

JASPER COUNTY, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

COUNTY COUNCIL

BARBARA CLARK, CHAIRMAN

ALVIN ADKINS
DR. CURTIS BRANTLEY

L. MARTIN SAULS, IV
JOHN KEMP

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
KIMBERLY BURGESS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Certificate of Achievement for Excellence in Financial Reporting	7
Organizational Chart	8
List of Principal Officials	9
FINANCIAL SECTION	
Independent Auditors' Report	10
Management's Discussion and Analysis	12
Basic Financial Statements	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	20
Statement of Activities	21
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
Statement of Net Position - Fiduciary Funds	26
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	27
<i>Notes to the Financial Statements</i>	28
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	61
Schedule of the Proportionate Share of the Net Pension Liability	64
Schedule of Contributions	65
Schedule of Changes in the Total OPEB Liability and Related Ratios	66
Supplementary Information	
<i>Combining Individual Fund Statements and Schedules:</i>	
Nonmajor Governmental Funds	67
Combining Balance Sheet - Nonmajor Governmental Funds	68
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	69
Fiduciary Funds	70
Combining Statement of Fiduciary Net Position - Other Custodial Funds	71
Combining Statement of Changes in Fiduciary Assets and Liabilities - Other Custodial Funds	72
Schedule of Fines, Assessments, and Surcharges	73

Jasper County, South Carolina
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS - CONTINUED

	<u>Page</u>
STATISTICAL SECTION	
Narrative	75
Net Position by Components	76
Changes in Net Position	77
Fund Balances, Governmental Funds	78
Changes in Fund Balances, Governmental Funds	79
Assessed and Estimated Value of Taxable Property	80
Property Tax Rates - Direct and Overlapping	81
Principal Property Taxpayers	82
Property Tax Levies and Collections	83
Ratios of Outstanding Debt by Type	84
Ratios of General Bonded Debt Outstanding	85
Direct and Overlapping Governmental Activities Debt	86
Legal Debt Margin Information	87
Pledged Revenue Coverage	88
Demographic Statistics	89
Principal Employers	90
Permanent Positions for County Employees by Function	91
Operating Indicators by Function/Program	92
Capital Assets Statistics by Function/Program	93
COMPLIANCE SECTION	
Schedule of Expenditures of Federal Awards	94
Notes to the Schedule of Expenditures of Federal Awards	95
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	96
Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	98
Schedule of Findings and Questioned Costs	100

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

November 30, 2021

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Jasper County for the fiscal year ended June 30, 2021.

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

The County's financial statements have been audited by The Baird Audit Group, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2021 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

The County was founded in 1912 and is located in the southeastern part of South Carolina, just north of Savannah, Georgia. The County currently occupies a land area of 662 square miles and serves a population of 31,588. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

The annual budget serves as the foundation for the County's financial planning and control. All departments of Jasper County are required to submit requests for appropriations to the administrator on or before the last day in March each year. The County administrator uses these requests as the starting point for developing a proposed budget. The County administrator then presents this proposed budget to the council for review prior to May 15th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 61-63 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

Located between the economic centers of Savannah, Georgia and Charleston, South Carolina, Jasper County is home to a diverse mix of commercial and industrial enterprises and public-sector employers. Forestry operators, hunting plantations, building component manufacturers, construction, retailers, educational institutions, governmental entities, non-profit organizations, healthcare providers, and miscellaneous small and mid-sized businesses contribute to the County's economy. To support economic development, the County maintains an active outreach to business and industry, working with local and regional non-profit development organizations, including Southern Carolina Regional Alliance ("SCRA"), private developers, local governments and the State. The County's economic development program is designed to support growth across all economic sectors, with a particular focus in distribution and manufacturing, sectors that benefit from the County's proximity to the Port of Savannah where major capital investments have been made by the federal government and the State of Georgia to deepen and extend the shipping channel to the port's Garden City terminal and Savannah's inner harbor.

Historically rural in character, the County has vested permits to build approximately 60,000 new dwelling units within its boundaries with developers in recent years through development agreements. Currently, though the pace of new residential construction has moderated considerably since the peak in 2006-2007, the County is also tracking over 4,000 acres of proposed commercial development projects to support the residential developments. Light industrial, commercial, and construction related businesses continue to locate and expand in the County to support the new residential growth.

In collaboration with its economic partners, the County offers three industrial parks for occupancy by private tenants. Properties in partnership with SCRA include: (i) Point South Commerce Park, and (ii) Cypress Ridge Business Park. Located off of Interstate 95 at exit 33, Point South offers 445 acres of industrial and commercial parcels along with a 50,000 square-foot development-stage building, intended for use by distribution and manufacturing companies. Located 5 miles from Interstate 95 at exit 21, Cypress Ridge offers 200+ acres of greenfield sites coupled with a second 50,000 square-foot development-stage building. Riverport Commerce Park, a joint venture with a private developer, offers 4.6 million square feet targeted toward logistics and distribution companies using the Port of Savannah, located 9 miles away. Additionally, in partnership with the State of South Carolina and the Southern Carolina Alliance, the County offers the Sherwood Tract, which is presently under development and offers 1,400+ acres of industrial parcels along Interstate 95, five miles from the Port of Savannah.

The Port of Savannah located on the Savannah River, which is the southern boundary of Jasper County, is a source of employment and economic development in the County. To accommodate larger cargo ships, the U.S. Army Corps of Engineers is undertaking a project to deepen the Savannah Harbor federal shipping channel from a depth of -42 feet to 47 feet. The total cost estimate for the project, known as Savannah Harbor Expansion Project ("SHEP"), is currently \$973 million. The SHEP is expected to net more than \$282 million in annual benefits to the U.S. and has a benefit-to-cost ratio of \$7.30 for every \$1 invested. As of May 2020, the entire project is approximately 62% complete, with a completion date goal of January 2022. On September 18, 2020, the largest ship to call on the East Coast arrived at the Georgia Ports Authority's Garden City Terminal. Forecasts of economic impacts of SHEP, prepared by the Georgia Ports Authority, on South Carolina and neighboring South Carolina communities, project between \$200 million and \$400 million of related investment and approximately \$21 million of labor income from 550 jobs in Jasper and Beaufort Counties.

To increase capacity of the Port of Savannah, the states of Georgia and South Carolina joined forces in 2008 to develop a bi-state owned and operated port facility on the Savannah River in Jasper County that can accommodate a minimum of 25-years of projected throughput growth for containerized cargo in support of economic development in the region, known as Jasper Ocean Terminal ("JOT"). The JOT site consists of approximately 1,500 acres of land along the Savannah River, eight (8) miles upriver from the Atlantic Ocean and within 4.5 to 5.5 miles from the roadway and railway and 12 miles from Interstate 95. In November 2015, the South Carolina

Ports Authority and the Georgia Ports Authority signed an updated agreement to develop the terminal and, in late 2016, a new round of design work began with an estimated cost of \$100 million. In January 2017, the Army Corps of Engineers began the environmental impact statement for the dockside portion of JOT.

In February 2021, the South Carolina Port Authority began the formal process to transfer its interest in the 1,500-acre JOT site to Jasper County. Jasper County and the Georgia Ports Authority, therefore, will now be joint owners of the site, which is 13 miles closer to the Atlantic Ocean than the Savannah Port. The total cost of building the new port is estimated at \$4.5 billion. It is anticipated that at full build-out, JOT will cover 1,500 acres, with ten berths. It will be dredged to a depth of 55 feet (17 m), able to accommodate ships carrying as many as 20,000 TEU containers, with an annual capacity of seven million TEUs. Access to the facility is anticipated to be via a new four lane highway connecting to U.S. Route 17, and rail connections to both CSX Transportation and Norfolk Southern Railway lines. At the present time, no financing for this project has been arranged.

The Ridgeland-Claude Dean Airport began as a dirt runway in 1939. In 1960, the popularity of the airport attracted funding from the State to construct a 3,000 foot-long by 70-foot-wide paved runway. Since 2013, the County has expended \$21.7 million to upgrade the Ridgeland-Claude Dean Airport. Those upgrades include environmental assessments, airport design, land acquisition and easements, and three years of construction of a new 4,200-foot runway capable of handling turboprop and light corporate jets. The new runway, 18-36, opened in January 2020. Today, corporate jets fly into the Ridgeland-Claude Dean Airport to bring people to the area for golf outings and to tour the area for potential business sites. Future projects include an aircraft fueling station for the spring of 2021, Automated Weather Observations System (AWOS) to assist pilots in inclement weather, a 7,000 square foot terminal building with a galley, conference room, passenger waiting room, pilot lounge, bar and grill, aircraft observation area, and additional hangar space. These amenities will provide convenience to pilots and corporate clients, and the fueling station will provide additional revenue. Federal Aviation Administration grants have provided approximately 90% of the funding for these projects, while the South Carolina Aeronautics Commission has provided grants for approximately 5% of the cost and the remainder has been funded by the County.

Long-term Financial Planning

Jasper County government has spent considerable time and effort over the years learning about growth, preparing for it, and managing it. One of the County's primary goals has been to ensure that the future cost of providing County services does not exceed the revenues received from the new growth. To that end, the County has maintained a growth management strategy which encourages a vast majority of new residential development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland. The financial benefits of this strategy to the County are noted in the 2006 Fiscal Impact Assessment Report completed by Clemson University's Strom Thurmond Institute.

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

During that period, some 30,000 acres of large tract, mixed use development projects were approved for development in Jasper County, the City of Hardeeville, and the Town of Ridgeland. Collectively, the three jurisdictions vested approximately 77,000 new dwelling units. The Great Recession greatly chilled that initial development drive; however, development has steadily increased county-wide year over year since. With the resurgence of development, each jurisdiction has had the opportunity to renegotiate and renew agreements being mindful of

sustainable densities, the true cost of providing services, and the exorbitant cost of providing infrastructure required to support the growth.

In October 2020, Clemson University completed another Fiscal Projection Report for the County. The report was commissioned to assess the fiscal impact of current growth patterns and consider the financial impact of the Coronavirus (COVID-19) pandemic. The report notes that, although the County will likely continue to realize budget surpluses over the next several years, expenditures are expected to grow faster than revenues, approaching a balanced budget or slight deficit by 2023. The County Council has since approved the study of County-wide impact fees for new growth as a possible remedy.

As in years past, the County must maintain discipline in spending and not depend upon speculative revenue when budgeting. The County must also continue efforts to diversify the tax base and maintain strong reserves. These practices will ensure that the County is prepared to react to changes in the economy and respond to disasters while maintaining operations. The County ended Fiscal Year 2021 with a fund balance increase of \$11,296,283, a combined ending fund balance of \$48,974,734, and an unassigned fund balance for the general fund of \$14,201,552, or 48% of total fund expenditures which represents approximately 5 months of operations.

Significant Financial Policies

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

During the year ended June 30, 2021, the County adopted GASB Statement No. 84, *Fiduciary Activities*, which was issued to provide more substantial guidance on identifying fiduciary activities for accounting and reporting purposes.

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, 2020. This was the 23rd consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



Andrew P. Fulghum
County Administrator



Kimberly Burgess, CPA
Director of Administrative Services/Finance Director

This page was intentionally left blank.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

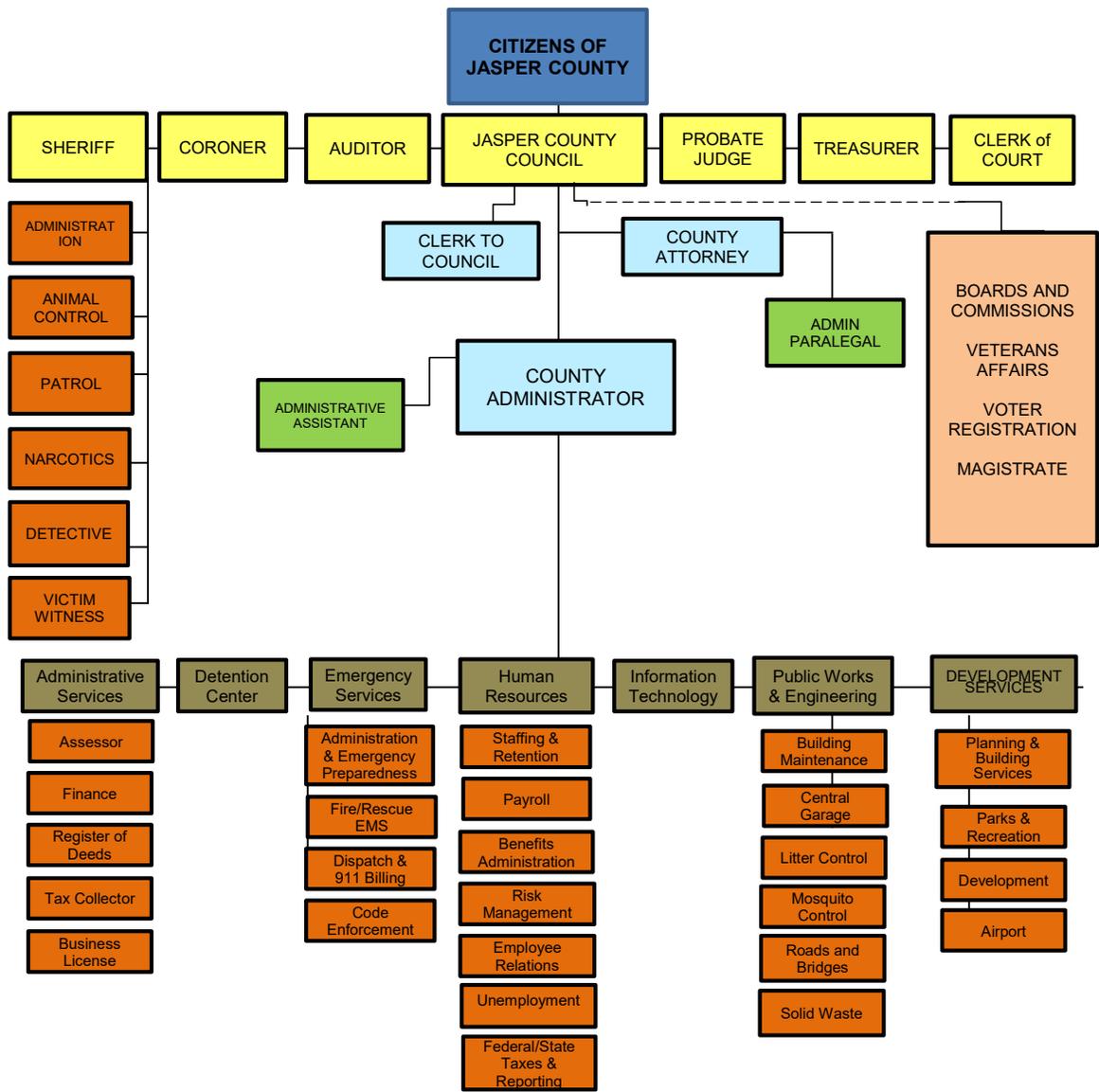
**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



- LEGEND**
- Elected Officials
 - Employees reporting to County Council
 - Board & Commission/Appointed/Elected Officials
 - Functional Areas
 - Directors

**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021**

TITLE	NAME
Chairman – County Council.....	Barbara Clark
Vice-Chairman – County Council.....	Dr. Curtis Brantley
Council Member.....	Alvin Adkins
Council Member.....	L. Martin Sauls, IV
Council Member.....	John Kemp
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Kimberly Burgess
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Russell Wells
Treasurer.....	Verna Garvin
Sheriff.....	Donald L. Hipp
Auditor.....	Monica Wilson

FINANCIAL SECTION



4210 Columbia Road | Building 10 | Suite 101 | Augusta, GA 30907
www.bairdgroupcpa.com | Tel. (706) 855-9500 | Fax (706) 855-2900

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12-19 and 61-63, Schedule of the Proportionate Share of the Net Pension Liability, Schedule of contributions, and Schedule of Changes in total OPEB Liability and Related Ratios on pages 64-66, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of Jasper County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, south Carolina's internal control over financial reporting and compliance.



