernmental	398,791	-	2,442	899,825	1,301,058
Other	4,695	-	-	-	4,695
Gross receivables	9,333,592	248,544	2,442	899,825	10,484,403
Allowance for doubtful accounts	(6,690,434)	(186,408)	-	-	(6,876,842)
Net total receivables	<u>\$ 2,643,158</u>	<u>\$ 62,136</u>	<u>\$ 2,442</u>	<u>\$ 899,825</u>	<u>\$ 3,607,561</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	-	103,726
Property taxes not collected within 60 Days	780,176	-
Total	<u>\$ 780,176</u>	<u>\$ 111,249</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, 2015 is \$637,387. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 54,893	\$ 29,336	\$ 84,229
2017	57,581	26,648	84,229
2018	60,400	23,829	84,229
2019	63,358	20,871	84,229
2020	66,460	17,769	84,229
2021-2025	334,694	37,316	372,010
Total	<u>\$ 637,386</u>	<u>\$ 155,769</u>	<u>\$ 793,155</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2015 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2015</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,601,583	\$ 62,983	\$ -	\$ 2,664,566
Construction in progress	60,670	864,660	60,670	864,660
Total capital assets, not being depreciated	<u>2,662,253</u>	<u>927,643</u>	<u>60,670</u>	<u>3,529,226</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	26,409,555	646,956	152,323	26,904,188
Machinery and equipment	5,192,548	132,883	-	5,325,431
Vehicles	5,010,709	665,686	125,476	5,550,919
Infrastructure	6,320,888	-	-	6,320,888
Total capital assets being depreciated	<u>42,933,700</u>	<u>1,445,525</u>	<u>277,799</u>	<u>44,101,426</u>
Less accumulated depreciation for:				
Buildings and improvements	5,369,390	506,688	19,193	5,856,885
Machinery and equipment	2,983,801	311,929	-	3,295,730
Vehicles	3,886,394	205,057	125,476	3,965,975
Infrastructure	1,416,468	158,666	-	1,575,134
Total accumulated depreciation	<u>13,656,053</u>	<u>1,182,340</u>	<u>144,669</u>	<u>14,693,724</u>
Total capital assets being depreciated, net	<u>29,277,647</u>	<u>263,185</u>	<u>133,130</u>	<u>29,407,702</u>
Governmental activity capital assets, net	<u>\$ 31,939,900</u>	<u>\$ 1,190,828</u>	<u>\$ 193,800</u>	<u>\$ 32,936,928</u>

Construction in progress consists of work on the airport acquisition and construction.

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

<u>Governmental Activities</u>	
Development Services	\$ 71,024
Emergency Services	242,684
Engineering Services	231,231
Clerk of Court	866
Sheriff	62,345
Election Commission	26,505
Interdepartmental	547,685
Total depreciation expense - governmental activities	<u>\$ 1,182,340</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Capital Projects	\$ 674,491
		\$ 674,491

The \$674,491 due to the economic fund from the capital project fund represents shortfalls of cash in the capital project fund that occurred while waiting for grant reimbursements.

Interfund Transfers

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated. No amounts were reported in the government-wide financial statements, as the amount did not involve transfers of financial resources.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund / Nonmajor E-911		
Reimburse E-911 expenses	\$ 115,000	\$ 115,000
General Fund/Capital Projects Fund		
For grant matching of funds	86,700	86,700
General Fund/ Economic Development Fund		
For payment on SC Economic Alliance	102,000	102,000
Nonmajor State A-Tax / General Fund	47,102	47,102
Local A-Tax funds to General Fund as budgeted	150,000	150,000
Total Transfers In and Out	\$ 500,802	\$ 500,802

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2015.

Governmental Activities	June 30, 2014	Increases	Decreases	June 30, 2015	Due Within A Year
Bank loans	\$ 755,071	\$ -	\$ 117,685	\$ 637,386	\$ 54,893
Capital leases	771,236	300,000	68,717	1,002,519	129,727
General obligation bond	4,500,000	111,277	-	4,611,277	9,701
Revenue Bonds	510,000	-	510,000	-	-
Revenue Bonds	11,315,000	-	-	11,315,000	55,000
Revenue Bonds	2,255,000	-	-	2,255,000	195,000
Plus amount for bonds issued at a premium	107,263	-	12,242	95,021	-
Less amounts for bonds issued at a discount	(353,473)	-	(13,092)	(340,381)	-
Total	<u>19,860,097</u>	<u>411,277</u>	<u>695,552</u>	<u>19,575,822</u>	<u>444,321</u>
Net pension liability*	16,375,699	1,637,012	2,609,180	15,403,531	-
Compensated absences	806,455	378,794	308,759	876,490	300,000
Other post employment benefits	5,216,955	828,082	-	6,045,037	-
Total	<u>\$ 42,259,206</u>	<u>\$ 3,255,165</u>	<u>\$ 3,613,491</u>	<u>\$ 41,900,880</u>	<u>\$ 744,321</u>

*Beginning net position was restated in accordance with generally accepted accounting principles for GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

Long-term debt payable at June 30, 2015 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%.	\$ 637,386
Total Bank Loans Payable	<u>\$ 637,386</u>

The annual requirements to amortize the debt at June 30, 2015 is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 54,893	\$ 29,336	\$ 84,229
2017	57,581	26,648	84,229
2018	60,400	23,829	84,229
2019	63,358	20,871	84,229
2020	66,460	17,769	84,229
2021-2025	334,694	37,316	372,010
Total	<u>\$ 637,386</u>	<u>\$ 155,769</u>	<u>\$ 793,155</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds	Balance
\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.	\$ 4,500,000
\$1,500,000 General Obligation Series 2015 with semi-annual interest payments at 2.99% interest and annual principal, matures in 10 years for the acquisition and construction of the Ridgeland Airport facility.	111,277
Total General Obligation Bonds	\$ 4,611,277

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ -	\$ 225,063	\$ 225,063
2017	30,000	225,063	255,063
2018	30,000	222,963	252,963
2019	35,000	220,863	255,863
2020	35,000	218,413	253,413
2021-2025	195,000	1,069,465	1,264,465
2026-2030	230,000	1,017,065	1,247,065
2031-2035	295,000	928,590	1,223,590
2036-2040	2,845,000	667,640	3,512,640
2041	805,000	38,238	843,238
Total	\$ 4,500,000	\$ 4,833,363	\$ 9,333,363

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 9,701	\$ 3,255	\$ 12,956
2017	9,993	2,963	12,956
2018	10,295	2,662	12,957
2019	10,605	2,352	12,957
2020	10,924	2,032	12,956
2021-2025	59,759	5,023	64,782
Total	\$ 111,277	\$ 18,287	\$ 129,564

Revenue Bond	Balance
The County issued installment purchase revenue bonds Series 2011A in the amount of \$11,915,000 to pay off the Bond Anticipation notes which were used for construction of the County office building.	\$ 11,315,000
Total Revenue Bond	\$ 11,315,000

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 55,000	\$ 557,431	\$ 612,431
2017	240,000	556,194	796,194
2018	270,000	546,594	816,594
2019	280,000	535,794	815,794
2020	290,000	524,594	814,594
2021-2025	1,655,000	2,436,026	4,091,026
2026-2030	2,120,000	2,003,875	4,123,875
2031-2035	2,755,000	1,406,550	4,161,550
2036-2040	1,065,000	785,136	1,850,136
2041-2044	2,585,000	369,861	2,954,861
Total	<u>\$ 11,315,000</u>	<u>\$ 9,722,055</u>	<u>\$ 21,037,055</u>

Revenue Bond

Balance

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.

\$ 2,255,000

Total Revenue Bond

\$ 2,255,000

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 195,000	\$ 79,650	\$ 274,650
2017	100,000	75,750	175,750
2018	60,000	73,750	133,750
2019	65,000	71,950	136,950
2020	65,000	70,000	135,000
2021-2025	350,000	319,850	669,850
2026-2030	420,000	251,400	671,400
2031-2035	510,000	160,600	670,600
2036-2039	490,000	50,000	540,000
Total	<u>\$ 2,255,000</u>	<u>\$ 1,152,950</u>	<u>\$ 3,407,950</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Capital Leases	Balance
\$923,021 capital leases for purchase of John Deere heavy equipment costing \$1,238,021 with accumulated depreciation of \$121,824.	\$ 702,519
\$300,000 capital lease for purchases of 5 used fire tankers with annual payments of \$61,947 for five years including interest at 1.19%.	300,000
Total Capital Leases	\$ 1,002,519

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

Fiscal Year Ending June 30,	Amount
2016	\$ 146,946
2017	146,947
2018	622,947
2019	61,946
2020	61,946
Sub-total	1,040,732
Less amount representing interest	(38,213)
Total	\$ 1,002,519

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2015 there was \$174,413 in debt service reserve accounts. Also, \$568,850 is on hand toward the interest and principal on the bonds. The current budget for 2015-2016 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.

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County enacted a new policy regarding compensated vacation days in 1993. At that time, all unused vacation hours were "banked." Each employee is to receive appropriate vacation hours based on tenure at the beginning of the year. The only hours the employees will be allowed to carry over each calendar year are the "banked" hours until they are used up. No accumulation of paid days off will be allowed in the future. 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, 2015 are \$876,490 and include 17% for employee benefits and are included in long-term liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

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, 2015, the County contributed \$291,371 to the plan, including \$291,371 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

Annual OPEB Cost and Net OPEB Obligation - The County’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

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

Annual required contribution	\$	1,015,114
Interest on net OPEB obligation		234,763
Adjustment to ARC		<u>(130,424)</u>
Annual OPEB cost (expense)		1,119,453
Contributions made		<u>(291,371)</u>
Increase in net OPEB obligation		828,082
Net OPEB obligation-beginning of year		<u>5,216,955</u>
Net OPEB obligation-end of year	\$	<u>6,045,037</u>

The County’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the three preceding years were as follows:

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2013	\$ 1,163,426	23.3%	\$ 4,312,412
2014	\$ 1,181,270	22.6%	\$ 5,216,955
2015	\$ 1,119,453	18.5%	\$ 6,045,037

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

The covered payroll (annual payroll of active employees covered by the plan) was \$7,598,775, and the ratio of the UAAL to the covered payroll was 0%.

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

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

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Unit Credit Cost (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
6/30/2013	\$ -	\$ 10,314,324	\$ 10,314,324	0.0%	\$ 8,484,728	121.6%
6/30/2014	\$ -	\$ 10,314,324	\$ 10,314,324	0.0%	\$ 8,939,683	115.4%
6/30/2015	\$ -	\$ 10,383,379	\$ 10,383,379	0.0%	\$ 7,598,775	136.6%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

General Information about the Pension Plan

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 Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. 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 Description

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

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

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at 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, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Benefits

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

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Contributions

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; and, this increase is not limited to one-half of one percent per year. Total employer contributions to the pension plan from the System were \$1,101,834 for the year ended June 30, 2015.

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

SCRS

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

PORS

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

Required employer contributions for fiscal year 2014-2015 are as follows:

SCRS

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

PORS

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Net Pension Liability

At June 30, 2015, the County reported a liability of \$15,403,531 for its proportionate share of the net pension liability. The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. The net pension liability (NPL) is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position.

For the year ended June 30, 2015, the County recognized pension expense of \$1,213,748. At June 30, 2015, the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 423,264	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,549,934
Contributions subsequent to the measurement date	1,130,998	-
Total	<u>\$ 1,554,262</u>	<u>\$ 1,549,934</u>

The contributions applied to the pension liability of \$1,130,998 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The following schedule reflects the amortization of remaining deferred outflows/(inflows) of resources at June 30, 2014. Average remaining services lives of all employees provided with pension through the pension plans at June 30, 2014 was 4.233 years for SCRS and 4.856 years for PORS.

<u>Measurement Period Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2015	\$ (91,114)	\$ (176,122)
2016	(91,114)	(176,122)
2017	(91,114)	(176,122)
2018	(140,861)	(184,101)
Net Balance of Deferred Outflows/(Inflows) of Resources	<u>\$ (414,203)</u>	<u>\$ (712,467)</u>

Actuarial Assumptions and Methods

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013, valuations for SCRS and PORS.

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

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

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

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Short Term	5.0%	0.09	0.03
Domestic Fixed Income	13.0%	7.40	0.26
Global Fixed Income	9.0%	4.90	0.27
Global Public Equity	31.0%	7.80	2.42
Global Tactical Asset Allocation	10.0%	5.10	0.51
Alternatives	32.0%	35.40	2.39
Total Expected Real Return	<u>100.0%</u>		<u>5.88</u>
Inflation for Actuarial Purposes			<u>2.75</u>
Total Expected Nominal Return			<u><u>8.63</u></u>

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. 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 State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The following table presents the sensitivity of the net pension liability to changes in the discount rate.

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

<u>System</u>	<u>1.0% Decrease (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1.0% Increase (8.5%)</u>
SCRS	\$ 9,576,378	\$ 7,400,258	\$ 5,584,730
PORS	\$ 11,184,353	\$ 8,003,273	\$ 5,371,177

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2015, the County reported payables of \$129,247 that represents the amount due for the month of June.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7 FUND BALANCES

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non - Major</u>
Nonspendable					
Property held for resale	\$ -	\$ 1,100,180	\$ -	\$ -	\$ -
Total Nonspendable	<u>-</u>	<u>1,100,180</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted					
Clerk of Court incentive	511,070	-	-	-	-
Sheriff funds	9,908	-	-	-	75,504
E-911 funds	-	-	-	-	748,394
Accom/Hospitality Tax	-	-	-	-	543,781
Waste Tire	-	-	-	-	2,419
Debt Payments	-	-	-	768,263	-
Total Restricted	<u>520,978</u>	<u>-</u>	<u>-</u>	<u>768,263</u>	<u>1,370,098</u>
Assigned					
2016 Budget	1,200,000				
Development Projects		859,452			
Joint Planning Fund		30,215			
Total Assigned	<u>1,200,000</u>	<u>889,667</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned					
	<u>8,964,563</u>				
Total	<u>\$ 10,685,541</u>	<u>\$ 1,989,847</u>	<u>\$ -</u>	<u>\$ 768,263</u>	<u>\$ 1,370,098</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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 workers compensation expenditures.

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, 2015, \$6,050,000 and \$5,100,000 were outstanding.

The Jasper County, South Carolina Special Source Revenue Bond Notes, Series 2005 (Jasper County School Project) special source revenue bonds in the amount of \$11,540,000 were issued to help with the construction of Jasper County Schools. The bonds are to be repaid with the school portion of a fee-in-lieu tax. The County has no liability for repayment of the debt. At June 30, 2015, \$4,845,000 was outstanding.