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2021

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report.

Financial Highlights

- The assets and deferred outflows of the County exceed its liabilities and deferred inflows at the close of the most recent fiscal year by \$48,019,656 (net position) which was an increase of \$10,977,682.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$48,974,734, an increase of \$11,296,283.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$14,201,552 or 48% of total fund expenditures.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. All of the fiduciary funds are custodial funds. The basic fiduciary fund financial statements can be found on pages 26-27 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 28-60 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 61-63 and historical pension and OPEB information on pages 64-66.

The combining individual fund statements and schedules are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67-74 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets and deferred outflows exceeded liabilities and deferred inflows by \$48,019,656 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		
	2021	2020
Current and Other Assets		
Cash and Other Assets	\$ 52,502,143	\$ 42,638,374
Capital Assets	57,574,633	56,947,776
Total Assets	<u>110,076,776</u>	<u>99,586,150</u>
Deferred Outflows of Resources	<u>18,620,631</u>	<u>5,452,731</u>
Long-term Liabilities Outstanding	72,916,939	58,401,290
Other Liabilities	2,607,953	3,392,019
Total Liabilities	<u>75,524,892</u>	<u>61,793,309</u>
Deferred Inflows of Resources	<u>5,152,859</u>	<u>6,203,598</u>
Net Position		
Net Investment in Capital Assets	37,109,703	36,227,559
Restricted	26,616,330	19,428,464
Unrestricted	(15,706,377)	(18,614,049)
Total Net Position	<u>\$ 48,019,656</u>	<u>\$ 37,041,974</u>

By far the largest portion of the County's net position \$37,109,703 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 \$26,616,330 represents the balance of net position that has restricted resources and is not available to fund other commitments. The restricted net position relates to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

Governmental activities. The County's total net position increased by \$10,977,682 in 2021 compared to an increase of \$13,485,874 in 2020. Key elements of this increase are as shown in the following table.

JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,891,996	\$ 5,058,634
Operating Grants and Contributions	1,650,040	3,617,511
Capital Grants and Contributions	1,360,014	5,482,284
General Revenues:		
Property Taxes	24,467,875	22,116,295
Other Taxes	10,923,894	9,294,698
Grants and Contributions not restricted to specific programs	1,060,149	1,030,317
Other	811,795	917,377
Special Item - OPEB	3,716,256	-
Total Revenues	<u>48,882,019</u>	<u>47,517,116</u>
Expenses:		
County Administration	12,490,203	4,701,048
Administrative Services	1,266,283	1,397,335
Development Services	2,304,506	2,679,937
Emergency Services	9,565,210	13,078,811
Engineering Services	3,178,858	2,752,655
Court Administration	1,537,232	1,383,804
Law Enforcement	4,874,153	5,608,784
Health, Education and Welfare	1,636,162	1,550,614
Interest Expense	1,051,730	878,254
Total Expenses	<u>37,904,337</u>	<u>34,031,242</u>
Change in net position	10,977,682	13,485,874
Net position - beginning	37,041,974	23,556,100
Net position - ending	<u>\$ 48,019,656</u>	<u>\$ 37,041,974</u>

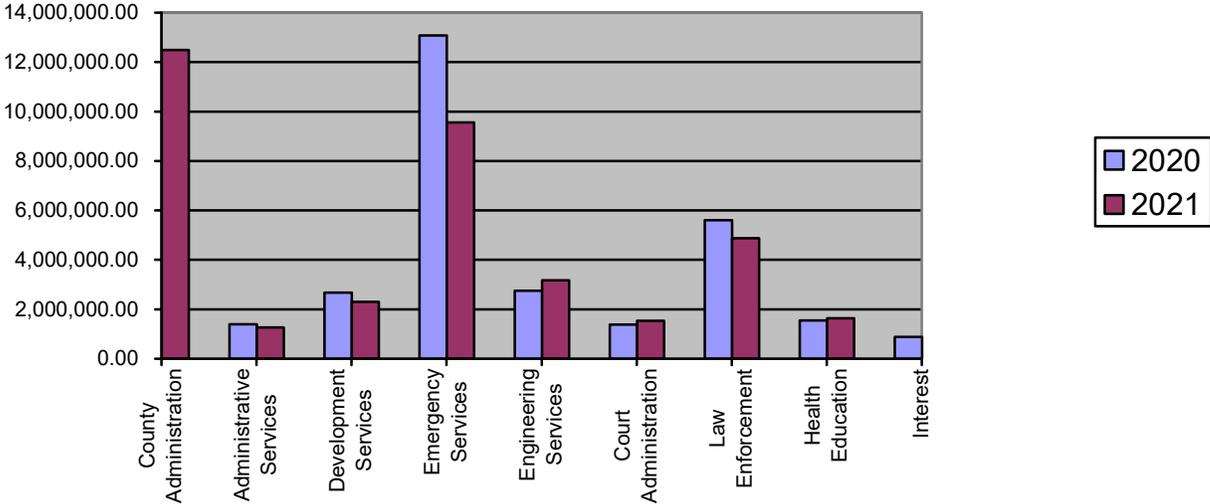
Total revenues were up \$1,364,903 and expenses were up \$3,873,095.

Revenues related to operating grants and capital grants were down \$6,089,741 because of the completion of the emergency shelter and less airport development. This decrease was offset by special item for an OPEB adjustment in the amount of \$3,716,256. This special item resulted from the elimination of the County subsidies toward health and dental coverage for dependents effective July 1, 2020. Charges for services were down \$166,638 because the closure of court administration for the pandemic resulted in a decrease of revenue of \$333,735 while building and permitting increased approximately \$630,000. Additionally, property tax collections were up by \$2,351,580.

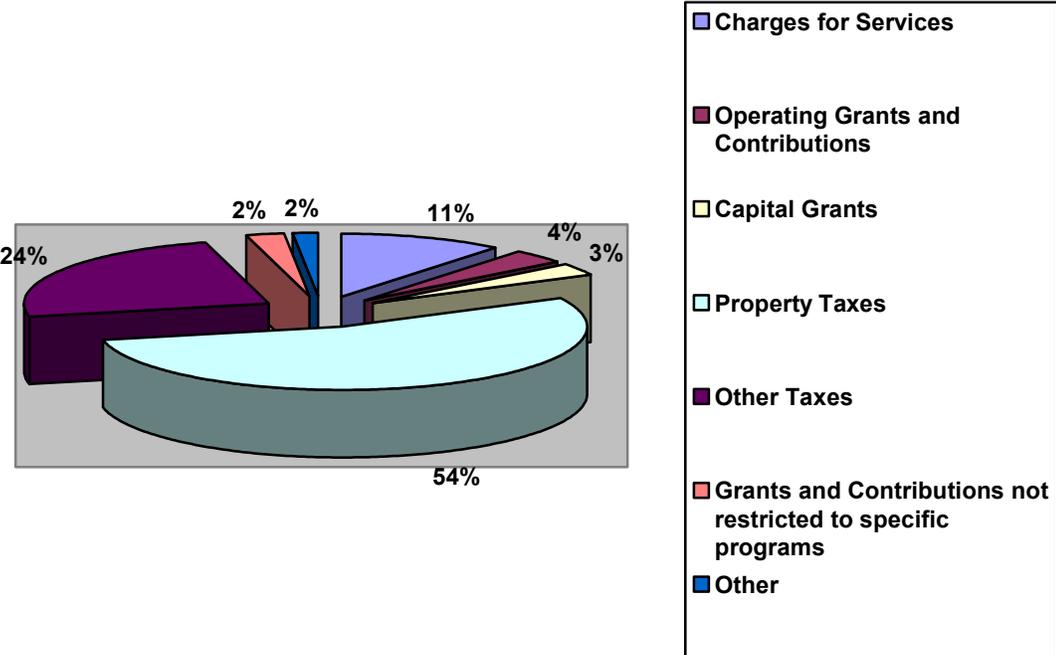
During 2021, the detention center expenses were moved from emergency services to county administration, business licenses were moved from development services to administrative services, and human resources was moved from administrative services to county administration.

The increase in overall expenses related to the unfunded actuarial calculation for the net pension liability.

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 \$48,974,734, an increase of \$11,296,283.

The fund balance of the County's General Fund increased by \$4,282,161 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$1,805,374. This positive variance can be explained as follows:
 - Tax revenues were over budget \$2,316,435. This is attributable to better than budgeted property tax and local option sales taxes collected during the year.
 - Fines, fees, and licenses were over budget \$1,201,393. This is attributable to better than anticipated revenues in development services and administrative services for register of deeds and permitting as well as ambulance services.
 - Intergovernmental revenues were under budget approximately \$55,000 than budgeted because school resource officer revenue was down.
 - The negative variance of \$1,657,006 in miscellaneous income represents the amount budgeted for a cash carryforward of \$1,403,000 along with other miscellaneous income variances netted together.
- Overall expenditures were under budget by \$4,408,710. Key elements of this positive variance can be explained as follows:
 - The County was under budget in county administration by \$1,365,723 that included administrator with a \$114,293 variance related to telephone expense, detention center with a variance of \$559,100 related to salaries, benefits, and various operational expenditures, interdepartmental with a variance of \$114,932 related to consulting, contracts, insurance, taxes, and capital improvements with a variance of \$606,120 related to grant matching funds and insurance.
 - The County was under budget in emergency services by \$613,951 that included emergency telecommunications variance of \$141,751 related to radio contract and maintenance and fire rescue variance of \$421,921 related to salaries, benefits, and other operational expenditures.
 - The County was under budget in capital outlay by \$1,890,126 that included a budget for the Marsh Cove Fire Station in the Cherry Point Fire District for \$1,808,000.
- Overall other financing sources (uses) reported an unfavorable budget variance of \$1,931,923. Key elements of this negative variance can be explained as follows:
 - The issuance of debt is under budget because the amount budgeted was not received.
 - Transfers in have an unfavorable budget variance related to economic development funds of \$475,000 were budgeted but not transferred.
 - Transfers out have an unfavorable budget variance related to accommodations taxes.

The debt service fund has a total fund balance of \$3,872,008 which is restricted for future debt payments. The increase of \$1,167,479 relates to taxes collected in excess of bond payments.

The economic development fund has a total fund balance of \$3,883,182 which is assigned for future economic development projects. The decrease of \$86,814 relates to the development service expenditures and decrease in miscellaneous revenues.

The capital projects fund has a total fund balance of \$20,630,442. The increase of \$5,651,156 relates to the increase in the local option special purpose tax for transportation projects.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. There were positive variances in both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2021 amounts to \$57,574,633 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

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

Building improvements: Parks, Fire Stations, Detention Center	\$ 153,193
Construction in progress: Ridgeland Airport and Fire Stations	2,067,772
Machinery & Equipment: Loader, Server, Scanner, Digital Message Boards, Lawnmowers, Washer Machines, and Pier Repair	496,499
Vehicles: Tahoes, Ambulances, Dodge Caravan and Impala	177,650
Total Capital Outlay	<u>\$ 2,895,114</u>

Additional information on the County's capital assets can be found in note 4 on page 37 of this report.

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$72,916,939. The County's total long-term obligations increased by \$14,515,649 during the current fiscal year. Two new revenue bonds were issued during the year, totaling \$6,256,821. Capital leases decreased by \$1,971,047 due to a lease for three fire trucks being paid off, and a lease for radio equipment paid off during the year. All other long-term debt was paid as scheduled. Other post employment benefits decreased by \$1,719,134 with the latest actuarial evaluation, while the net pension liability increased by \$16,539,855.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2021	2020
Notes payable	\$ 1,624,490	\$ 1,694,204
Capital leases	119,141	2,090,188
General obligation bonds	6,570,200	6,744,811
Revenue bond	14,384,772	12,531,680
Compensated absences	1,019,445	962,237
Net pension liability	32,731,885	16,192,030
Other post employment benefits	16,467,006	18,186,140
Total	<u>\$ 72,916,939</u>	<u>\$ 58,401,290</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8% of its total assessed valuation. The current debt limitation for the County is \$13,864,163 with \$6,570,200 of general obligation debt issued that offsets this limit for a legal debt margin of \$7,293,963.

Additional information on the County's long-term debt can be found in note 7 on page 39 of this report.

Economic Factors and Next Year's Budget

- Unemployment as of June 2021 stands at 3.6% versus 7.3% a year ago. In comparison, the State's unemployment rate is 4.5% and the national rate is 5.9% as of June 2021.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2020 tax year increased from \$160,084,466 to \$173,302,034.

All of these factors were considered in preparing the County's budget for the 2022 fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$18,528,160. The County set millage for the 2022 budget year at 142 and has budgeted 12 mills for the debt service fund to retire the bonds, which is the same millage as the previous year. Budgeted expenditures for 2022 are projected to increase 12.9% to \$40,241,988 from \$35,647,400 in 2021.