The County has a \$350,000 grant from the Rural Infrastructure Fund for the construction of a spec building in the Cypress Ridge Industrial Park. The County has also secured an \$850,000 loan from Santee-Cooper to complete the spec building.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

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 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	June 30, 2014	Additions	Cost of Land Sold	June 30, 2015
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 2	604,160	-	604,160	-
Total	<u>\$ 1,704,340</u>	<u>\$ -</u>	<u>\$ 604,160</u>	<u>\$ 1,100,180</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

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

Debt on Capital Assets:	
Revenue Bonds	(13,570,000)
General Obligation Bonds	(4,611,277)
Capital Leases	(1,002,519)
Premium on Bonds Payable	(95,021)
Discount on Bonds Payable	340,381
Net Investment in Capital Assets	<u><u>\$ 13,998,492</u></u>

The long-term debt includes \$637,386 in bank loans payable that offsets the lease receivable from LCOG and 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 2015, the County made prior period adjustments due to the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which require the restatement of the June 30, 2014 net position in Governmental Activities. The result is a decrease in net position at June 30, 2014 of \$15,316,453.

Net Position June 30, 2014, as Previously Reported	\$ 21,112,442
Pension Liability, Net	(15,316,453)
Net Position, June 30, 2014, as restated	<u><u>\$ 5,795,989</u></u>

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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
REVENUES				
Taxes	\$ 15,961,941	\$ 15,961,941	\$ 17,336,989	\$ 1,375,048
Fines, Fees and Licenses	4,525,500	4,525,500	4,755,681	230,181
Intergovernmental	1,229,425	1,229,425	1,564,253	334,828
Miscellaneous	282,000	282,000	332,808	50,808
Total Revenues	<u>21,998,866</u>	<u>21,998,866</u>	<u>23,989,731</u>	<u>1,990,865</u>
EXPENDITURES				
Current:				
County Council	<u>262,600</u>	<u>262,600</u>	<u>244,342</u>	<u>18,258</u>
County Attorney	<u>159,150</u>	<u>159,150</u>	<u>199,719</u>	<u>(40,569)</u>
Administrator	<u>435,900</u>	<u>435,900</u>	<u>475,621</u>	<u>(39,721)</u>
Administrative Services				
Tax Collector	191,500	191,500	174,310	17,190
Assessor	501,086	501,086	490,791	10,295
Finance Department	174,200	174,200	174,500	(300)
Register of Deeds	152,100	152,100	151,487	613
Keep America Beautiful	1,200	1,200	1,195	5
Human Resources	<u>188,800</u>	<u>188,800</u>	<u>187,577</u>	<u>1,223</u>
Total Administrative Services	<u>1,208,886</u>	<u>1,208,886</u>	<u>1,179,860</u>	<u>29,026</u>
Development Services				
Economic Development Department	102,100	102,100	84,232	17,868
Business Licenses	64,850	64,850	64,441	409
Planning Commission	206,000	206,000	174,576	31,424
Recreation Department	295,250	295,250	295,217	33
Sgt Jasper Park	190,900	190,900	198,000	(7,100)
Building Permits	<u>137,700</u>	<u>137,700</u>	<u>130,869</u>	<u>6,831</u>
Total Development Services	<u>996,800</u>	<u>996,800</u>	<u>947,335</u>	<u>49,465</u>
Emergency Services				
Emergency Telecommunications	908,500	908,500	876,370	32,130
Levy Fire Contract	230,000	230,000	241,545	(11,545)
Fire and Rescue	2,898,750	2,898,750	3,197,912	(299,162)
Emergency Services Department	1,275,050	1,275,050	1,290,311	(15,261)
Detention Center	2,929,569	2,929,569	2,852,083	77,486
Cherry Point Fire Station	<u>438,350</u>	<u>438,350</u>	<u>225,975</u>	<u>212,375</u>
Total Emergency Services	<u>8,680,219</u>	<u>8,680,219</u>	<u>8,684,196</u>	<u>(3,977)</u>
Information Technology	<u>524,300</u>	<u>524,300</u>	<u>591,375</u>	<u>(67,075)</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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Engineering Services				
Administrative	\$ 243,100	\$ 243,100	\$ 232,551	\$ 10,549
Central Garage	180,700	180,700	171,677	9,023
Mosquito Control	17,200	17,200	10,928	6,272
Litter Control	66,200	66,200	63,515	2,685
Roads and Bridges	533,300	533,300	564,467	(31,167)
Building Maintenance	325,700	325,700	341,491	(15,791)
Solid Waste	874,100	874,100	874,702	(602)
Total Engineering Services	<u>2,240,300</u>	<u>2,240,300</u>	<u>2,259,331</u>	<u>(19,031)</u>
Treasurer	<u>164,800</u>	<u>164,800</u>	<u>175,003</u>	<u>(10,203)</u>
Auditor	<u>192,400</u>	<u>192,400</u>	<u>187,193</u>	<u>5,207</u>
Probate Judge	<u>150,900</u>	<u>150,900</u>	<u>151,686</u>	<u>(786)</u>
Clerk of Court				
Clerk of Court	499,100	499,100	491,075	8,025
Clerk of Court Incentive	-	-	45,768	(45,768)
Total Clerk of Court	<u>499,100</u>	<u>499,100</u>	<u>536,843</u>	<u>(37,743)</u>
Sheriff				
Sheriff	2,706,000	2,706,000	2,744,078	(38,078)
Victims Witness Program	71,550	71,550	53,469	18,081
Sheriff Child Support	-	-	1,700	(1,700)
Total Sheriff	<u>2,777,550</u>	<u>2,777,550</u>	<u>2,799,247</u>	<u>(21,697)</u>
Magistrate				
Central Traffic	151,700	151,700	137,547	14,153
Magistrate Lynch	110,700	110,700	112,064	(1,364)
Hardeeville	143,000	143,000	142,194	806
Central Bond	90,300	90,300	96,588	(6,288)
Magistrate McDonald	108,850	108,850	105,082	3,768
Magistrate Badgett	40,500	40,500	41,484	(984)
Total Magistrate	<u>645,050</u>	<u>645,050</u>	<u>634,959</u>	<u>10,091</u>
Veterans Affairs	<u>104,400</u>	<u>104,400</u>	<u>86,536</u>	<u>17,864</u>
Election Commission	<u>213,700</u>	<u>213,700</u>	<u>184,748</u>	<u>28,952</u>
Coroner	<u>121,500</u>	<u>121,500</u>	<u>145,546</u>	<u>(24,046)</u>
Interdepartmental				
Interdepartmental	786,000	786,000	734,364	51,636
Data Processing	360,000	360,000	356,752	3,248
Capital Improvements	325,000	325,000	78,683	246,317
Total Interdepartmental	<u>1,471,000</u>	<u>1,471,000</u>	<u>1,169,799</u>	<u>301,201</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, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Health, Education and Welfare				
Agency Appropriations	\$ 1,116,251	\$ 1,116,251	\$ 1,132,479	\$ (16,228)
County Libraries	26,760	26,760	23,472	3,288
Health Department	28,000	28,000	37,280	(9,280)
Department of Social Services	38,750	38,750	34,277	4,473
Miscellaneous County Accounts	39,950	39,950	14,935	25,015
Hardeeville Annex	8,000	8,000	2,311	5,689
Farmers Market	7,600	7,600	8,882	(1,282)
Total Health, Education and Welfare	<u>1,265,311</u>	<u>1,265,311</u>	<u>1,253,636</u>	<u>11,675</u>
Debt Service				
Principal	163,000	163,000	134,071	28,929
Interest	25,000	25,000	24,132	868
Total Debt Service	<u>188,000</u>	<u>188,000</u>	<u>158,203</u>	<u>29,797</u>
Capital Outlay				
Development Services	31,000	31,000	36,409	(5,409)
Sheriff Department	100,000	100,000	147,336	(47,336)
Emergency Services	245,000	245,000	297,621	(52,621)
Interdepartmental	150,000	150,000	-	150,000
Clerk of Court	-	-	26,862	(26,862)
Total Capital Outlay	<u>526,000</u>	<u>526,000</u>	<u>508,228</u>	<u>17,772</u>
Total Expenditures	<u>22,827,866</u>	<u>22,827,866</u>	<u>22,573,406</u>	<u>254,460</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(829,000)</u>	<u>(829,000)</u>	<u>1,416,325</u>	<u>2,245,325</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	412,000	412,000	453,700	41,700
Transfers Out	(125,000)	(125,000)	(47,102)	77,898
Total Other Financing Sources (Uses)	<u>287,000</u>	<u>287,000</u>	<u>406,598</u>	<u>119,598</u>
Net change in fund balances	(542,000)	(542,000)	1,822,923	2,364,923
Fund balances, beginning	<u>8,862,618</u>	<u>8,862,618</u>	<u>8,862,618</u>	<u>-</u>
Fund balances, ending	<u>\$ 8,320,618</u>	<u>\$ 8,320,618</u>	<u>\$ 10,685,541</u>	<u>\$ 2,364,923</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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.042983%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 7,400,248
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 4,046,332
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	182.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	59.90%

PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Proportion of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.41805%
Proportionate Share of the Net Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 8,003,283
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 5,125,706
Proportionate Share of the New Pension Liability as a Percentage of Its Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	156.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	NA	NA	NA	NA	NA	NA	67.50%

NA - not available

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

SCRS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 441,049
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	NA	441,049
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 4,046,332
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	10.90%

PORS

Fiscal Year

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 687,357
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	NA	NA	NA	NA	NA	NA	687,357
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$ 5,125,706
Contributions as a Percentage of										
Covered-Employee Payroll	NA	NA	NA	NA	NA	NA	NA	NA	NA	13.41%

NA - not available

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
ASSETS					
Cash	\$ -	\$ -	\$ 75,504	\$ -	\$ 75,504
Receivables	-	2,419	-	31,450	33,869
Restricted Cash	545,293	-	-	716,944	1,262,237
Total Assets	<u>\$ 545,293</u>	<u>\$ 2,419</u>	<u>\$ 75,504</u>	<u>\$ 748,394</u>	<u>\$ 1,371,610</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,512	\$ -	\$ -	\$ -	1,512
Unearned Revenue	-	-	-	-	-
Interfund Payables	-	-	-	-	-
Total Liabilities	<u>1,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,512</u>
Fund Balances					
Restricted	543,781	2,419	75,504	748,394	1,370,098
Total Fund Balances	<u>543,781</u>	<u>2,419</u>	<u>75,504</u>	<u>748,394</u>	<u>1,370,098</u>
Total Liabilities and Fund Balances	<u>\$ 545,293</u>	<u>\$ 2,419</u>	<u>\$ 75,504</u>	<u>\$ 748,394</u>	<u>\$ 1,371,610</u>

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
REVENUES					
Taxes	\$ 270,027	\$ -	\$ -	\$ -	\$ 270,027
Fines, Fees and Licenses	-	-	-	362,545	362,545
Intergovernmental	-	9,813	-	-	9,813
Miscellaneous	89	-	147,246	-	147,335
Total Revenue	270,116	9,813	147,246	362,545	789,720
EXPENDITURES					
Current:					
Development Services	203,581	-	-	-	203,581
Emergency Services	-	-	-	27,767	27,767
Engineering Services	-	8,991	-	-	8,991
Sheriff	-	-	135,266	-	135,266
Capital Outlay:					
Emergency Services	-	-	-	-	-
Development Services	-	-	-	-	-
Interdepartmental Services	-	-	-	-	-
Engineering Services	-	-	-	-	-
Total Expenditures	203,581	8,991	135,266	27,767	375,605
Excess (deficiency) of revenues over (under) expenditures	66,535	822	11,980	334,778	414,115
OTHER FINANCING SOURCES (USES)					
Transfers In	47,102	-	-	-	47,102
Transfers Out	(150,000)	-	-	(115,000)	(265,000)
Total Other Financing Sources (Uses)	(102,898)	-	-	(115,000)	(217,898)
Net change in fund balances	(36,363)	822	11,980	219,778	196,217
Fund balances, beginning	580,144	1,597	63,524	528,616	1,173,881
Fund balances, ending	\$ 543,781	\$ 2,419	\$ 75,504	\$ 748,394	\$ 1,370,098

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.
Settings Trust Fund	This fund represents insurance proceeds over a developmental agreement settlement.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
School				
Asset - Cash	\$ 5,339,614	\$ 51,383,609	\$ 47,804,681	\$ 8,918,542
Liabilities - Due to Others	\$ 5,339,614	\$ 51,383,609	\$ 47,804,681	\$ 8,918,542
Clerk of Court				
Asset - Cash	\$ 699,690	\$ 3,061,989	\$ 2,889,847	\$ 871,832
Liabilities - Due to Others	\$ 699,690	\$ 3,061,989	\$ 2,889,847	\$ 871,832
Delinquent Tax Collector				
Asset - Cash	\$ 1,059,379	\$ 5,537,345	\$ 5,594,027	\$ 1,002,697
Liabilities - Due to Others	\$ 1,059,379	\$ 5,537,345	\$ 5,594,027	\$ 1,002,697
1% Fire Fund				
Asset - Cash	\$ 41,172	\$ 92,296	\$ 132,904	\$ 564
Liabilities - Due to Others	\$ 41,172	\$ 92,296	\$ 132,904	\$ 564
Nickle Plate Road Dev				
Asset - Cash	\$ 211,217	\$ 766,883	\$ 765,171	\$ 212,929
Liabilities - Due to Others	\$ 211,217	\$ 766,883	\$ 765,171	\$ 212,929
Treasurers Tax Account				
Asset - Cash	\$ 79,686	\$ 3,494,296	\$ 3,522,882	\$ 51,100
Liabilities - Due to Others	\$ 79,686	\$ 3,494,296	\$ 3,522,882	\$ 51,100
Town of Ridgeland				
Asset - Cash	\$ 6,014	\$ 623,610	\$ 622,965	\$ 6,659
Liabilities - Due to Others	\$ 6,014	\$ 623,610	\$ 622,965	\$ 6,659
City of Hardeeville				
Asset - Cash	\$ 28,521	\$ 5,818,558	\$ 5,842,619	\$ 4,460
Liabilities - Due to Others	\$ 28,521	\$ 5,818,558	\$ 5,842,619	\$ 4,460
Magistrates Court				
Asset - Cash	\$ 50,367	\$ 136,056	\$ 138,594	\$ 47,829
Liabilities - Due to Others	\$ 50,367	\$ 136,056	\$ 138,594	\$ 47,829
Register of Deeds				
Asset - Cash	\$ 36,323	\$ 429,646	\$ 418,971	\$ 46,998
Liabilities - Due to Others	\$ 36,323	\$ 429,646	\$ 418,971	\$ 46,998
Forfeit Land Commission				
Asset - Cash	\$ 12,799	\$ 16,383	\$ 20,234	\$ 8,948
Liabilities - Due to Others	\$ 12,799	\$ 16,383	\$ 20,234	\$ 8,948
Installment Tax Account				
Asset - Cash	\$ 68,950	\$ 116,705	\$ 94,200	\$ 91,455
Liabilities - Due to Others	\$ 68,950	\$ 116,705	\$ 94,200	\$ 91,455
Setting Trust Account				
Asset - Cash	\$ 4,094,226	\$ 1,871	\$ -	\$ 4,096,097
Liabilities - Due to Others	\$ 4,094,226	\$ 1,871	\$ -	\$ 4,096,097
Total Assets - Cash	\$ 11,727,958	\$ 71,479,247	\$ 67,847,095	\$ 15,360,110
Total Liabilities - Due to Others	\$ 11,727,958	\$ 71,479,247	\$ 67,847,095	\$ 15,360,110