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, 2021**

ASSETS	GOVERNMENTAL ACTIVITIES
Cash	\$ 17,574,357
Receivables	5,941,964
Lease Receivable	264,980
Restricted Cash	25,232,154
Property Held for Resale	3,488,688
Capital Assets,	
Not being depreciated	19,477,652
Being depreciated, net	38,096,981
Total Assets	110,076,776
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	14,861,323
Deferred Outflows Related to OPEB	3,150,125
Deferred Outflows Related to Refunding	609,183
Total Deferred Outflows of Resources	18,620,631
Total Assets and Deferred Outflows of Resources	\$ 128,697,407
LIABILITIES	
Accounts Payable	\$ 2,057,042
Salaries and Benefits Payable	14,467
Unearned Revenues	429,972
Accrued Interest	106,472
Noncurrent Liabilities	
Due within one year	1,596,358
Due in more than one year	
Debt Obligations	22,121,690
Net Pension Liability	32,731,885
Net OPEB Liability	16,467,006
Total Liabilities	75,524,892
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pension	2,646,269
Deferred Inflows Related to OPEB	2,506,590
Total Deferred Inflows of Resources	5,152,859
NET POSITION	
Net Investment in Capital Assets	37,109,703
Restricted for:	
Law Enforcement	114,148
Victims Assistance	119,039
Transportation	19,467,852
Courts Administration	1,056,387
Debt Service	3,897,543
Tourist related expenditures	1,442,935
E911 expenditures	496,700
Solid Waste	21,726
Unrestricted	(15,706,377)
Total Net Position	48,019,656
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 128,697,407

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, 2021**

<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 Administration	\$ 12,490,203	\$ -	\$ 188,464	\$ -	\$ (12,301,739)
Administrative Services	1,266,283	1,299,410	-	-	33,127
Development Services	2,304,506	738,388	329,897	1,360,014	123,793
Emergency Services	9,565,210	1,481,112	684,706	-	(7,399,392)
Engineering Services	3,178,858	837,708	232,425	-	(2,108,725)
Court Administration	1,537,232	396,898	142,217	-	(998,117)
Law Enforcement	4,874,153	138,480	47,649	-	(4,688,024)
Health, Education and Welfare	1,636,162	-	24,682	-	(1,611,480)
Interest	1,051,730	-	-	-	(1,051,730)
Total Governmental Activities	<u>\$ 37,904,337</u>	<u>\$ 4,891,996</u>	<u>\$ 1,650,040</u>	<u>\$ 1,360,014</u>	<u>(30,002,287)</u>
General Revenues					
Property Taxes					24,467,875
Local Option Sales Taxes					3,933,656
Local Option Special Purpose Taxes					6,154,798
Franchise Taxes					90,307
Accommodation and Hospitality Taxes					745,133
Grants and contributions not restricted to specific programs					1,060,149
Miscellaneous					811,795
Special Item - OPEB					<u>3,716,256</u>
Total General Revenues, Special Items and Transfers					<u>40,979,969</u>
Change in net position					10,977,682
Net position, beginning					37,041,974
Net position, ending					<u>\$ 48,019,656</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 15,851,213	\$ -	\$ 545,764	\$ 1,177,380	\$ -	\$ 17,574,357
Receivables - net	2,192,830	108,271	309,414	3,114,604	216,845	5,941,964
Restricted Cash	1,215,528	4,033,127	-	17,834,298	2,149,201	25,232,154
Interfund Receivables	1,345,962	-	-	-	-	1,345,962
Property Held for Resale	-	-	3,488,688	-	-	3,488,688
Total Assets	<u>\$ 20,605,533</u>	<u>\$ 4,141,398</u>	<u>\$ 4,343,866</u>	<u>\$ 22,126,282</u>	<u>\$ 2,366,046</u>	<u>\$ 53,583,125</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,363,638	\$ 207,710	\$ 99,706	\$ 80,884	\$ 305,104	\$ 2,057,042
Salaries and Benefits Payable	14,467	-	-	-	-	14,467
Unearned Revenue	-	-	360,978	68,994	-	429,972
Interfund Payables	-	-	-	1,345,962	-	1,345,962
Total Liabilities	<u>1,378,105</u>	<u>207,710</u>	<u>460,684</u>	<u>1,495,840</u>	<u>305,104</u>	<u>3,847,443</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	699,268	61,680	-	-	-	760,948
Total Deferred Inflows of Resources	<u>699,268</u>	<u>61,680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>760,948</u>
Fund Balances						
Restricted	1,215,528	3,872,008	-	19,467,852	2,060,942	26,616,330
Committed	-	-	-	1,162,590	-	1,162,590
Assigned	3,111,080	-	3,883,182	-	-	6,994,262
Unassigned	14,201,552	-	-	-	-	14,201,552
Total Fund Balances	<u>18,528,160</u>	<u>3,872,008</u>	<u>3,883,182</u>	<u>20,630,442</u>	<u>2,060,942</u>	<u>48,974,734</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 20,605,533</u>	<u>\$ 4,141,398</u>	<u>\$ 4,343,866</u>	<u>\$ 22,126,282</u>	<u>\$ 2,366,046</u>	<u>\$ 53,583,125</u>

22

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, 2021**

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

Total fund balances for governmental funds		\$ 48,974,734
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and Improvements	\$ 5,547,987	
Construction in Progress	13,929,665	
Buildings and Improvements, net of \$9,220,491 accumulated depreciation	20,821,304	
Machinery and Equipment, net of \$5,368,908 accumulated depreciation	3,349,265	
Vehicles, net of \$5,500,519 accumulated depreciation	2,978,158	
Infrastructure, net of \$2,873,223 accumulated depreciation	<u>10,948,254</u>	
Total Capital Assets		57,574,633
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		760,948
Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds.		
		264,980
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	14,861,323	
Related to OPEB	3,150,125	
Related to advance refunding	609,183	
Deferred inflows of resources:		
Related to pensions	(2,646,269)	
Related to OPEB	<u>(2,506,590)</u>	
Total deferred outflows and inflows of resources		13,467,772
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, 2021 are:		
Accrued Interest Payable	(106,472)	
Net Pension Liability	(32,731,885)	
Post Retirement Benefits Payable	(16,467,006)	
Bonds, Notes and Leases Payable	(22,698,603)	
Compensated Absences	<u>(1,019,445)</u>	
Total Long-Term Liabilities		<u>(73,023,411)</u>
Total net position of governmental activities		<u>\$ 48,019,656</u>

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, 2021

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 27,162,935	\$ 2,086,387	\$ -	\$ 6,154,798	\$ 593,911	\$ 35,998,031
Fines, Fees and Licenses	4,183,693	-	129,449	-	578,854	4,891,996
Intergovernmental	1,459,552	-	-	2,266,200	14,554	3,740,306
Miscellaneous	706,394	5,327	329,438	100,074	459	1,141,692
Total Revenues	<u>33,512,574</u>	<u>2,091,714</u>	<u>458,887</u>	<u>8,521,072</u>	<u>1,187,778</u>	<u>45,772,025</u>
EXPENDITURES						
Current:						
County Administration	7,165,527	266,887	-	109,981	-	7,542,395
Administrative Services	1,253,066	-	-	-	-	1,253,066
Development Services	1,233,291	-	455,312	-	293,800	1,982,403
Emergency Services	8,246,349	-	-	254,321	65,323	8,565,993
Engineering Services	2,286,075	-	-	722,567	-	3,008,642
Court Administration	1,547,345	-	-	-	-	1,547,345
Law Enforcement	4,458,742	-	-	37,904	135,090	4,631,736
Health, Education and Welfare	1,644,789	-	-	-	-	1,644,789
Debt Service:						
Principal	545,592	565,000	-	69,714	-	1,180,306
Interest	117,090	814,103	-	14,515	-	945,708
Capital Outlay:						
County Government	71,323	-	-	-	-	71,323
Development Services	71,997	-	-	1,374,805	10,000	1,456,802
Emergency Services	786,954	-	-	286,109	275,326	1,348,389
Engineering Services	18,600	-	-	-	-	18,600
Total Expenditures	<u>29,446,740</u>	<u>1,645,990</u>	<u>455,312</u>	<u>2,869,916</u>	<u>779,539</u>	<u>35,197,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,065,834</u>	<u>445,724</u>	<u>3,575</u>	<u>5,651,156</u>	<u>408,239</u>	<u>10,574,528</u>
OTHER FINANCING SOURCES (USES)						
Refunding Bonds Issued	-	5,540,000	-	-	-	5,540,000
Premium on Debt Issuance	-	716,821	-	-	-	716,821
Payment to Refunded Debt Escrow Agent	-	(5,535,066)	-	-	-	(5,535,066)
Transfers In	358,214	-	-	-	141,887	500,101
Transfers Out	(141,887)	-	(90,389)	-	(267,825)	(500,101)
Total Other Financing Sources (Uses)	<u>216,327</u>	<u>721,755</u>	<u>(90,389)</u>	<u>-</u>	<u>(125,938)</u>	<u>721,755</u>
Net change in fund balances	4,282,161	1,167,479	(86,814)	5,651,156	282,301	11,296,283
Fund balances, beginning	14,245,999	2,704,529	3,969,996	14,979,286	1,778,641	37,678,451
Fund balances, ending	<u>\$ 18,528,160</u>	<u>\$ 3,872,008</u>	<u>\$ 3,883,182</u>	<u>\$ 20,630,442</u>	<u>\$ 2,060,942</u>	<u>\$ 48,974,734</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, 2021**

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		\$ 11,296,283
--	--	---------------

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 (\$2,895,114) was more than depreciation (\$2,242,054) in the current period.		653,060
--	--	---------

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.		(26,203)
--	--	----------

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

Issuance of Debt	\$ (6,256,821)		
Repayment of Principal	6,715,372		
Accrued Interest, Premiums, and Discounts	<u>(106,022)</u>		352,529

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(606,262)
--	--	-----------

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

Pension contributions	1,978,434		
Cost of benefits earned net of employee contributions	<u>(5,578,365)</u>		(3,599,931)
OPEB contributions	457,201		
Cost of OPEB benefits earned net of employee contributions	(1,208,044)		
Changes of benefit terms and assumptions	<u>3,716,256</u>		2,965,413

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

Compensated Absences		<u>(57,207)</u>
----------------------	--	-----------------

Total change in net position of governmental activities		<u>\$ 10,977,682</u>
---	--	----------------------

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

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021**

	Custodial Funds Other
ASSETS	
Cash	\$ 34,630,162
Receivables	495,219
Total Assets	\$ 35,125,381
LIABILITIES	
Accounts Payable	\$ 97,789
Total Liabilities	97,789
NET POSITION	
Restricted for Individuals, Organizations, Other Governments	35,027,592
Total Net Position	35,027,592
Total Liabilities and Net Position	\$ 35,125,381

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

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Custodial Funds Other
Additions	
Contributions from individuals	\$ 200,280
Property tax collections and state aid for other governments	85,606,035
License and fees collected for State	772,973
Miscellaneous	48,251
Total Additions	86,627,539
Deductions	
Payments to individuals	93,007
Payments of property taxes and state aid to other governments	81,812,065
Payments to state	433,986
Payments on behalf of other entities	509,850
Total Deductions	82,848,908
Change in net position	3,778,631
Net Position, beginning	31,248,961
Net Position, ending	\$ 35,027,592

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

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

Reporting Entity

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

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

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

Basis of Presentation – Government-Wide Financial Statements

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Fund Financial Statements

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

The government reports the following major governmental funds:

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

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

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

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

Additionally, the government reports the following fund types:

The *fiduciary fund* is used to account for resources held by the County in a custodial capacity for individuals, organizations, and other governments.

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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

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. The County is not legally required to adopt a budget for the debt service fund and did not adopt a budget for these 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.

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, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

Inventories

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

Capital Assets

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

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

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance Policies

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

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

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

Revenues and Expenditures/Expenses

Property Taxes

The County Ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County in October of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th with penalties assessed of 3% if paid after January 15th, 10% if paid after January 31st, and 15% if paid after March 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for tax year 2020 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, 2021**

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, 2021, the County had the following cash and investments that included in governmental funds of \$42,806,511 and fiduciary fund cash of \$34,630,162.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 1,604,891	\$ 1,225,806
Investments	12 months or less	24,970,957	24,970,957
US Government Securities	Daily	507,284	507,284
<u>Cash</u>			
Checking Accounts		50,353,141	51,234,009
Change Funds		400	-
Total Deposits and Investments		<u>\$ 77,436,673</u>	<u>\$ 77,938,056</u>

*Account is swept daily; however, \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2021 is \$1,225,806.