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

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

COURT FINES

Court Fines Collected	266,800
Court Fines Retained by County	(266,800)
Court Fines Remitted to the State Treasurer	-

COURT ASSESSMENTS

Court Assessments Collected	491,867
Court Assessments Retained by County	(106,282)
Court Assessments Remitted to State Treasurer	385,585

COURT SURCHARGES

Court Surcharges Collected	150,358
Court Surcharges Retained by County	-
Court Surcharges Remitted to the State Treasurer	150,358

VICTIMS ASSISTANCE

Court Assessments Allocated to Victims Assistance	28,888
Court Surcharges Allocated to Victims Assistance	16,659
Funds Allocated to Victims Assistance	45,547
Victim Services Expenditures	(45,547)
Funds available for carryforward	-
Beginning Balance	-
Ending Balance	\$ -

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

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	66-69
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.	70-72
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.	73-78
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.	79-80
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.	81-83

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 18,033,457	\$ 18,575,683	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924	\$ 13,182,845	\$ 12,769,520	\$ 13,998,492
Restricted	-	-	685,741	3,944,537	4,205,198	4,539,212	1,750,065	1,883,628	2,332,105	2,135,942
Unrestricted (Deficit)	12,011,585	11,890,660	9,336,633	935,975	1,019,459	2,321,926	7,218,705	5,782,359	6,010,816	(8,893,517)
Total Governmental Activities Net Position	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
County Council	\$ 118,761	\$ 134,382	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265	\$ 221,822	\$ 254,207	\$ 247,869
County Attorney	-	-	-	160,460	158,494	152,084	158,007	159,124	153,760	180,703
Administrator	289,214	339,998	459,140	368,859	410,059	409,656	467,475	492,938	417,323	475,399
Administrative Services	817,788	1,001,209	1,363,203	1,527,501	1,280,754	1,202,744	1,106,474	1,051,409	1,073,387	1,183,860
Development Services	1,526,043	1,762,212	1,994,679	1,804,506	1,959,726	1,618,401	1,566,414	2,344,972	1,694,855	1,977,275
Emergency Services	6,677,353	8,084,096	9,575,753	11,462,011	10,160,230	8,932,496	8,705,536	8,669,016	8,955,251	9,089,407
Information Technology	-	-	-	-	-	-	-	513,785	515,238	597,297
Engineering Services	2,615,122	2,615,436	2,650,295	3,036,955	2,418,172	2,350,468	3,037,772	2,985,205	3,021,142	3,033,537
Treasurer	107,206	114,184	158,188	155,341	137,095	141,852	145,052	138,367	165,829	177,494
Auditor	156,905	154,042	225,344	246,090	195,511	182,117	180,416	194,914	172,498	188,562
Probate Judge	147,803	166,147	182,278	179,219	128,959	144,576	134,651	161,568	149,696	155,556
Clerk of Court	463,747	461,035	470,086	518,406	465,361	467,179	492,783	501,636	549,871	542,034
Sheriff	2,515,271	2,661,891	2,929,037	3,224,882	3,053,203	3,075,109	3,313,855	3,137,831	2,739,914	3,010,819
Magistrate	409,063	449,539	453,478	546,465	571,238	537,170	601,129	603,207	598,242	658,900
Veterans Affairs	92,216	107,730	111,421	99,590	108,363	113,967	113,401	117,868	105,951	85,452
Election Commission	223,951	183,191	238,603	236,943	218,932	172,179	229,723	189,724	237,012	211,264
Coroner	94,537	86,037	102,863	112,996	118,522	116,246	153,135	122,938	133,309	145,566
Interdepartmental	1,525,679	1,323,023	1,396,108	2,270,060	2,458,932	2,523,716	2,473,011	2,764,471	2,622,246	2,711,506
Health, Education, and Welfare	1,632,521	1,524,959	1,566,812	1,587,493	1,182,128	1,230,667	1,122,440	1,094,773	1,242,661	1,253,636
Interest Expense	166,443	142,168	143,638	132,747	329,636	335,501	766,858	850,242	957,203	916,856
Total Expenses	<u>19,579,623</u>	<u>21,311,279</u>	<u>24,207,878</u>	<u>27,892,601</u>	<u>25,562,919</u>	<u>23,914,471</u>	<u>25,002,397</u>	<u>26,315,810</u>	<u>25,759,595</u>	<u>26,842,992</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:	2,842,211	3,165,475								
Emergency Services Fees			680,157	722,390	1,089,184	973,303	964,665	952,994	1,169,567	1,299,304
Business Licenses			496,556	398,283	230,094	327,619	290,980	381,425	382,869	274,605
Fines			582,516	522,713	676,356	617,023	554,554	444,629	389,434	451,735
Development Fees and Permits			686,292	353,709	412,584	202,182	279,677	337,447	433,357	311,032
Other			1,138,817	1,061,116	344,399	387,734	789,301	853,623	718,152	812,303
Operating Grants and Contributions	533,441	292,110	658,006	525,791	1,070,983	1,192,917	1,657,806	1,887,385	759,123	1,182,931
Capital Grants and Contributions	1,630,037	802,986	787,331	394,806	909,934	-	367,661	1,046,722	443,934	1,416,623
General Revenues										
Taxes	16,719,860	15,601,779	12,895,064	16,700,926	17,660,252	17,430,375	19,785,876	19,619,663	20,271,873	20,958,865
Grants and Contributions not restricted to specific programs	977,874	1,077,754	3,333,737	1,153,872	896,719	825,630	771,748	1,329,591	1,063,635	1,279,897
Earnings on investments	277,933	514,250	1,174,418	88,067	68,728	62,185	60,442	28,465	25,864	15,325
Other	225,271	278,226	848,815	473,570	476,820	443,673	412,261	119,861	365,396	285,301
Total Revenues	<u>23,206,627</u>	<u>21,732,580</u>	<u>23,281,709</u>	<u>22,395,243</u>	<u>23,836,053</u>	<u>22,462,641</u>	<u>25,934,971</u>	<u>27,001,805</u>	<u>26,023,204</u>	<u>28,287,921</u>
Change in net position	3,627,004	421,301	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)	932,574	685,995	263,609	1,444,929
Net Position-Beginning	26,418,038	30,045,042	30,466,343	29,540,174	24,042,816	22,315,950	20,864,120	21,796,694	20,848,832	21,112,441
Prior Period Adjustment	-	-	-	-	-	-	-	(1,633,857)	-	(15,316,453)
Net Position-Ending	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978
Assigned	-	-	-	-	-	-	-	-	542,000	1,200,000
Unassigned	7,172,865	7,917,460	6,116,693	1,766,279	2,070,925	2,813,708	4,939,507	6,868,983	7,889,633	8,964,563