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

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

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

As of June 30, 2021, the bank balance was \$77,938,056. At year end, \$65,007,601 of the County’s deposits were covered by federal depository insurance and or by collateral held in the pledging financial institution. Therefore, \$12,930,455 of the County’s deposits were exposed to custodial credit risk as of June 30, 2021.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 RECEIVABLES

Receivables at June 30, 2021, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Debt Service</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 3,948,855	\$ 368,312	\$ -	\$ 1,643,554	\$ -	\$ 5,960,721
Accounts	6,257,523	-	-	-	-	6,257,523
Other	847,163	-	309,414	1,471,050	216,845	2,844,472
Gross receivables	11,053,541	368,312	309,414	3,114,604	216,845	15,062,716
Allowance for doubtful accounts						
Taxes	(2,847,807)	(260,041)	-	-	-	(3,107,848)
Accounts	(6,012,904)	-	-	-	-	(6,012,904)
Net total receivables	<u>\$ 2,192,830</u>	<u>\$ 108,271</u>	<u>\$ 309,414</u>	<u>\$ 3,114,604</u>	<u>\$ 216,845</u>	<u>\$ 5,941,964</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	\$ -	\$ 68,994
Developer review fees	-	360,978
Property taxes not collected within 60 Days	760,948	-
Total	<u>\$ 760,948</u>	<u>\$ 429,972</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, 2021 is \$264,980. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 73,128	\$ 11,101	\$ 84,229
2023	76,709	7,520	84,229
2024	80,465	3,764	84,229
2025	34,678	416	35,094
Total	<u>\$ 264,980</u>	<u>\$ 22,801</u>	<u>\$ 287,781</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers In/(Out)</u>	<u>June 30, 2021</u>
<i>Capital assets not being depreciated</i>					
Land and improvements	\$ 5,547,987	\$ -	\$ -	\$ -	\$ 5,547,987
Construction in progress	19,048,957	2,067,772	-	(7,187,064)	13,929,665
Total capital assets, not being depreciated	<u>24,596,944</u>	<u>2,067,772</u>	<u>-</u>	<u>(7,187,064)</u>	<u>19,477,652</u>
<i>Capital assets being depreciated</i>					
Buildings and improvements	28,269,083	153,193	-	1,619,519	30,041,795
Machinery and equipment	8,221,674	496,499	-	-	8,718,173
Vehicles	8,384,530	177,650	83,503	-	8,478,677
Infrastructure	8,253,932	-	-	5,567,545	13,821,477
Total capital assets being depreciated	<u>53,129,219</u>	<u>827,342</u>	<u>83,503</u>	<u>7,187,064</u>	<u>61,060,122</u>
Less accumulated depreciation for:					
Buildings and improvements	8,615,412	605,079	-	-	9,220,491
Machinery and equipment	4,688,893	680,015	-	-	5,368,908
Vehicles	4,993,419	564,400	57,300	-	5,500,519
Infrastructure	2,480,663	392,560	-	-	2,873,223
Total accumulated depreciation	<u>20,778,387</u>	<u>2,242,054</u>	<u>57,300</u>	<u>-</u>	<u>22,963,141</u>
Total capital assets being depreciated, net	<u>32,350,832</u>	<u>(1,414,712)</u>	<u>26,203</u>	<u>7,187,064</u>	<u>38,096,981</u>
Governmental activity capital assets, net	<u>\$ 56,947,776</u>	<u>\$ 653,060</u>	<u>\$ 26,203</u>	<u>\$ -</u>	<u>\$ 57,574,633</u>

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

<u>Governmental Activities</u>	
County Administration	\$ 606,380
Administrative Services	2,535
Development Services	317,273
Emergency Services	900,561
Engineering Services	161,312
Court Administration	8,361
Law Enforcement	245,632
Total depreciation expense - governmental activities	<u>\$ 2,242,054</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 PROPERTY HELD FOR RESALE

As of June 30, 2021, the County owns several parcels of land and buildings held for speculative purposes and are actively being marketed. These assets are considered held for sale and have been separated from capital assets on the Statement of Net Position and no depreciation will be taken on these assets since it is considered held for sale. The detail on property held for resale is as follows:

	June 30, 2020	Additions	Cost of Land Sold	June 30, 2021
Cypress Ridge Land	\$ 670,640	\$ -	\$ -	\$ 670,640
Ridgeland Industrial Park	40,240	-	-	40,240
Sergeant Jasper Park	69,300	-	-	69,300
Cypress Ridge Spec Bldg 1	320,000	-	-	320,000
Cypress Ridge Spec Bldg 4	2,388,508	-	-	2,388,508
Total	<u>\$3,488,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,488,688</u>

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects	<u>\$ 1,345,962</u>
		<u>\$ 1,345,962</u>

The \$1,345,962 due to the general fund from the capital project fund represents shortfalls of cash in the capital project fund that occurred while waiting for grant reimbursements.

Interfund Transfers

Interfund balances for the year ended June 30, 2021 consisted of the following:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund/Nonmajor E-911	\$ 140,000	\$ 140,000
General Fund/Nonmajor Local Hospitality	127,825	127,825
General Fund/Capital Projects	90,389	90,389
Nonmajor State AT/General Fund	141,887	141,887
Total	<u>\$ 500,101</u>	<u>\$ 500,101</u>

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2021.

<u>Governmental Activities</u>	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Due Within A Year</u>
Notes payable	\$ 1,694,204	\$ -	\$ 69,714	\$ 1,624,490	\$ 73,128
Capital leases	2,090,188	-	1,971,047	119,141	91,818
General obligation bond	6,744,811	-	174,611	6,570,200	296,412
Revenue Bonds	12,425,000	5,540,000	4,500,000	13,465,000	835,000
Plus amount for bonds issued at a premium	210,725	716,821	7,774	919,772	-
Less amounts for bonds issued at a discount	(104,045)	104,045	-	-	-
Total	<u>23,060,883</u>	<u>6,360,866</u>	<u>6,723,146</u>	<u>22,698,603</u>	<u>1,296,358</u>
Compensated absences	962,237	403,694	346,486	1,019,445	300,000
Total	<u>\$ 24,023,120</u>	<u>\$ 6,764,560</u>	<u>\$ 7,069,632</u>	<u>\$ 23,718,048</u>	<u>\$ 1,596,358</u>

Long-term debt payable at June 30, 2021 is comprised of the following issues:

<u>Notes Payable</u>	<u>Balance</u>
\$1,359,510 loan for construction of the Cypress Ridge Spec Building #4 payable in ten years with payments of \$195,000 plus interest set at 1%-2% above LIBOR beginning in December 2022.	\$ 1,359,510
\$900,000 loan for Lowcountry Council of Governments facilities in a lease-lease back arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%.	<u>264,980</u>
Total Notes Payable	<u>\$ 1,624,490</u>

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 73,128	\$ 11,101	\$ 84,229
2023	271,709	61,900	333,609
2024	275,465	50,344	325,809
2025	229,678	39,196	268,874
2026	195,000	30,980	225,980
2027-2029	579,510	46,140	625,650
Total	<u>\$ 1,624,490</u>	<u>\$ 239,661</u>	<u>\$ 1,864,151</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds	Balance
\$4,500,000 General Obligation Series 2011 for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.	\$ 4,370,000
\$1,500,000 General Obligation Series 2015 with semi-annual interest payments at 2.99% interest and annual principal, matures in ten years for the acquisition and construction of the Ridgeland Airport facility.	1,022,820
\$1,177,380 General Obligation Series 2020 with interest payments at 1.61% interest for the construction of the Marsh Cove Fire Station.	1,177,380
Total General Obligation Bonds	\$ 6,570,200

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

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 296,412	\$ 293,566	\$ 589,978
2023	309,286	284,292	593,578
2024	347,304	274,540	621,844
2025	285,677	263,457	549,134
2026	72,036	254,230	326,266
2027-2031	407,805	1,217,725	1,625,530
2032-2036	506,177	1,095,878	1,602,055
2037-2041	3,095,811	795,294	3,891,105
2042-2046	1,102,885	118,818	1,221,703
2047-2050	146,807	25,145	171,952
Total	\$ 6,570,200	\$ 4,622,945	\$ 11,193,145

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Capital Leases	Balance
\$42,418 capital lease for purchase of a vehicle with annual payments of \$9,261 for five years including interest at 3.0%.	\$ 25,416
\$24,065 capital lease for purchase of a vehicle with annual payments of \$5,410 for five years including interest at 4.0%.	14,622
\$460,000 capital lease for the purchase of police vehicles, radios, and radars with annual payments of \$98,567 for five years.	79,103
Total Capital Leases	\$ 119,141

Equipment Under Capital Leases

The County has entered into the above leases for vehicles. The cost of this equipment is \$401,029 with accumulated amortization of \$287,543 for a net value of \$113,486. These leases are paid from the general fund.

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

Fiscal Year Ending June 30,	Principal
2022	\$ 97,397
2023	14,671
2024	14,671
Sub-total	126,739
Less amount representing interest	(7,598)
Total	\$ 119,141

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Revenue Bonds	Balance
The County issued installment purchase revenue bonds Series 2021A and 2021B in the amount of \$5,540,000.	\$ 5,540,000
The County issued installment purchase revenue bonds Series 2014 in the amount of \$2,255,000. The proceeds were used to pay off equipment leases.	1,585,000
The County issued installment purchase revenue bonds Series 2017 in the amount of \$8,290,000.	<u>6,340,000</u>
Total Revenue Bond	<u><u>\$ 13,465,000</u></u>

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 835,000	\$ 505,038	\$ 1,340,038
2023	855,000	486,638	1,341,638
2024	875,000	459,988	1,334,988
2025	915,000	425,688	1,340,688
2026	805,000	389,088	1,194,088
2027-2031	3,625,000	1,530,990	5,155,990
2032-2036	4,560,000	763,286	5,323,286
2037-2039	995,000	77,650	1,072,650
Total	<u><u>\$ 13,465,000</u></u>	<u><u>\$ 4,638,366</u></u>	<u><u>\$ 18,103,366</u></u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Refundings

In March 2021, the County issued \$5,540,000 in Revenue Bond Series 2021A and 2021B at interest rates between 2.00% and 4.00%. The County issued the bonds to advance refund \$4,375,000 to fully refund the Revenue Bond Series 2011A and two capital leases with interest rates between 3.5% to 5.0%. The net proceeds of \$5,682,515 (after payment of approximately \$260,199 in issue costs) along with other cash was used to purchase SLG securities and pay off the capital leases. The SLG securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2011A. The County completed the refunding to reduce its total debt service payments over a period of 10 years by \$315,288 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$632,043.

Conduit Debt

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40% of the fee-in-lieu tax received from the businesses in the park. The County has no financial liability beyond this amount. At June 30, 2021, \$5,100,000 and \$4,100,000 were outstanding.

Defeasance Debt

During the year ended June 30, 2021 and June 30, 2017, the County defeased in its entirety its Series 2011A Revenue Bond by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bond are not included in the County's financial statements. On June 30, 2021 and June 30, 2017, the amount of debt considered defeased is approximately \$3,970,000 and \$7,240,000, respectively.

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2021 there was \$481,738 in debt service reserve accounts. Also, \$3,551,389 is on hand toward the interest and principal on the bonds. The current budget for 2021-2022 includes 12 mills for the payment of debt service.

Commitments Under Noncapitalized Leases

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2021 are \$1,019,445 and include 17% for employee benefits and are included in long-term liabilities.

Other Post Employment Benefits

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

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

Funding Policy – The contribution requirements of plan members and the County are established and may be amended by the County Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County Council. For fiscal year ended June 30, 2020, the County contributed \$457,201 to the plan, including \$457,201 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

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

The following table provides a summary of the number of participants in the plan as of June 30, 2020:

Membership	
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	56
Inactive Plan Memebers Entitled to But Not Yet Receiving Benefits	0
Active Plan Members	223
Total Plan Members	<u>279</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits - Continued

Changes in the Total OPEB Liability

Balance at June 30, 2020	\$ 18,186,140
Changes for the year:	
Service Cost	730,828
Interest Cost	573,508
Change of benefit terms	(3,785,962)
Difference between expected & actual experience	(754,376)
Changes in Assumption	1,974,069
Benefit Payment	(457,201)
Net change in total OPEB liability	<u>(1,719,134)</u>
Balance at June 30, 2021	<u>\$ 16,467,006</u>

Changes of benefit terms reflect the elimination of the County subsidies toward health and dental coverage effective July 1, 2020. Due to plan changes, the assumption for two-person coverage was lowered. Changes of assumptions reflect a change in the discount rate from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020, and updates to the health care trend to better reflect the plan's anticipated experience and the repeal of the excise tax on high-cost employer health plans.

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

Discount Rate – 2.45% as of June 30, 202 with a 2.25% inflation rate.

Participation Rates – It was assumed that 95% of future retirees who are eligible for the County's premium subsidy and 20% of retirees who are not eligible for the subsidy would choose to receive health care benefits through the County. Of those assumed to elect coverage, 20% of males and 10% of females were assumed to elect 2-person coverage.

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

Health Care Trend Rates – Initial trend of 6.0% declining to an ultimate trend rate of 4.0% after 15 years.

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

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

Health Care Cost Trend Rate Sensitivity		
1% Decrease	Current Health Care Cost Rate Assumption	1% Increase
\$ 13,531,398	\$ 16,467,006	\$ 20,347,747

Sensitivity of the total OPEB liability to changes in the discount rate assumption- Regarding the sensitivity of the total OPEB liability to changes in the discount rate, the following presents the plan's total OPEB liability, calculated using a discount rate of 3.13%, as well as what the plan's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

Discount Rate Sensitivity		
1% Decrease 1.45%	Current Discount Rate 2.45%	1% Increase 3.45%
\$ 19,702,588	\$ 16,467,006	\$ 13,928,263

At June 30, 2020, the County reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,470,315
Changes in assumptions	2,709,403	1,036,275
Contributions subsequent to the measurement date	440,722	-
Total	\$ 3,150,125	\$ 2,506,590

The amount of \$440,722 that was reported as deferred outflows of resources related to the County's contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Outflows/(Inflows)
2022	\$ (112,771)
2023	(112,771)
2024	(112,771)
2025	(38,127)
2026	244,407
Thereafter	334,846
Total	\$ 202,813

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Pension Plan

Description of the Entity

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

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

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be 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, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Benefits

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July 1, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

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

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employer Class Two	15.41%	15.41%
Employer Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	17.84%	17.84%
Employer Class Three	17.84%	17.84%
Employer Accidental Death Program	0.20%	0.20%
Employer Incidental Death Benefit	0.20%	0.20%

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Actuarial Assumptions and Methods

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2019, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

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

¹ includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2020, TPL are as follows:

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, for SCRS and PORS are presented below.

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a % of the Total Pension Liability</u>
SCRS	\$ 24,822,486	\$ 12,588,547	\$ 12,233,939	50.7%
PORS	49,735,770	29,237,824	20,497,946	58.8%
Total	<u>\$ 74,558,256</u>	<u>\$ 41,826,371</u>	<u>\$ 32,731,885</u>	

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

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2020 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Global Equity	51.0%		
Global Public Equity ^{1,2}	35.0%	7.81%	2.73%
Private Equity ^{2,3}	9.0%	8.91%	0.80%
Equity Options Strategies ¹	7.0%	5.09%	0.36%
Real Assets	12.0%		
Real Estate (Private) ^{2,3}	8.0%	5.55%	0.44%
Real Estate (REITs) ²	1.0%	7.78%	0.08%
Infrastructure (Private) ^{2,3}	2.0%	4.88%	0.10%
Infrastructure (Public) ²	1.0%	7.05%	0.07%
Opportunistic	8.0%		
Global Tactical Asset Allocation ¹	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Credit	15.0%		
High Yield Bonds/Bank Loans ^{1,2}	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt ^{2,3}	7.0%	5.79%	0.40%
Rate Sensitive	14.0%		
Core Fixed Income ¹	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Return ⁴	100.0%		5.80%
Inflation for Actuarial Purposes			2.25%
			<u>8.05%</u>

¹ Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20% of total assets.