Total General Fund	<u>\$ 7,172,865</u>	<u>\$ 7,917,460</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 5,500,275</u>	<u>\$ 7,219,665</u>	<u>\$ 8,862,618</u>	<u>\$ 10,685,541</u>
ECONOMIC DEVELOPMENT FUND										
Nonspendable	\$ 2,107,420	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 1,998,606	\$ 1,960,833	\$ 1,921,720	\$ 1,901,647	\$ 1,100,180
Assigned	-	-	-	-	-	625,571	677,748	599,292	369,217	889,667
Total Economic Development Fund	<u>\$ 2,107,420</u>	<u>\$ 2,082,420</u>	<u>\$ 2,104,340</u>	<u>\$ 2,070,316</u>	<u>\$ 2,035,086</u>	<u>\$ 2,624,177</u>	<u>\$ 2,638,581</u>	<u>\$ 2,521,012</u>	<u>\$ 2,270,864</u>	<u>\$ 1,989,847</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 1,702,205	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -	\$ -	\$ -	\$ -
Committed	-	-	-	-	-	-	766,968	455,066	342,905	-
Assigned	-	898,606	482,205	424,062	377,670	551,872	-	-	-	-
Total Capital Projects Fund	<u>\$ 1,702,205</u>	<u>\$ 8,043,196</u>	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>	<u>\$ 766,968</u>	<u>\$ 455,066</u>	<u>\$ 342,905</u>	<u>\$ -</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,370	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,370</u>	<u>\$ 440,650</u>	<u>\$ 530,482</u>	<u>\$ 792,360</u>	<u>\$ 768,263</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 220,091	\$ 241,051	\$ 748,647	\$ 995,555	\$ 1,173,880	\$ 1,370,098
Assigned	-	-	-	-	-	-	103,337	66,012	-	-
Committed	763,803	764,894	685,741	912,609	454,792	320,171	-	-	-	-
Total All Other Governmental Funds	<u>\$ 763,803</u>	<u>\$ 764,894</u>	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>	<u>\$ 851,984</u>	<u>\$ 1,061,567</u>	<u>\$ 1,173,880</u>	<u>\$ 1,370,098</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 16,112,621	\$ 16,310,981	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566	\$ 19,595,237	\$ 19,783,721	\$ 18,091,572	\$ 18,963,388
Fines, Fees, and Licenses	2,879,721	3,076,550	3,453,864	2,895,500	2,534,153	2,390,591	2,862,250	3,051,045	5,292,009	5,220,238
Intergovernmental	2,331,937	2,046,598	2,598,454	2,190,940	2,989,546	2,080,292	2,443,676	2,997,701	2,365,825	5,529,104
Miscellaneous	1,343,091	940,811	1,601,576	561,637	574,828	567,411	1,039,387	2,021,768	452,878	790,823
Total Revenues	22,667,370	22,374,940	23,862,857	22,003,733	23,651,133	22,517,860	25,940,550	27,854,235	26,202,284	30,503,553
Expenditures										
Current:										
County Council	118,761	134,382	173,655	222,538	204,853	213,154	234,706	226,120	244,730	244,342
County Attorney	-	-	-	153,288	149,779	151,057	154,652	156,359	157,093	199,719
Administrator	304,841	349,197	462,763	356,342	395,149	402,354	462,518	486,419	417,627	475,621
Administrative Services	809,461	996,441	1,278,477	1,456,237	1,221,345	1,171,607	1,100,949	1,046,490	1,072,687	1,179,860
Development Services	1,734,568	2,157,475	1,951,846	1,747,988	2,810,939	1,530,359	1,528,004	2,289,923	1,625,112	1,974,247
Emergency Services	7,223,206	8,998,374	9,278,103	10,863,837	9,738,625	8,548,424	8,324,789	8,265,465	8,720,336	8,901,071
Information Technology	-	-	-	-	-	-	-	513,785	515,238	591,375
Engineering Services	2,932,579	3,564,388	2,517,335	3,023,712	2,417,162	2,480,938	2,835,578	2,733,107	2,775,502	3,164,960
Treasurer	105,162	113,751	152,909	151,414	138,511	139,932	144,769	138,095	168,632	175,003
Auditor	151,384	152,328	222,501	244,309	199,504	191,176	178,350	181,065	177,768	187,193
Probate Judge	142,995	158,338	181,721	177,124	133,452	144,576	134,651	161,568	149,696	151,686
Clerk of Court	454,520	452,632	466,021	511,780	463,147	462,929	488,949	518,360	543,988	536,843
Sheriff	2,865,387	2,776,339	2,713,230	2,903,803	2,847,602	2,930,756	3,190,916	3,034,464	2,746,125	2,944,977
Magistrate	401,231	447,801	455,827	533,569	568,644	542,008	591,428	602,265	601,822	634,959
Veterans Affairs	89,650	105,931	111,219	96,270	109,379	110,624	121,033	114,010	110,233	86,536
Election Commission	452,178	163,790	212,003	209,343	191,239	150,756	203,226	161,787	209,653	184,748
Coroner	94,537	86,037	102,863	111,908	117,434	115,968	152,138	121,620	135,457	145,546
Interdepartmental	1,721,788	1,199,832	1,096,383	986,759	1,097,047	1,496,310	1,090,215	1,179,957	1,170,452	1,169,859
Health, Education, and Welfare	1,630,566	1,523,863	1,565,675	1,592,191	1,182,128	1,230,667	1,122,440	1,094,773	1,242,662	1,253,636
Debt Service										
Principal	-	-	9,178,376	1,260,178	2,456,355	166,467	617,519	623,885	595,206	696,402
Interest	-	-	288,165	399,799	446,071	497,773	739,226	872,281	943,272	927,490
Capital Outlay										
-	-	-	5,540,295	5,613,195	4,294,413	1,713,813	439,162	2,711,124	608,896	3,625,368
Total Expenditures	21,232,814	23,380,899	37,949,367	32,615,584	31,182,778	24,391,648	23,855,218	27,232,922	24,932,187	29,451,441
Excess (deficiency) of revenues over (under) expenditures	1,434,556	(1,005,959)	(14,086,510)	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332	621,313	1,270,097	1,052,112
Other Financing Sources (Uses)										
Issuance of Debt	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010
Transfers In	574,706	723,620	897,514	577,074	574,559	2,199,266	585,211	343,616	439,551	500,802
Transfers Out	(574,706)	(723,620)	(897,514)	(577,074)	(574,559)	(2,199,266)	(585,211)	(343,616)	(439,551)	(500,802)
Total Other Financing Sources (Uses)	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021	384,738	319,010
Net Change in Fund Balances	3,592,556	7,246,281	(4,771,784)	(2,517,851)	(3,146,645)	(2,145,086)	2,845,538	1,589,334	1,654,835	1,371,122
Fund Balances, Beginning	9,095,449	12,688,005	19,934,286	15,162,502	12,644,651	9,498,006	7,352,920	10,198,458	11,787,792	13,442,627
Fund Balances, Ending	\$ 12,688,005	\$ 19,934,286	\$ 15,162,502	\$ 12,644,651	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458	\$ 11,787,792	\$ 13,442,627	\$ 14,813,749
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	29.2%	6.1%	10.8%	2.9%	5.8%	6.1%	6.3%	6.3%