² The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

³ RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

⁴ The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

Discount Rate

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Sensitivity Analysis

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 15,162,458	\$ 12,233,939	\$ 9,788,577
PORS	27,135,818	20,497,946	15,168,146
	<u>\$ 42,298,276</u>	<u>\$ 32,731,885</u>	<u>\$ 24,956,723</u>

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2020, are presented below.

Description	SCRS	PORS
Service cost (annual cost of current service)	\$ 467,019	\$ 1,228,464
Interest on the total pension liability	1,700,439	3,390,064
Plan administrative costs	6,807	15,258
Plan member contributions	(441,703)	(938,514)
Expected return on plan assets	(936,761)	(2,156,655)
Recognition of current year amortization - Difference between expected and actual experience & assumption changes	227,242	648,841
Recognition of current year amortization - Difference between projected and actual investment earnings	345,069	771,289
Other	742	(6,077)
Total	<u>\$ 1,368,854</u>	<u>\$ 2,952,670</u>

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

Deferred Outflows of Resources and Deferred Inflows of Resources

The schedules below reflect the amortization of collective deferred outflows/(inflows) of resources related to pensions outstanding at June 30, 2020.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

<u>SCRS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 141,163	\$ 46,262
Assumption changes	14,989	-
Net difference between projected and actual earnings	899,908	-
Changes in proportion and differences between contributions and proportionate share of contributions	2,985,222	1,000,254
Contributions subsequent to the measurement date	696,873	-
Total	\$ 4,738,155	\$ 1,046,516
<u>PORS</u>		
Difference between expected and actual experience	\$ 435,624	\$ 90,227
Assumption changes	250,142	-
Net difference between projected and actual earnings	2,098,942	-
Changes in proportion and differences between contributions and proportionate share of contributions	6,056,899	1,509,526
Contributions subsequent to the measurement date	1,281,561	-
Total	10,123,168	1,599,753
Total All Plans	\$ 14,861,323	\$ 2,646,269

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

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

The amounts reported of \$696,873 and \$1,281,561 that was reported as deferred outflows of resources related to the contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Amortization of Deferred Outflows/Inflows of Resources			
Amortized period ending June 30,	SCRS	PORS	Total
2021	\$ 678,793	\$ 1,946,101	\$ 2,624,894
2022	780,672	1,803,731	2,584,403
2023	809,421	1,813,049	2,622,470
2024	725,880	1,678,973	2,404,853
Net Balance of Deferred Outflows/(Inflows) of Resources	<u>\$ 2,994,766</u>	<u>\$ 7,241,854</u>	<u>\$ 10,236,620</u>

Employer and Nonemployer Contributions

Employers' proportionate shares were calculated on the basis of employer and nonemployer contributions remitted to the plan. In an effort to help offset a portion of the increased contribution requirements for employers, the General Assembly again provided nonemployer contributions to PEBA. Based on the criteria provided in the South Carolina 2019-2020 Appropriations Act, Section 117.131, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2020 who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2020 totaled \$88.7 million and \$12.5 million for SCRS and PORS respectively.

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

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

	SCRS	PORS
Employer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2020	\$ 623,356	\$ 1,338,532
Nonemployer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2020	40,215	55,643
Employer Contributions Not Representative of Future Contribution Effort	-	1,050
Employer and Nonemployer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2020 Measurement Date	<u>\$ 663,571</u>	<u>\$ 1,395,225</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2020, and the accounting valuation report as of June 30, 2020. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' CAFR.

Payables to the Pension Plan

The general fund reports and funds the retirement system. At June 30, 2021, the County reported payables for the June 2021 contributions of \$236,112.

NOTE 8 EMPLOYEE BENEFIT PLANS

401(K) Plan

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

NOTE 9 LANDFILL

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

NOTE 10 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

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

The County has active construction projects as of June 30, 2021. These projects include an airport acquisition and the construction of a fire station at Marsh Cove. At year end, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Airport acquisition	\$ 5,973,225	\$ 381,559
Construction of fire stations	214,228	1,634,872

The remaining funds for the airport acquisition and fire stations are expected to be paid out of the capital projects fund. As indicated in Note 1 under Budgetary Information, the capital projects fund does not adopt an annual budget and therefore, encumbrance accounting is not utilized.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 RISK MANAGEMENT

The County is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurer promises to pay to or on behalf of the insured for covered economic losses in accordance with insurance policy and benefit program limits. There have not been any reductions in insurance coverage from the prior year. The amounts of settlements have not exceeded coverage in each of the past three fiscal years. The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments. In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County. The State of South Carolina assumes substantially all risks for the following:

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

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

NOTE 12 FUND BALANCES

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non - Major</u>
Restricted					
Courts Administration	\$ 1,056,387	\$ -	\$ -	\$ -	\$ -
Law Enforcement	14,567	-	-	-	99,581
Victims Assistance	119,039	-	-	-	-
E-911 funds	-	-	-	-	496,700
Accom/Hospitality Tax	-	-	-	-	1,442,935
Waste Tire	-	-	-	-	21,726
Transportation	-	-	19,467,852	-	-
Debt Payments	25,535	-	-	3,872,008	-
Total Restricted	<u>1,215,528</u>	<u>-</u>	<u>19,467,852</u>	<u>3,872,008</u>	<u>2,060,942</u>
Committed-Marsh Cove Fire	<u>-</u>	<u>-</u>	<u>1,162,590</u>	<u>-</u>	<u>-</u>
Assigned					
2022 Budget	3,111,080	-	-	-	-
Development Projects	-	3,883,182	-	-	-
Total Assigned	<u>3,111,080</u>	<u>3,883,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>14,201,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 18,528,160</u>	<u>\$ 3,883,182</u>	<u>\$ 20,630,442</u>	<u>\$ 3,872,008</u>	<u>\$ 2,060,942</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

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

Capital Assets	\$ 57,574,633
Debt on Capital Assets:	
Revenue Bonds	(13,465,000)
General Obligation Bonds	(6,570,200)
Capital Leases	(119,141)
Deferred Refundings	609,183
Premium on Bonds Payable	(919,772)
Net Investment in Capital Assets	\$ 37,109,703

The long-term debt includes \$1,624,490 in notes payable that offsets the lease receivable from LCOG and the property held for resale. These loans are not included in debt on capital assets.

NOTE 14 TAX ABATEMENTS

The County negotiates property tax abatement agreements on an individual basis. The County has tax abatement agreements with the following as of June 30, 2021:

Purpose	Percentage of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Provide health care to citizens in the area	31%	\$ 215,952
Provide infrastructure for solar power	24% to 60%	\$ 2,569,172
Provide infrastructure for utility power expansion	70%	\$ 5,029,646
Provide economic development	24% to 43%	\$ 82,888

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 84, Fiduciary Activities, which was issued to provide more substantial guidance on identifying fiduciary activities for accounting and reporting purposes. As a result of the implementation of GASB Statement No. 84, the County has determined that the revenues associated with the collection of fines and register of deeds meet the definition of a government-mandated non-exchange transaction and therefore are not fiduciary in nature. The County will report the collection of court fines and register of deeds in the governmental funds. The result of the implementation of this standard does not have an effect on the beginning fund equity of the governmental funds. The fiduciary net position increased \$31,248,961 as a result of this implementation.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 30, 2021, the date the financial statements were issued.

In October 2021, the County issued \$5,415,000 General Obligation Refunding Bonds, Series 2021. The bonds were issued to refund General Obligation Bond Series 2011 \$4,370,000 and Series 2015 \$891,001. The bonds have an interest rate ranging from 2.25% to 4.0% and a final maturity date of April 1, 2042.

The COVID-19 outbreak developed rapidly in 2020 and continued into 2021 with a significant number of infections. Measures taken around the world to contain the virus have affected economic activity. We have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such as safety and health measures for our employees and the general well-being of the public we serve. At this stage, the impact on our financial results has been limited to a loss of revenue that we expect to recover through the American Rescue Plan Act (ARPA). We will continue to follow the various national guidelines and in parallel will do our utmost to continue our operations in the best and safest ways possible without jeopardizing public health.

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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 24,846,500	\$ 24,846,500	\$ 27,162,935	\$ 2,316,435
Fines, Fees and Licenses	2,982,300	2,982,300	4,183,693	1,201,393
Intergovernmental	1,515,000	1,515,000	1,459,552	(55,448)
Miscellaneous	2,363,400	2,363,400	706,394	(1,657,006)
Total Revenues	31,707,200	31,707,200	33,512,574	1,805,374
EXPENDITURES				
Current:				
County Administration				
County Council	255,800	255,800	260,881	(5,081)
County Attorney	183,300	183,300	179,727	3,573
Administrator	518,600	518,600	404,307	114,293
Human Resources	233,400	233,400	255,195	(21,795)
Information Technology	977,100	977,100	1,047,356	(70,256)
Treasurer	210,200	210,200	198,780	11,420
Auditor	204,050	204,050	181,609	22,441
Detention Center	3,423,600	3,423,600	2,864,500	559,100
Interdepartmental	1,019,100	1,019,100	904,168	114,932
Data Processing	462,000	462,000	482,864	(20,864)
Capital Improvements	736,400	736,400	130,280	606,120
Election Commission	307,700	307,700	255,860	51,840
Total County Administration	8,531,250	8,531,250	7,165,527	1,365,723
Administrative Services				
Tax Collector	227,500	227,500	189,732	37,768
Assessor	589,400	589,400	587,159	2,241
Finance Department	275,000	275,000	213,462	61,538
Register of Deeds	171,700	171,700	163,002	8,698
Business Licenses	86,600	86,600	74,711	11,889
Keep America Beautiful	25,000	25,000	25,000	-
Total Administrative Services	1,375,200	1,375,200	1,253,066	122,134
Development Services				
Economic Development Department	222,300	222,300	178,983	43,317
Planning Commission	196,000	196,000	211,365	(15,365)
Recreation Department	514,100	514,100	376,316	137,784
Airport	75,300	75,300	76,445	(1,145)
Sgt Jasper Park	238,000	238,000	183,816	54,184
Building Permits	195,800	195,800	206,366	(10,566)
Total Development Services	1,441,500	1,441,500	1,233,291	208,209

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Emergency Services				
Emergency Telecommunications	\$ 1,277,000	\$ 1,277,000	\$ 1,135,249	\$ 141,751
Levy Fire	268,000	268,000	260,255	7,745
Fire and Rescue	5,449,700	5,449,700	5,027,779	421,921
Emergency Services Department	1,198,600	1,198,600	1,192,599	6,001
Cherry Point Fire District	667,000	667,000	630,467	36,533
Total Emergency Services	<u>8,860,300</u>	<u>8,860,300</u>	<u>8,246,349</u>	<u>613,951</u>
Engineering Services				
Administrative	274,200	274,200	286,258	(12,058)
Central Garage	163,600	163,600	104,664	58,936
Mosquito Control	21,200	21,200	20,507	693
Litter Control	10,000	10,000	3,697	6,303
Roads and Bridges	651,200	651,200	625,465	25,735
Building Maintenance	383,600	383,600	375,557	8,043
Solid Waste	877,200	877,200	869,927	7,273
Total Engineering Services	<u>2,381,000</u>	<u>2,381,000</u>	<u>2,286,075</u>	<u>94,925</u>
Court Administration				
Probate Judge	190,100	190,100	202,565	(12,465)
Clerk of Court	572,000	572,000	572,231	(231)
Central Traffic	178,900	178,900	158,117	20,783
Magistrate Lynah	126,900	126,900	134,363	(7,463)
Magistrate Johnson	156,700	156,700	134,420	22,280
Central Bond	122,300	122,300	124,440	(2,140)
Magistrate McDonald	110,900	110,900	113,137	(2,237)
Magistrate Badgett	149,600	149,600	108,072	41,528
Total Court Administration	<u>1,607,400</u>	<u>1,607,400</u>	<u>1,547,345</u>	<u>60,055</u>
Law Enforcement				
Sheriff	4,109,200	4,109,200	4,128,324	(19,124)
Victims Witness Program	66,100	66,100	62,222	3,878
Coroner	255,400	255,400	268,196	(12,796)
Total Law Enforcement	<u>4,430,700</u>	<u>4,430,700</u>	<u>4,458,742</u>	<u>(28,042)</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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Health, Education and Welfare				
Veterans Affairs	\$ 114,100	\$ 114,100	\$ 96,105	\$ 17,995
Agency Appropriations	1,270,000	1,270,000	1,333,557	(63,557)
County Libraries	51,900	51,900	50,962	938
Health Department	31,000	31,000	24,190	6,810
Department of Social Services	32,500	32,500	38,851	(6,351)
Miscellaneous County Accounts	42,500	42,500	92,100	(49,600)
Hardeeville Annex	4,400	4,400	4,482	(82)
Farmers Market	6,200	6,200	4,542	1,658
Total Health, Education and Welfare	1,552,600	1,552,600	1,644,789	(92,189)
Debt Service				
Principal	688,000	688,000	545,592	142,408
Interest	148,500	148,500	117,090	31,410
Total Debt Service	836,500	836,500	662,682	173,818
Capital Outlay				
County Administration	75,000	75,000	71,323	3,677
Development Services	63,500	63,500	71,997	(8,497)
Emergency Services	2,661,000	2,661,000	786,954	1,874,046
Engineering Services	39,500	39,500	18,600	20,900
Total Capital Outlay	2,839,000	2,839,000	948,874	1,890,126
Total Expenditures	33,855,450	33,855,450	29,446,740	4,408,710
Excess (deficiency) of revenues over (under) expenditures	(2,148,250)	(2,148,250)	4,065,834	6,214,084
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	1,308,000	1,308,000	-	(1,308,000)
Transfers In	883,000	883,000	358,214	(524,786)
Transfers Out	(42,750)	(42,750)	(141,887)	(99,137)
Total Other Financing Sources (Uses)	2,148,250	2,148,250	216,327	(1,931,923)
Net change in fund balances	-	-	4,282,161	4,282,161
Fund balances, beginning	14,245,999	14,245,999	14,245,999	-
Fund balances, ending	\$ 14,245,999	\$ 14,245,999	\$ 18,528,160	\$ 4,282,161

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	NA	NA	NA	0.042983%	0.043313%	0.040713%	0.039003%	0.039466%	0.030171%	0.047879%
Proportionate Share of the Net Pension Liability	NA	NA	NA	\$ 7,400,248	\$ 8,214,519	\$ 8,696,237	\$ 8,780,203	\$ 8,842,973	\$ 6,889,307	\$ 12,233,939
Covered Payroll	NA	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173	\$ 4,289,985	\$ 4,245,317
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	191.02%	203.01%	220.52%	223.10%	216.41%	160.59%	288.17%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	59.90%	56.99%	52.90%	53.30%	54.10%	54.40%	50.70%