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	
	2006	\$ 44,618,276	** \$ 52,893,868	\$ 97,512,144	\$ 887,684,147	\$ 467,847,306	
2007	60,899,190	* 56,232,882	* 117,132,072	* 1,343,006,038	* 505,275,090	* 1,848,281,128	* 109.50
2008	66,020,450	54,038,328	120,058,778	1,416,408,436	343,087,006	1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
2010	71,505,827	51,048,894	122,554,721	1,526,523,228	545,302,743	2,071,825,971	126.00
2011	73,864,445	* 49,329,208	* 123,193,653	* 1,553,137,000	* 396,765,531	* 1,949,902,531	* 123.00
2012	73,826,180	52,030,391	125,856,571	1,551,860,000	416,603,807	1,968,463,807	145.00
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

* Reassessment Year.

** The increase in personal property is due to the construction of a power plant in Jasper County.

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
2006	155.00	-	-	155.00	133.50	7.50	35.00	110.00	147.00
2007	109.50	-	-	109.50	112.50	-	31.00	110.00	153.00
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00
2013	85.75	57.25	12.00	155.00	172.00	25.00	33.00	114.20	147.00
2014	86.50	55.50	12.00	154.00	166.00	25.00	33.00	114.20	142.00
2015	86.00	56.00	12.00	154.00	164.00	25.00	32.00	116.20	136.00

Source: County Finance Office

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

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

Schedule 7

<u>TAXPAYER</u>	<u>2015</u>			<u>2006</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	\$ 20,001,623	1	15.44%	\$ 23,390,251	1	23.99%
Palmetto Electric	3,195,330	2	2.47%	2,255,900	2	2.31%
Georgia DOT	1,941,120	3	1.50%	1,611,890	4	1.65%
Coastal Carolina Medical Center	1,375,940	4	1.06%	2,519,692	3	2.58%
Malphrus Construction	1,220,150	5	0.94%	743,900	6	0.76%
Carolina Gas Transmission Corporation	1,173,390	6	0.91%	-	-	0.00%
Auston Chase	1,044,890	7	0.81%	-	-	0.00%
Charleston and Savannah RR	939,744	8	0.00%	-	-	0.00%
Courtney Bend LLC	827,160	9	0.64%	-	-	0.00%
Okeetee Club	707,770	10	0.55%	666,500	9	0.68%
South Carolina Pipeline Corp.	-	-	0.00%	824,600	5	0.85%
Carolina Atlanta & West	-	-	0.00%	714,380	7	0.73%
CSG Pipeline Inc.	-	-	0.00%	700,400	8	0.72%
South Carolina RSA	-	-	0.00%	-	-	0.00%
Walmart	-	-	0.00%	439,500	10	0.45%
Total	<u>\$ 32,427,117</u>		<u>24.31%</u>	<u>\$ 33,867,013</u>		<u>34.73%</u>

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Source: Jasper County Auditor

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

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2006	\$ 12,265,278	\$ 10,866,037	88.6%	\$ 1,210,144	\$ 12,076,181	98.5%
2007	11,783,083	10,814,100	91.8%	781,965	11,596,065	98.4%
2008	13,483,864	12,695,728	94.2%	602,066	13,297,794	98.6%
2009	14,024,397	12,599,271	89.8%	893,206	13,492,477	96.2%
2010	14,432,970	13,075,617	90.6%	1,240,543	14,316,160	99.2%
2011	14,327,464	13,008,749	90.8%	1,164,100	14,172,849	98.9%
2012	15,594,355	14,172,710	90.9%	1,215,199	15,278,814	98.0%
2013	15,647,788	14,300,250	91.4%	993,177	15,293,427	97.7%
2014	15,274,388	14,002,959	91.7%	911,290	14,914,249	97.6%
2015	15,412,128	14,017,407	91.0%	-	14,017,407	91.0%

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			
2006	\$ -	\$ 1,041,580	\$ 2,876,969	\$ -	\$ 785,000	\$ 4,703,549	0.8%	190.38
2007	-	932,866	2,092,466	-	8,170,000	11,195,332	2.0%	465.64
2008	-	820,647	2,006,035	-	8,505,000	11,331,682	2.0%	480.14
2009	-	703,404	2,312,100	-	15,150,000	18,165,504	3.2%	777.60
2010	-	583,424	-	-	18,635,000	19,218,424	3.4%	846.07
2011	-	460,179	-	11,915,000	6,735,000 (1)	19,110,179	3.3%	826.92
2012	4,500,000	1,119,824	-	13,225,000	1,200,000	20,044,824	3.4%	870.27
2013	4,500,000	940,744	820,657	12,563,314	1,245,000	20,069,715	3.2%	845.15
2014	4,500,000	755,071	771,236	13,833,790	-	19,860,097	3.0%	817.25
2015	4,611,277	637,386	1,002,519	13,324,640	-	19,575,822	3.0%	805.56

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Source: County Audit Report, US Census Bureau

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

See schedule 14 for personal income and population.

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

N/A Information is not available.

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

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

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2013	\$ 4,500,000	\$ 530,482	\$ 3,969,518	3.3%	167.16
2014	4,500,000	792,360	3,707,640	3.0%	152.57
2015	4,611,277	768,263	3,843,014	3.0%	158.14

- (1) This is the first year that the County has had General Obligation Debt.
- (2) Principal is not due until FYE 2015; interest only until then.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015**

<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	\$ 34,246,299	100.00%	\$ 34,246,299
City of Hardeeville	2,788,597	17.50%	488,004
Subtotal overlapping debt	<u>37,034,896</u>		<u>34,734,303</u>
County direct debt	<u>19,575,822</u>	100.00%	<u>19,575,822</u>
Total direct and overlapping debt	<u><u>\$ 56,610,718</u></u>		<u><u>\$ 54,310,125</u></u>

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

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

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	\$ 129,513,171
Debt limit (8% of assessed value)	10,361,054
Debt applicable to limit:	
General Obligation	<u>(4,611,277)</u>
Total net debt applicable to limit	<u>(4,611,277)</u>
Legal Debt Margin	<u><u>\$ 5,749,777</u></u>

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 7,800,971	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311	\$ 9,804,378	\$ 9,855,492	\$ 10,068,525	\$ 9,521,598	\$ 10,004,433	\$ 10,361,054
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,611,277)</u>
Legal debt margin	<u><u>\$ 7,800,971</u></u>	<u><u>\$ 9,370,565</u></u>	<u><u>\$ 9,604,702</u></u>	<u><u>\$ 9,777,311</u></u>	<u><u>\$ 9,804,378</u></u>	<u><u>\$ 9,855,492</u></u>	<u><u>\$ 5,568,525</u></u>	<u><u>\$ 5,021,598</u></u>	<u><u>\$ 5,504,433</u></u>	<u><u>\$ 5,749,777</u></u>
Total net debt applicable to the limit as a percentage of debt limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-44.7%</u>	<u>-47.3%</u>	<u>-45.0%</u>	<u>-44.5%</u>

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

Source: County Audit Report
County Auditor

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

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2013	\$ 1,276,024	\$ 390,000	\$ 840,193	1.04
2014	1,285,496	410,000	816,643	1.05
2015	1,357,423	510,000	871,460	0.98

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
2006	22,406	\$ 553,560	\$ 24,706	33.8	4,005	5.1
2007	22,971	552,296	24,043	33.8	3,960	5.7
2008	23,620	557,447	23,601	32.7	4,307	6.0
2009	24,234	566,130	23,361	N/A	4,090	10.4
2010	24,940	566,504	22,715	34.8	4,136	9.9
2011	25,418	587,417	23,110	35.4	4,025	9.8
2012	25,973	598,243	23,033	35.4	4,012	8.9
2013	26,710	634,288	23,747	35.6	3,936	8.1
2014	27,170	660,261	24,301	34.0	3,997	6.0
2015	27,170	660,261	24,301	34.0	3,879	5.9

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Data Source:

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

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

Schedule 15

8

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	415	1	0.36 %	N/A		N/A %
New River Auto Mall	377	2	0.32	N/A		N/A
Wal-Mart	288	3	0.25	N/A		N/A
Beaufort-Jasper Comprehensive Health	250	4	0.22	N/A		N/A
Jasper County	248	5	0.21	N/A		N/A
Ridgeland Correctional Institution	197	6	0.17	N/A		N/A
Cleland Construction Company	187	7	0.16	N/A		N/A
Coastal Carolina Medical Center	174	8	0.15	N/A		N/A
J.C. Board of Disabilities & Special Needs	115	9	0.10	N/A		N/A
Tico Manufacturing	107	10	0.09	N/A		N/A
Ridgland Nursing Center	95		0.08	N/A		N/A
Total	<u>2,453</u>		<u>2.11 %</u>	<u>-</u>		<u>- %</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
County Council	5	5	5	6	6	6	6	6	6	6
Administrator	4	4	4	3	3	2	3	2	2	2
Administrative Services	17	18	24	22	19	17	16	16	16	16
Development Services	6	11	14	10	5	4	5	5	5	5
Emergency Services	90 ^a	94	82	7	6	4	4	4	4	4
Engineering Services	49	43	48	45	40	39	35	35	35	33
Treasurer	3	3	3	3	3	3	3	3	3	3
Auditor	4	4	5	5	4	4	4	4	4	4
Probate Judge	3	3	3	3	2	2	2	2	2	2
Clerk of Court	8	8	8	10	8	9	7	7	7	7
Sheriff	35	37	34	38	39	39	42	42	42	41
Magistrate	10	8	9	11	11	11	11	11	11	11
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	3	3	3	2	2	2	2	2	2	2
Coroner	1	1	1	2	3	2	2	2	2	2
Recreation	2	2	2	6	5	5	5	5	5	5
Fire & Rescue	N/A	N/A	N/A	42	39	38	43	47	47	47
Emergency Telecommunications	N/A	N/A	N/A	13	12	11	11	12	15	13
Information Technology	N/A	N/A	N/A	1	1	1	1	2	2	2
Detention	N/A	N/A	N/A	41	39	39	34	37	37	35
County Attorney	N/A	N/A	N/A	N/A	N/A	2	2	2	2	2
Total	242	246	247	272	249	242	240	248	251	244

Source: County Human Resources

(a) The County began the hiring of additional jailers to staff the new detention center.

N/A After a management study, the County reorganized the functional areas and information prior to year 2002 would not be comparable.

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

Schedule 17

	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REGISTER OF DEEDS										
Documents Recorded	3,841	7,728	6,882	5,606	5,429	4,737	5,654	6,713	5,697	6,032
SOLID WASTE										
Tons of Solid Waste Handled	8,631	11,153	9,866	9,866	9,956	5,353	7,399	7,048	9,967	8,446
BUILDING DEPARTMENT										
Residential Permits Issued	562	495	303	224	169	14	159	207	188	203
Value of Residential Permits	\$ 26,751,560	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057	\$ 6,703,564	\$ 6,342,794	\$ 6,127,234
Commercial Permits Issued	77	78	61	127	44	4	30	35	62	64
Value of Commercial Permits	\$ 46,995,504	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760	\$ 7,016,742	\$ 6,583,575	\$ 5,001,472
Mobile Home Permits Issued	219	228	132	116	92	82	120	103	86	104
PARKS & RECREATION										
Park Attendance	36,206	46,987	49,054	63,323	65,372	57,400	61,024	81,253	17,966	19,542 *
DETENTION CENTER										
Confinements	2,039	2,373	2,655	2,578	2,283	2,587	2,297	1,600	1,992	1,974
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	673	N/A	642	977	849	753	717	684	845	913
Gross Sales Within County	\$ 886,051,537	\$ 923,657,760	\$ 939,769,745	\$ 845,973,337	\$ 750,636,025	N/A	N/A	\$ 1,050,332,950	\$ 924,434,928	\$ 921,111,732
EMERGENCY SERVICES										
Calls Dispatched	23,660	22,446	21,877	40,061	47,359	50,811	50,952	46,271	49,479	51,080

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

N/A Information is not available.

* Department opened in November 2005.

Source: Various County Departments

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

Schedule 18

FUNCTION/PROGRAM	FISCAL YEAR									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
DEVELOPMENT SERVICES:										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	11	11	11	11	11	11	11	11	11	11
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	6	6	6	6
EMERGENCY SERVICES:										
Number of fire stations	9	9	9	8	8	8	8	8	9	9
Number of fire trucks	19	19	19	19	19	19	19	19	19	19
Number of ambulances	6	7	7	7	7	7	7	7	7	7
ENGINEERING SERVICES:										
Miles of Roads	124	124	124	124	124	124	124	124	124	124
Recycling centers	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
Patrol units	15	18	18	18	18	18	18	18	18	18
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

COMPLIANCE SECTION

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

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<i>US Department of Health & Human Services</i>		
<hr/>		
Passed through the SC Department of Social Services		
Child Enforcement Block Grant	93.563	\$ 91,104
 <i>US Department of Agriculture</i>		
<hr/>		
Passed through the SC State Forestry Commission		
Volunteer Fire Assistance Grants	10.664	19,488
 <i>US Department of Housing and Urban Development</i>		
<hr/>		
Passed through the SC Department of Commerce		
Community Development Block Grant 4-W-12-006	14.228	478,195
Community Development Block Grant 4-C1-13-011		2,530
Total Community Development Block Grant		<hr/> 480,725
Passed through Local Council of Governments		
Home Investment Program	14.239	170,776
 <i>US Department of Transportation</i>		
<hr/>		
Airport Improvement Program	20.106	444,892
 <i>US Department of Homeland Security</i>		
<hr/>		
Passed through the SC Department of Emergency Preparedness		
Trauma Grant	97.004	11,344
LEMPG Grant	97.042	69,437
 <i>US Department of Justice</i>		
<hr/>		
Bullet Proof Vest	16.607	5,232
Equitable Sharing Program	16.922	10,391
 Total Federal Financial Assistance		 <hr/> <hr/> \$ 1,303,389

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jasper County, South Carolina and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 NON-CASH AWARDS

Jasper County, South Carolina, did not receive any non-cash federal awards during the year ended June 30, 2015.

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, 2015, 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 7, 2015.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered Jasper County, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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. We did identify a certain deficiency in internal control, **Finding 2015-1**, to be a significant deficiency.

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 one instance of non-compliance, Finding 2015-1 that is required to be reported under *Government Auditing Standards*.

Jasper County, South Carolina's Response to Findings

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

Purpose of this Report

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 7, 2015

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

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 Circular A-133 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, 2015. Jasper County, South Carolina's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item **2015-1**. Our opinion on each major federal program is not modified with respect to these matters.

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

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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. We identified **Finding 2015-1** to be a significant deficiency.

Jasper County, South Carolina's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Jasper County, South Carolina's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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



BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 7, 2015

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

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 one significant deficiency and no 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. One significant deficiency in internal controls over major federal award programs was 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 one audit finding which relates to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.
- G. Major federal programs for Jasper County, South Carolina for the fiscal year ended June 30, 2015 are:

<u>Program Name</u>	<u>CFDA#</u>
Airport Improvement Program	20.106
Community Development Block Grant Cluster	14.228
Community Development Block Grant 4-W-12-006	
Community Development Block Grant 4-C1-13-011	

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$300,000.
- 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, 2015**

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

Finding 2015-1

Criteria:

As stated in the CDBG Implementation Manual, grantees are responsible for maintaining a financial management system that provides accurate, current and complete disclosure of the financial status of their grant. This includes accounting records in the system that readily identify federal and local receipts and expenditures.

Condition:

The accounting records reflect all transactions for the project but did not identify federal and local expenditures separately.

Cause:

Management keeps project wide records that include both federal and local expenditures.

Effect:

The accounting records in the system do not readily identify federal and local expenditures as required by the CDBG Implementation Manual.

Management's Response:

Management has implemented policies and procedures to readily identify federal and local receipts and expenditures in the grant accounting records.

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

Finding 2015-1

Criteria:

As stated in the CDBG Implementation Manual, grantees are responsible for maintaining a financial management system that provides accurate, current and complete disclosure of the financial status of their grant. This includes accounting records in the system that readily identify federal and local receipts and expenditures.

Condition:

The accounting records reflect all transactions for the project but did not identify federal and local expenditures separately.

Cause:

Management keeps project wide records that include both federal and local expenditures.

Effect:

The accounting records in the system do not readily identify federal and local expenditures as required by the CDBG Implementation Manual.

Management's Response:

Management has implemented policies and procedures to readily identify federal and local receipts and expenditures in the grant accounting records.

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

IV. Prior Audit Findings Related to the Audit of the Financial Statements of Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2014 which are required to be reported in accordance with *Government Auditing Standards*.