64

	PORS - FISCAL YEAR									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Proportion of the Net Pension Liability	NA	NA	NA	0.41805%	0.41507%	0.42452%	0.43080%	0.43929%	0.324596%	0.681130%
Proportionate Share of the Net Pension Liability	NA	NA	NA	\$ 8,003,283	\$ 9,046,436	\$ 10,767,893	\$ 11,802,083	\$ 12,447,516	\$ 9,302,723	\$ 20,497,946
Covered Payroll	NA	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457	\$ 6,598,581	\$ 7,649,260
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	NA	159.04%	176.49%	199.00%	203.78%	204.71%	140.98%	267.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	NA	67.50%	64.57%	60.40%	60.90%	61.70%	62.70%	58.80%

NA - not available

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

SCRS - FISCAL YEAR

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	NA	NA	NA	\$ 441,049	\$ 436,037	\$ 454,916	\$ 554,086	\$ 624,623	\$ 660,571	\$ 696,873
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	441,049	436,037	454,916	554,086	624,623	660,571	696,873
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173	\$ 4,289,985	\$ 4,245,317	\$ 4,478,619
Contributions as a Percentage of										
Covered Payroll	NA	NA	NA	10.90%	11.06%	11.56%	13.56%	14.56%	15.56%	15.56%

PORS - FISCAL YEAR

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Contractually Required Contribution	NA	NA	NA	\$ 687,357	\$ 743,621	\$ 826,135	\$ 987,466	\$ 1,120,315	\$ 1,395,225	\$ 1,281,560
Contributions in Relation to the										
Contractually Required Contribution	NA	NA	NA	687,357	743,621	826,135	987,466	1,120,315	1,395,225	1,281,560
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	NA	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457	\$ 6,498,581	\$ 7,649,260	\$ 7,026,101
Contributions as a Percentage of										
Covered Payroll	NA	NA	NA	13.41%	13.74%	14.26%	16.24%	17.24%	18.24%	18.24%

NA - not available

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

	TOTAL OPEB LIABILITY									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Service Cost at the End of the Year	NA	NA	NA	NA	NA	NA	\$ 824,462	\$ 660,904	\$ 637,971	\$ 730,828
Interest on the TOL	NA	NA	NA	NA	NA	NA	514,790	598,009	582,919	573,508
Changes of benefit terms	NA	NA	NA	NA	NA	NA	-	-	-	(3,785,962) *
Difference between Expected and Actual Experience of the Total OPEB Liability	NA	NA	NA	NA	NA	NA	(42,143)	(1,328,926)	(1,700)	(754,376)
Changes in Assumptions	NA	NA	NA	NA	NA	NA	(1,795,933)	(292,434)	1,361,729	1,974,069 **
Benefit Payments	NA	NA	NA	NA	NA	NA	(216,730)	(285,632)	(357,079)	(457,201)
Net Change in Total OPEB Liability	NA	NA	NA	NA	NA	NA	(715,554)	(648,079)	2,223,840	(1,719,134)
Total OPEB Liability - Beginning	NA	NA	NA	NA	NA	NA	17,325,933	16,610,379	15,962,300	18,186,140
Total OPEB Liability - Ending	NA	NA	NA	NA	NA	NA	\$ 16,610,379	\$ 15,962,300	\$ 18,186,140	\$ 16,467,006
 Covered-Employee Payroll										\$ 10,126,970
 Total OPEB Liability as a Percentage of Covered Payroll										162.61%

8

* Reflects the elimination of County subsidies toward health coverages for dependents & dental coverage for all retirees effective July 1, 2020.

** Discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020, updates health care trend rates & repeal of excise tax on high-cost plans.

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
ASSETS					
Receivables - net	\$ -	\$ 4,224	\$ -	\$ 212,621	\$ 216,845
Restricted Cash	1,472,713	17,502	99,581	559,405	2,149,201
Total Assets	<u>\$ 1,472,713</u>	<u>\$ 21,726</u>	<u>\$ 99,581</u>	<u>\$ 772,026</u>	<u>\$ 2,366,046</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 29,778	\$ -	\$ -	\$ 275,326	\$ 305,104
Total Liabilities	<u>29,778</u>	<u>-</u>	<u>-</u>	<u>275,326</u>	<u>305,104</u>
Fund Balances					
Restricted	1,442,935	21,726	99,581	496,700	2,060,942
Total Fund Balances	<u>1,442,935</u>	<u>21,726</u>	<u>99,581</u>	<u>496,700</u>	<u>2,060,942</u>
Total Liabilities and Fund Balances	<u>\$ 1,472,713</u>	<u>\$ 21,726</u>	<u>\$ 99,581</u>	<u>\$ 772,026</u>	<u>\$ 2,366,046</u>

88

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	SPECIAL REVENUE				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	
REVENUES					
Taxes	\$ 593,911	\$ -	\$ -	\$ -	\$ 593,911
Fines, Fees and Licenses	-	-	134,646	444,208	578,854
Intergovernmental	-	14,554	-	-	14,554
Miscellaneous	459	-	-	-	459
Total Revenue	594,370	14,554	134,646	444,208	1,187,778
EXPENDITURES					
Current:					
Development Services	293,800	-	-	-	293,800
Emergency Services	-	-	-	65,323	65,323
Sheriff	-	-	135,090	-	135,090
Capital Outlay:					
Emergency Services	-	-	-	275,326	275,326
Development Services	10,000	-	-	-	10,000
	303,800	-	135,090	340,649	779,539
Excess (deficiency) of revenues over (under) expenditures	290,570	14,554	(444)	103,559	408,239
OTHER FINANCING SOURCES (USES)					
Transfers In	141,887	-	-	-	141,887
Transfers Out	(127,825)	-	-	(140,000)	(267,825)
Total Other Financing Sources (Uses)	14,062	-	-	(140,000)	(125,938)
Net change in fund balances	304,632	14,554	(444)	(36,441)	282,301
Fund balances, beginning	1,138,303	7,172	100,025	533,141	1,778,641
Fund balances, ending	\$ 1,442,935	\$ 21,726	\$ 99,581	\$ 496,700	\$ 2,060,942

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

FIDUCIARY FUNDS

Fiduciary Funds – Other Custodial Funds

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

Taxes and State Aid	This fund is used to account for receipts for property tax collections and state aid for other governmental entities within Jasper County.
State License and Fees	This fund is used to account for child support payments, bonds, court awards, restitution and fines collected by the clerk of court.
Developer Funds	This fund represents insurance proceeds over a developmental agreement settlement.
Outside Agencies	This fund represents donations held on behalf of the outside agencies.
Detention Center	This fund represents the funds collected for the canteen at the Detention Center.

**JASPER COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
 JUNE 30, 2021**

	<u>Custodial Funds</u>					<u>Total Other Custodial Funds</u>
	<u>Taxes and State Aid</u>	<u>State License and Fees</u>	<u>Developer Funds</u>	<u>Outside Agencies</u>	<u>Detention Center</u>	
Assets						
Cash	\$ 31,479,437	\$ 1,330,168	\$ 1,710,806	\$ 7,449	\$ 102,302	\$ 34,630,162
Receivables	495,219	-	-	-	-	495,219
Total Assets	<u>\$ 31,974,656</u>	<u>\$ 1,330,168</u>	<u>\$ 1,710,806</u>	<u>\$ 7,449</u>	<u>\$ 102,302</u>	<u>\$ 35,125,381</u>
Liabilities						
Accounts Payable	\$ 97,789	\$ -	\$ -	\$ -	\$ -	\$ 97,789
Total Liabilities	<u>97,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,789</u>
Net Position						
Restricted for Individuals, Organizations, Other Governments	31,876,867	1,330,168	1,710,806	7,449	102,302	35,027,592
Total Net Position	<u>31,876,867</u>	<u>1,330,168</u>	<u>1,710,806</u>	<u>7,449</u>	<u>102,302</u>	<u>35,027,592</u>
Total Liabilities and Net Position	<u>\$ 31,974,656</u>	<u>\$ 1,330,168</u>	<u>\$ 1,710,806</u>	<u>\$ 7,449</u>	<u>\$ 102,302</u>	<u>\$ 35,125,381</u>

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

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Custodial Funds					Total Other Custodial Funds
	Taxes and State Aid	State License and Fees	Developer Funds	Outside Agencies	Detention Center	
Additions						
Contributions from individuals	\$ -	\$ -	\$ -	\$ 4,971	\$ 195,309	\$ 200,280
Property tax collections and state aid for other governments	85,606,035	-	-	-	-	85,606,035
License and fees collected for State	-	772,973	-	-	-	772,973
Miscellaneous	-	-	2,849	45,402	-	48,251
Total Additions	<u>85,606,035</u>	<u>772,973</u>	<u>2,849</u>	<u>50,373</u>	<u>195,309</u>	<u>86,627,539</u>
Deductions						
Payments to individuals	-	-	-	-	93,007	93,007
Payments of property taxes and state aid to other governments	81,812,065	-	-	-	-	81,812,065
Payments to state	-	433,986	-	-	-	433,986
Payments on behalf of other entities	-	-	465,043	44,807	-	509,850
Total Deductions	<u>81,812,065</u>	<u>433,986</u>	<u>465,043</u>	<u>44,807</u>	<u>93,007</u>	<u>82,848,908</u>
Change in net position	3,793,970	338,987	(462,194)	5,566	102,302	3,778,631
Net Position, beginning	<u>28,082,897</u>	<u>991,181</u>	<u>2,173,000</u>	<u>1,883</u>	<u>-</u>	<u>31,248,961</u>
Net Position, ending	<u>\$ 31,876,867</u>	<u>\$ 1,330,168</u>	<u>\$ 1,710,806</u>	<u>\$ 7,449</u>	<u>\$ 102,302</u>	<u>\$ 35,027,592</u>

JASPER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court		Total
Court Fines and Assessments:				
Court fines and assessments collected	272,701	612,221		884,922
Court fines and assessments remitted to State Treasurer	169,859	331,042		500,901
Total Court Fines and Assessments retained	102,842	281,179		384,021
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	6,733	5,890		12,623
Assessments retained	1,014	27,003		28,017
Total Surcharges and Assessments retained for victim services	7,747	32,893		40,640

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance		109,759	109,759
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer		28,017	28,017
Victim Service Surcharges Retained by City/County Treasurer		12,623	12,623
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)		150,399	150,399

JASPER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2021

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits		31,017	31,017
Operating Expenditures		343	343
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)		31,360	31,360
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)		119,039	119,039
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year		119,039	119,039

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.	76-79
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.	80-83
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.	84-88
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.	89-90
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.	91-93

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									
	2012	2013	2014	2015 *	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 12,827,924	\$ 13,182,845	\$ 12,769,520	\$ 13,998,492	\$ 16,690,228	\$ 20,468,539	\$ 25,723,403	\$ 30,840,723	\$ 36,227,559	\$ 37,109,703
Restricted	1,750,065	1,883,628	2,332,105	2,135,942	3,108,207	3,825,960	7,013,929	13,106,724	19,428,464	26,616,330
Unrestricted (Deficit)	7,218,705	5,782,359	6,010,816	(8,893,517)	(9,451,526)	(9,370,333)	(19,576,094)	(20,391,347)	(18,614,049)	(15,706,377)
Total Governmental Activities Net Position	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>	<u>\$ 14,924,166</u>	<u>\$ 13,161,238</u>	<u>\$ 23,556,100</u>	<u>\$ 37,041,974</u>	<u>\$ 48,019,656</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
County Administration	\$ 3,887,949	\$ 4,675,145	\$ 4,538,113	\$ 4,790,094	\$ 5,199,081	\$ 6,011,086	\$ 5,279,343	\$ 5,585,627	\$ 4,701,048 *	\$ 12,490,203
Administrative Services	1,106,474	1,051,409	1,073,387	1,183,860	1,194,741	1,194,183	1,169,173	1,325,890	1,397,335	1,266,283
Development Services	1,566,414	2,344,972	1,694,855	1,977,275	2,542,464	3,393,276	3,327,220	2,525,699	2,679,937	2,304,506
Emergency Services	8,705,536	8,669,016	8,955,251	9,089,407	9,271,317	10,127,643	10,509,277	10,781,215	13,078,811	9,565,210
Engineering Services	3,037,772	2,985,205	3,021,142	3,033,537	2,566,479	2,586,351	2,536,813	2,690,946	2,752,655	3,178,858
Court Administration	1,228,563	1,266,411	1,297,809	1,356,490	1,293,027	1,297,090	1,298,114	1,333,525	1,383,804	1,537,232
Law Enforcement	3,466,990	3,260,769	2,873,223	3,156,385	3,279,268	3,722,473	4,578,268	5,073,798	5,608,784	4,874,153
Health, Education, and Welfare	1,235,841	1,212,641	1,348,612	1,339,088	1,457,736	1,409,426	1,545,606	1,530,969	1,550,614	1,636,162
Interest Expense	766,858	850,242	957,203	916,856	920,388	1,554,125	888,148	857,742	878,254	1,051,730
Total Expenses	<u>25,002,397</u>	<u>26,315,810</u>	<u>25,759,595</u>	<u>26,842,992</u>	<u>27,724,501</u>	<u>31,295,653</u>	<u>31,131,962</u>	<u>31,705,411</u>	<u>34,031,242</u>	<u>37,904,337</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
Emergency Services Fees	964,665	952,994	1,169,567	1,299,304	1,242,621	1,133,456	1,135,127	1,237,235	2,136,083	1,481,112
Fines	554,554	444,629	389,434	451,735	480,927	614,145	598,211	806,152	598,635	396,898
Development Services Fees	570,657	718,872	816,226	585,637	905,471	857,960	1,121,032	932,187	1,043,823	738,388
Engineering Services	-	-	-	-	527,949	595,801	631,777	636,353	627,124	837,708
Administrative Services	789,301	853,623	718,152	812,303	240,023	324,521	341,406	434,160	652,969	1,299,410
Law Enforcement	-	-	-	-	-	-	-	-	-	138,480
Operating Grants and Contributions	1,657,806	1,887,385	759,123	1,182,931	1,428,999	2,632,029	3,245,923	836,824	3,617,511	1,650,040
Capital Grants and Contributions	367,661	1,046,722	443,934	1,416,623	2,543,774	5,551,282	4,234,844	4,547,238	5,482,284	1,360,014
General Revenues										
Taxes	19,785,876	19,619,663	20,271,873	20,958,865	22,090,667	22,559,108	26,635,371	30,972,600	31,410,993	35,391,769
Grants and Contributions not restricted to specific programs	771,748	1,329,591	1,063,635	1,279,897	1,047,710	995,085	1,054,625	1,004,270	1,030,317	1,060,149
Earnings on investments	60,442	28,465	25,864	15,325	3,570	-	-	-	-	-
Other	412,261	119,861	365,396	285,301	318,782	609,523	32,119	693,254	917,377	811,795
Social Items - OPEB	-	-	-	-	-	-	-	-	-	3,716,256
Total Revenues	<u>25,934,971</u>	<u>27,001,805</u>	<u>26,023,204</u>	<u>28,287,921</u>	<u>30,830,493</u>	<u>35,872,910</u>	<u>39,030,435</u>	<u>42,100,273</u>	<u>47,517,116</u>	<u>48,882,019</u>
Change in net position	932,574	685,995	263,609	1,444,929	3,105,992	4,577,257	7,898,473	10,394,862	13,485,874	10,977,682
Net Position-Beginning	20,864,120	21,796,694	20,848,832	21,112,441	7,240,917	10,346,909	14,924,166	13,161,238	23,556,100	37,041,974
Prior Period Adjustment	-	(1,633,857)	-	(15,316,453)	-	-	(9,661,401)	-	-	-
Net Position-Ending	<u>\$ 21,796,694</u>	<u>\$ 20,848,832</u>	<u>\$ 21,112,441</u>	<u>\$ 7,240,917</u>	<u>\$ 10,346,909</u>	<u>\$ 14,924,166</u>	<u>\$ 13,161,238</u>	<u>\$ 23,556,100</u>	<u>\$ 37,041,974</u>	<u>\$ 48,019,656</u>

Source: County Audit Reports

* Increase represents moving Detention Center operations under County Administration from Emergency Services in 2021

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

Schedule 3

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND										
Restricted	\$ 560,768	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068	\$ 623,694	\$ 729,418	\$ 902,246	\$ 1,145,085	\$ 1,215,528
Assigned	-	-	542,000	1,200,000	1,400,000	1,400,000	1,700,000	2,600,000	1,320,000	3,111,080
Unassigned	4,939,507	6,868,983	7,889,633	8,964,563	10,007,590	10,588,816	11,175,135	10,750,767	11,780,914	14,201,552
Total General Fund	<u>\$ 5,500,275</u>	<u>\$ 7,219,665</u>	<u>\$ 8,862,618</u>	<u>\$ 10,685,541</u>	<u>\$ 11,970,658</u>	<u>\$ 12,612,510</u>	<u>\$ 13,604,553</u>	<u>\$ 14,253,013</u>	<u>\$ 14,245,999</u>	<u>\$ 18,528,160</u>
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 2,638,581	\$ 2,521,012	\$ 2,270,864	\$ 1,989,847	\$ 2,428,304	\$ 2,623,267	\$ 1,810,272	\$ 3,174,069	\$ 3,969,996	\$ 3,883,182
Nonspendable	-	-	-	-	-	-	293,108	-	-	-
Total Economic Development Fund	<u>\$ 2,638,581</u>	<u>\$ 2,521,012</u>	<u>\$ 2,270,864</u>	<u>\$ 1,989,847</u>	<u>\$ 2,428,304</u>	<u>\$ 2,623,267</u>	<u>\$ 2,103,380</u>	<u>\$ 3,174,069</u>	<u>\$ 3,969,996</u>	<u>\$ 3,883,182</u>
CAPITAL PROJECTS FUND										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,980,189	\$ 8,715,265	\$ 13,800,209	\$ 19,467,852
Committed	766,968	455,066	342,905	-	79,529	49,784	49,784	27,382	1,179,077	1,162,590
Total Capital Projects Fund	<u>\$ 766,968</u>	<u>\$ 455,066</u>	<u>\$ 342,905</u>	<u>\$ -</u>	<u>\$ 79,529</u>	<u>\$ 49,784</u>	<u>\$ 3,029,973</u>	<u>\$ 8,742,647</u>	<u>\$ 14,979,286</u>	<u>\$ 20,630,442</u>
DEBT SERVICE FUND										
Restricted	\$ 440,650	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975	\$ 1,754,785	\$ 2,196,091	\$ 2,704,529	\$ 3,872,008
Total Debt Service Fund	<u>\$ 440,650</u>	<u>\$ 530,482</u>	<u>\$ 792,360</u>	<u>\$ 768,263</u>	<u>\$ 1,043,165</u>	<u>\$ 1,526,975</u>	<u>\$ 1,754,785</u>	<u>\$ 2,196,091</u>	<u>\$ 2,704,529</u>	<u>\$ 3,872,008</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 748,647	\$ 995,555	\$ 1,173,880	\$ 1,370,098	\$ 1,501,974	\$ 1,675,290	\$ 1,549,537	\$ 1,318,351	\$ 1,778,641	\$ 2,060,942
Assigned	103,337	66,012	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 851,984</u>	<u>\$ 1,061,567</u>	<u>\$ 1,173,880</u>	<u>\$ 1,370,098</u>	<u>\$ 1,501,974</u>	<u>\$ 1,675,290</u>	<u>\$ 1,549,537</u>	<u>\$ 1,318,351</u>	<u>\$ 1,778,641</u>	<u>\$ 2,060,942</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 19,595,237	\$ 19,783,721	\$ 18,091,572	\$ 18,963,388	\$ 19,903,845	\$ 22,486,009	\$ 26,343,869	\$ 30,872,279	\$ 31,367,983	\$ 35,998,031
Fines, Fees, and Licenses	2,862,250	3,051,045	5,292,009	5,220,238	5,394,712	3,525,883	3,827,553	3,939,634	4,941,919	4,891,996
Intergovernmental	2,443,676	2,997,701	2,365,825	3,551,585	4,128,984	7,347,238	6,064,045	6,127,573	8,618,495	3,740,306
Miscellaneous	1,039,387	2,021,768	452,878	790,823	1,378,744	2,498,262	2,595,360	1,123,824	2,564,112	1,141,692
Total Revenues	<u>25,940,550</u>	<u>27,854,235</u>	<u>26,202,284</u>	<u>28,526,034</u>	<u>30,806,285</u>	<u>35,857,392</u>	<u>38,830,827</u>	<u>42,063,310</u>	<u>47,492,509</u>	<u>45,772,025</u>
Expenditures										
Current:										
County Administration	2,468,436	3,043,587	3,061,193	3,227,860	3,572,594	4,660,219	3,378,022	3,907,442	4,288,656 *	7,542,395
Administrative Services	1,100,949	1,046,490	1,072,687	1,179,860	1,199,991	1,195,827	1,197,448	1,321,195	1,372,324	1,253,066
Development Services	1,528,004	2,289,923	1,625,112	1,907,703	2,467,565	3,313,430	3,241,474	2,442,009	2,553,702	1,982,403
Emergency Services	8,324,789	8,265,465	8,720,336	8,806,517	8,949,552	9,627,537	10,049,436	10,280,231	12,371,190 *	8,565,993
Engineering Services	2,835,578	2,733,107	2,775,502	2,716,641	2,347,232	2,254,620	2,368,185	2,561,436	2,629,405	3,008,642
Court Administration	1,215,028	1,282,193	1,295,506	1,323,488	1,288,691	1,297,703	1,288,881	1,321,531	1,372,008	1,547,345
Law Enforcement	3,343,054	3,156,084	2,881,582	3,085,291	3,157,111	3,617,769	4,332,045	4,733,793	5,310,585	4,631,736
Health, Education, and Welfare	1,243,473	1,208,783	1,352,895	1,340,172	1,458,411	1,407,722	1,543,379	1,529,694	1,547,730	1,644,789
Debt Service										
Principal	617,519	623,885	595,206	696,402	494,303	1,100,490	1,964,369	1,000,640	889,081	1,180,306
Interest	739,226	872,281	943,272	927,490	918,772	1,001,819	850,680	823,205	839,689	945,708
Bond Issuance Costs	-	-	-	-	-	394,413	-	-	-	-
Capital Outlay	<u>439,162</u>	<u>2,711,124</u>	<u>608,896</u>	<u>2,262,498</u>	<u>5,045,072</u>	<u>6,042,485</u>	<u>5,847,856</u>	<u>5,859,701</u>	<u>9,575,017</u>	<u>2,895,114</u>
Total Expenditures	<u>23,855,218</u>	<u>27,232,922</u>	<u>24,932,187</u>	<u>27,473,922</u>	<u>30,899,294</u>	<u>35,914,034</u>	<u>36,061,775</u>	<u>35,780,877</u>	<u>42,749,387</u>	<u>35,197,497</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,085,332</u>	<u>621,313</u>	<u>1,270,097</u>	<u>1,052,112</u>	<u>(93,009)</u>	<u>(56,642)</u>	<u>2,769,052</u>	<u>6,282,433</u>	<u>4,743,122</u>	<u>10,574,528</u>
Other Financing Sources (Uses)										
Issuance of Debt	760,206	968,021	384,738	319,010	2,302,890	314,533	785,350	1,359,510	3,251,158	-
Refunding Bonds Issued	-	-	-	-	-	8,290,000	-	-	-	5,540,000
Premium on Debt Issuance	-	-	-	-	-	156,305	-	-	-	716,821
Payment to Refunded Debt Escrow Agent	-	-	-	-	-	(7,240,000)	-	-	-	(5,535,066)
Transfers In	585,211	343,616	439,551	500,802	1,177,793	788,215	434,857	305,000	1,519,251	500,101
Transfers Out	(585,211)	(343,616)	(439,551)	(500,802)	(1,177,793)	(788,215)	(434,857)	(305,000)	(1,519,251)	(500,101)
Total Other Financing Sources (Uses)	<u>760,206</u>	<u>968,021</u>	<u>384,738</u>	<u>319,010</u>	<u>2,302,890</u>	<u>1,520,838</u>	<u>785,350</u>	<u>1,359,510</u>	<u>3,251,158</u>	<u>721,755</u>
Net Change in Fund Balances	<u>2,845,538</u>	<u>1,589,334</u>	<u>1,654,835</u>	<u>1,371,122</u>	<u>2,209,881</u>	<u>1,464,196</u>	<u>3,554,402</u>	<u>7,641,943</u>	<u>7,994,280</u>	<u>11,296,283</u>
Fund Balances, Beginning	<u>7,352,920</u>	<u>10,198,458</u>	<u>11,787,792</u>	<u>13,442,627</u>	<u>14,813,749</u>	<u>17,023,630</u>	<u>18,487,826</u>	<u>22,042,228</u>	<u>29,684,171</u>	<u>37,678,451</u>
Fund Balances, Ending	<u>\$ 10,198,458</u>	<u>\$ 11,787,792</u>	<u>\$ 13,442,627</u>	<u>\$ 14,813,749</u>	<u>\$ 17,023,630</u>	<u>\$ 18,487,826</u>	<u>\$ 22,042,228</u>	<u>\$ 29,684,171</u>	<u>\$ 37,678,451</u>	<u>\$ 48,974,734</u>
Debt service as a percentage of noncapital expenditures	6.5%	7.0%	7.2%	7.4%	6.3%	8.5%	10.5%	6.1%	5.2%	6.6%

Source: County Audit Reports

* Detention Center moved from Emergency Services to County Administration in 2021

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	
2012	\$ 73,826,180 *	\$ 52,030,391 *	\$ 125,856,571 *	\$ 1,551,860,000 *	\$ 416,603,807 *	\$ 1,968,463,807 *	157.00
2013	67,733,480	51,286,490	119,019,970	1,535,120,165	348,145,245	1,883,265,410	155.00
2014	70,886,830	54,168,577	125,055,407	1,537,861,411	433,348,616	1,971,210,027	154.00
2015	73,451,930	56,061,241	129,513,171	1,609,320,587	382,415,318	1,991,735,905	154.00
2016	76,132,670 *	56,560,351 *	132,693,021 *	1,669,576,096	386,077,481 *	2,055,653,577 *	154.00
2017	77,948,800	59,170,299	137,119,099	1,701,178,502	446,625,654	2,147,804,156	154.00
2018	81,433,030	58,699,018	140,132,048	1,782,796,111	454,834,852	2,237,630,963	154.00
2019	88,193,057	62,479,366	150,672,423	1,782,796,111	485,377,888	2,268,173,999	154.00
2020	95,011,880 *	65,072,586 *	160,084,466 *	2,156,499,216 *	564,887,683 *	2,721,386,899 *	154.00
2021	106,338,030	66,964,004	173,302,034	2,605,973,500	573,743,756	3,179,717,256	154.00

* Reassessment Year.

**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
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00
2013	85.75	57.25	12.00	155.00	172.00	25.00	33.00	114.20	147.00
2014	86.50	55.50	12.00	154.00	166.00	25.00	33.00	114.20	142.00
2015	86.00	56.00	12.00	154.00	164.00	25.00	32.00	116.20	136.00
2016	86.00	56.00	12.00	154.00	164.00	25.00	32.00	118.20	130.00
2017	86.00	56.00	12.00	154.00	164.00	25.00	32.00	125.20	123.00
2018	93.00	49.00	12.00	154.00	166.00	25.00	32.00	126.48	120.00
2019	85.00	57.00	12.00	154.00	166.00	25.00	32.00	126.48	117.00
2020	85.00	57.00	12.00	154.00	166.00	25.00	32.00	137.76	114.00
2021	85.00	57.00	12.00	154.00	166.00	25.00	32.00	140.25	114.00

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

TAXPAYER	2021			2012		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
Dominion/South Carolina Electric & Gas	\$ 18,639,647	1	11.64%	\$ 21,247,422	1	16.90%
Palmetto Electric	3,692,930	2	2.31%	2,865,290	2	2.30%
Minto Latitude HH LLC	1,639,930	3	1.02%	-		0.00%
Moffett Solar 1 LLC	1,637,363	4	1.02%	-		0.00%
Raia SC Exchange VG Mahwah LLC	1,543,560	5	0.96%	-		0.00%
Peacock RE LLC	1,494,230	6	0.93%	-		0.00%
Brooke Mill LLC	1,396,860	7	0.87%	-		0.00%
Del Webb Communities	1,358,830	8	0.85%	756,850	9	0.60%
Dominion Carolina Gas Transmission	1,320,910	9	0.83%			0.00%
Charleston and Savannah RR	1,308,633	10	0.82%			0.00%
Georgia DOT	-		0.00%	1,941,120	3	1.50%
CSX Transportation	-		0.00%	1,369,752	4	1.10%
Carolina Gas Transmission Corporation	-		0.00%	1,128,110	5	0.90%
Auston Chase	-		0.00%	1,044,890	6	0.80%
Okeetee Club	-		0.00%	827,100	7	0.66%
Courtney Bend LLC	-		0.00%	803,270	8	0.70%
Walmart	-		0.00%	669,430	10	0.50%
Total	\$ 34,032,893		21.26%	\$ 32,653,234		26.00%

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
2012	\$ 15,594,355	\$ 14,172,710	90.9%	\$ 1,215,199	\$ 15,278,814	98.0%
2013	15,647,788	14,300,250	91.4%	993,177	15,293,427	97.7%
2014	15,274,388	14,002,959	91.7%	968,943	14,971,902	98.0%
2015	15,412,128	14,017,407	91.0%	761,038	14,778,445	95.9%
2016	16,894,779	15,631,056	92.5%	776,433	16,407,489	97.1%
2017	17,086,884	15,849,362	92.8%	555,746	16,405,108	96.0%
2018	17,352,310	16,187,168	93.3%	700,436	16,887,604	97.3%
2019	18,684,381	17,429,780	93.3%	629,295	18,059,075	96.7%
2020	20,332,655	18,974,012	93.3%	707,363	19,681,375	96.8%
2021	22,059,957	21,320,718	96.6%	-	21,320,718	96.6%

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			
2012	\$ 4,500,000	\$ 1,119,824	\$ -	\$ 13,225,000	\$ 1,200,000	\$ 20,044,824	3.4%	870.27
2013	4,500,000	940,744	820,657	12,563,314	1,245,000	20,069,715	3.2%	845.15
2014	4,500,000	755,071	771,236	13,833,790	-	19,860,097	3.0%	817.25
2015	4,611,277	637,386	1,002,519	13,324,640	-	19,575,822	2.7%	754.34
2016	5,117,851	1,432,493	1,809,425	13,025,490	-	21,385,259	3.0%	824.06
2017	5,338,862	1,374,912	1,375,038	13,907,798	-	21,996,610	2.9%	837.20
2018	5,632,431	464,512	804,370	13,487,967	-	20,389,280	2.6%	734.43
2019	5,602,431	1,760,664	337,088	13,047,289	-	20,747,472	2.4%	709.51
2020	6,744,811	1,694,204	2,090,188	12,531,680	-	23,060,883	2.6%	788.62
2021	6,570,200	1,624,490	119,141	14,384,772	-	22,698,603	2.1%	658.96

84

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.

(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
2012	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A
2014	\$ 4,500,000	\$ 792,360	\$ 3,707,640	3.0%	152.57
2015	4,611,277	768,263	3,843,014	3.0%	148.09
2016	5,117,851	1,043,165	4,074,686	3.1%	157.01
2017	5,338,862	1,526,975	3,811,887	2.8%	145.08
2018	5,632,431	1,754,785	3,877,646	2.8%	139.67
2019	5,602,431	2,196,091	3,406,340	2.3%	116.49
2020	6,744,811	2,704,529	4,040,282	2.5%	138.17
2021	6,570,200	3,872,008	2,698,192	1.7%	78.33

Source: County Audit Report

N/A - Year 2014 is the first year that the County has had General Obligation Debt.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

<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	\$ 28,417,092	100.00%	\$ 28,417,092
City of Hardeeville	16,019,473	20.00%	3,203,895
Subtotal overlapping debt	<u>44,436,565</u>		<u>31,620,987</u>
County direct debt	<u>22,698,603</u>	100.00%	<u>22,698,603</u>
Total direct and overlapping debt	<u>\$ 67,135,168</u>		<u>\$ 54,319,590</u>

98

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 2021

Assessed Value	\$ 173,302,034
Debt limit (8% of assessed value)	13,864,163
Debt applicable to limit:	
General Obligation	<u>(6,570,200)</u>
Total net debt applicable to limit	<u>(6,570,200)</u>
Legal Debt Margin	<u>\$ 7,293,963</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 10,068,525	\$ 9,521,598	\$ 1,000,433	\$ 10,361,054	\$ 10,615,442	\$ 10,969,528	\$ 11,210,564	\$ 12,053,794	\$ 12,806,757	\$ 13,864,163
Total net debt applicable to limit	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,500,000)</u>	<u>(4,611,277)</u>	<u>(5,117,851)</u>	<u>(5,338,862)</u>	<u>(5,632,431)</u>	<u>(5,602,431)</u>	<u>(6,744,811)</u>	<u>(6,570,200)</u>
Legal debt margin	<u>\$ 5,568,525</u>	<u>\$ 5,021,598</u>	<u>\$ 5,504,433</u>	<u>\$ 5,749,777</u>	<u>\$ 5,497,591</u>	<u>\$ 5,630,666</u>	<u>\$ 5,578,133</u>	<u>\$ 6,451,363</u>	<u>\$ 6,061,946</u>	<u>\$ 7,293,963</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>44.7%</u>	<u>47.3%</u>	<u>45.0%</u>	<u>44.5%</u>	<u>48.2%</u>	<u>48.7%</u>	<u>50.2%</u>	<u>46.5%</u>	<u>52.7%</u>	<u>47.4%</u>

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

Source: County Audit Report
County Auditor

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

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2014 *	\$ 1,285,496	\$ 410,000	\$ 816,643	1.05
2015	1,357,423	510,000	871,460	0.98
2016	1,412,046	300,000	862,144	1.22
2017	1,473,552	515,000	906,432	1.04
2018	1,495,390	455,000	787,459	1.20
2019	1,677,029	470,000	765,723	1.36
2020	1,811,048	550,000	752,610	1.39
2021	2,091,714	565,000	714,103	1.64

Source: County Audit Report

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

**JASPER COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2012	25,973	598,243	23,033	35.4	4,012	8.9
2013	26,710	634,288	23,747	35.6	3,936	8.1
2014	27,170	660,261	24,301	34.0	3,997	6.0
2015	27,170	722,056	25,951	34.0	3,879	5.9
2016	27,824	722,056	25,951	36.3	3,928	5.0
2017	28,465	747,895	26,274	36.5	3,996	3.6
2018	28,458	790,052	27,762	37.9	3,951	3.1
2019	28,971	847,161	29,242	38.1	4,031	3.3
2020	30,073	879,394	29,242	39.5	4,197	7.3
2021	28,794	1,088,071	34,446	40.3	4,316	3.6

Data Source:

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

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

Schedule 15

<u>EMPLOYER</u>	<u>2021</u>			<u>2012</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Coastal Carolina Medical Center	400	1	3.00 %	216	6	2.14 %
Jasper County School District	384	2	2.88	450	1	4.75
Jasper County	299	3	2.25	240	4	2.29
Wal-Mart	264	4	1.98	296	3	3.70
Cleland Site Prep Inc.	211	5	1.58	110	9	1.06
Peacock Automotive Group	208	6	1.56	313	2	13.64
Ridgeland Correctional Institution	182	7	1.37	199	7	2.07
Publix Super Market	150	8	1.13	-		-
Palmetto Electric Cooperative	105	9	0.79	-		
Ridgeland Nursing Center	92	10	0.69	96	10	1.08
Beaufort-Jasper Comprehensive Health	-		-	250	5	2.64
J.C. Board of Disabilities & Special Needs			-	119	8	1.27
Total	2,295		17.24 %	2,289		22.58 %

06

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
County Council	6	6	6	6	6	6	6	6	6	6
Administrator	3	2	2	2	2	2	2	2	2	2
Administrative Services	16	16	16	16	17	17	18	18	20	20
Development Services	5	5	5	5	5	5	4	7	7	8
Emergency Services	4	4	4	4	4	4	4	4	4	4
Engineering Services	35	35	35	33	38	38	34	37	30	31
Treasurer	3	3	3	3	3	3	4	4	4	4
Auditor	4	4	4	4	4	4	4	4	4	4
Probate Judge	2	2	2	2	2	2	2	2	3	3
Clerk of Court	7	7	7	7	6	6	7	6	7	7
Sheriff	42	42	42	41	40	40	40	54	49	54
Magistrate	11	11	11	11	11	11	12	14	12	13
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	2	2	2	2	2	2	2	2	2	2
Coroner	2	2	2	2	3	3	3	3	3	2
Recreation	5	5	5	5	6	6	6	6	6	7
Fire & Rescue	43	47	47	47	42	42	43	52	65	75
Emergency Telecommunications	11	12	15	13	12	12	13	14	16	15
Information Technology	1	2	2	2	2	2	3	3	3	5
Detention	34	37	37	35	36	36	37	39	32	35
County Attorney	2	2	2	2	2	2	2	1	2	2
Total	240	248	251	244	245	245	248	280	279	301

91

Source: County Human Resources

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

Schedule 17

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REGISTER OF DEEDS										
Documents Recorded	5,654	6,713	5,697	6,032	5,638	5,620	5,369	6,095	6,160	7,455
SOLID WASTE										
Tons of Solid Waste Handled	7,399	7,048	9,967	8,446	9,499	9,657	10,548	10,548	10,357	11,359
BUILDING DEPARTMENT										
Residential Permits Issued	159	207	188	203	255	233	320	326	312	410
Value of Residential Permits	\$ 2,857,057	\$ 6,703,564	\$ 6,342,794	\$ 6,127,234	\$ 19,795,173	\$ 32,309,846	\$ 12,561,961	\$ 6,194,649	\$ 20,949,683	\$ 34,099,205
Commercial Permits Issued	30	35	62	64	58	81	79	82	61	51
Value of Commercial Permits	\$ 3,907,760	\$ 7,016,742	\$ 6,583,575	\$ 5,001,472	\$ 12,564,136	\$ 13,360,362	\$ 109,825,105	\$ 17,168,020	\$ 8,863,829	\$ 7,570,563
Mobile Home Permits Issued	120	103	86	104	68	85	94	110	163	89
PARKS & RECREATION										
Park Attendance	61,024	81,253	17,966	19,542 *	19,552	19,524	24,067	17,340	12,548	19,439
DETENTION CENTER										
Confinements	2,297	1,600	1,992	1,974	1,779	1,830	1,776	1,714	1,291	927
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	717	684	845	913	586	670	763	740	815	752
Gross Sales Within County	N/A	\$ 1,050,332,950	\$ 924,434,928	\$ 921,111,732	\$ 1,320,828,986	\$ 1,330,189,000	\$ 1,410,557,365	\$ 1,408,928,392	\$ 1,439,374,882	\$ 1,686,692,382
EMERGENCY SERVICES										
Calls Dispatched	50,952	46,271	49,479	51,080	51,384	55,609	62,958	64,913	68,058	49,621

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

N/A Information is not available.
Source: Various County Departments

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

Schedule 18

<u>FUNCTION/PROGRAM</u>	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
DEVELOPMENT SERVICES:										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	11	11	11	11	11	11	11	11	11	11
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	6	8	8	8
EMERGENCY SERVICES:										
Number of fire stations	8	8	9	9	11	11	12	12 **	11 **	11
Number of fire rescue apparatus	19	19	19	19	15	15	19	21	27	26
Number of ambulances	7	7	7	7	6	7	7	7	8	8
ENGINEERING SERVICES:										
Miles of Roads	124	124	124	124	124	124	124	124	124	124
Recycling centers	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
Patrol units	18	18	18	18	18	18	22	22	57	57
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	1 *	1	1	1	1

Source: Administrative Services

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

** Includes Sgt Jasper Park with ambulance only station

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Sub-Recipients</u>	<u>Expenditures</u>
<u><i>US Department of Health & Human Services</i></u>				
Passed through the SC Department of Social Services				
Child Enforcement Block Grant	93.563		\$ -	\$ 145,649
<u><i>US Department of Housing and Urban Development</i></u>				
Passed through the SC Department of Commerce				
Community Development Block Grant	14.228	4-CI-20-010	-	82,702
Community Development Block Grant	14.228	4-NR-17-003	-	7,350
Community Development Block Grant	14.228	4-CE-18-012	-	218,635
Total Community Development Block Grant	14.228		-	308,687
<u><i>US Department of Transportation</i></u>				
Airport Improvement Program	20.106		-	1,175,978
<u><i>US Department of Homeland Security</i></u>				
Passed through the SC Department of Emergency Preparedness				
Hazard Mitigation Grant	97.039		-	148,688
LEMPG Grant	97.042		-	79,960
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 1,858,962</u>

See accompanying notes to schedule of expenditures of federal awards.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Jasper County, South Carolina (the County) under programs of the federal government for the year ended June 30, 2021. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 NON-CASH AWARDS

The County did not receive any non-cash federal awards during the year ended June 30, 2021.



4210 Columbia Road | Building 10 | Suite 101 | Augusta, GA 30907
www.bairdgroupcpa.com | Tel. (706) 855-9500 | Fax (706) 855-2900

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, 2021, 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 November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Jasper County, South Carolina's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jasper County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Baird Audit Group, LLC

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2021



4210 Columbia Road | Building 10 | Suite 101 | Augusta, GA 30907
www.bairstongroupcpa.com | Tel. (706) 855-9500 | Fax (706) 855-2900

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

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

Report on Compliance for Each Major Federal Program

We have audited Jasper County, South Carolina's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Jasper County, South Carolina's major federal programs for the year ended June 30, 2021. Jasper County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Jasper County, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above 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 Fund

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, 2021.

Report on Internal Control over Compliance

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

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

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

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



The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
November 30, 2021

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of Jasper County, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The Auditors' report on Compliance for the major federal award programs of Jasper County, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our audit disclosed no findings which relate to the federal awards which are required to be reported under Section 2 CFR Section 200.516(a).
- G. Major federal program for Jasper County, South Carolina, for the fiscal year ended June 30, 2021 is:

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

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$750,000.
- I. Jasper County, South Carolina qualifies as a low risk auditee.

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

There were no findings noted for the year ended June 30, 2021, which are required to be reported in accordance with *Government Auditing Standards*

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

There were no findings noted for the year ended June 30, 2020, which are required to be reported in accordance with 2 CFR Section 200.516(a).