

JASPER COUNTY, SOUTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

COUNTY COUNCIL

BARBARA CLARK, CHAIRPERSON

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, 2022

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INTRODUCTORY SECTION



OFFICE OF THE JASPER COUNTY ADMINISTRATOR

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

Andrew P. Fulghum
County Administrator

afulghum@jaspercountysc.gov

December 15, 2022

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, 2022.

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, 2022 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, 2022 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 29,593. 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 62-64 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. 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.

Due to restricted availability and the cost of land for such uses in the Port of Savannah area and nearby Georgia counties, shipping industry specialists and regional economists have prepared forecasts that assume some of the building-out of supporting industries and infrastructure occur in Jasper County, due to the County's proximity to the Port of Savannah, interstate highways, and rail lines, as well as the availability of inexpensive and flexible labor.

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. On 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.

On August 16, 2021, the County Council authorized a fee in lieu of tax and incentive agreement with Palmetto Electric Cooperative, Inc. (“Palmetto Electric”), whereby Palmetto Electric is expected to invest a minimum of \$45 million for the expansion of certain commercial and related facilities at one or more locations within Jasper County to benefit the general public welfare. The agreement provides for an assessment ratio of 6% rather than 10.5% for the investment property and the lowest millage rate allowed with respect to the project. The initial investment period is five years and the term of the agreement is a minimum of thirty years. It is anticipated that the minimum investment of \$45 million will result in total revenue of \$931,500 annually at the current millage rate and, of that amount, the County will receive \$415,800. In the event, Palmetto chooses not to make the investment, the County cannot compel the investment.

Long-term Financial Planning

Jasper County’s location between the communities of Hilton Head Island and Bluffton, South Carolina and near Savannah, Georgia, makes it a natural location for new growth during the late 1990s and the first decade of the century, as the pace of residential development accelerated substantially, with building-out of Sun City and participation by a number of the nation’s largest home builders.

The County expects that tempo and volume of residential and commercial development that were the basis for combined growth management planning efforts of Jasper County, the City of Hardeeville, and the Town of Ridgeland (Hardeeville and Ridgeland are the two municipalities

located within the County) will rebound because of the geographical and demographic factors cited above, as the national and local economies improve. As a result of the joint planning effort approximately 93% of all the new residential growth will occur within pre-established urban growth boundaries. The urban growth boundaries are areas that have been or will eventually be annexed in the City of Hardeeville or the Town of Ridgeland. Based on vested building permits, the County and its municipalities anticipate the resumption of substantial growth in coming years, as the national and local economies continue to recover. The County, Hardeeville, and Ridgeland have been, and to continue to be, actively engaged in cooperative planning to help management development in anticipation of the resumption of an aggressive pace of growth.

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 2022 with a fund balance increase of \$14,514,057, a combined ending fund balance of \$63,488,792, and an unassigned fund balance for the general fund of \$17,880,935, or 49% of total fund expenditures which represents approximately 5 months of operations.

The County expects to receive approximately \$5.8 million from the State and Local Coronavirus Fiscal Recovery Fund (the "Recovery Funds") which is part of the American Rescue Plan Act signed into law by President Biden on March 11, 2021. The Recovery Funds are expected to be paid to the County in two tranches of approximately \$2.9 million each with the second payment occurring twelve months after the first payment. The first payment was received on July 16, 2021.

Significant Financial Policies

During the year ended June 30, 2022, the County adopted GASB Statement No. 87, *Leases*, which was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases. Implementation of this statement had no material effect on the beginning equity of the governmental activities net position.

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, 2021. This was the 24th 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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

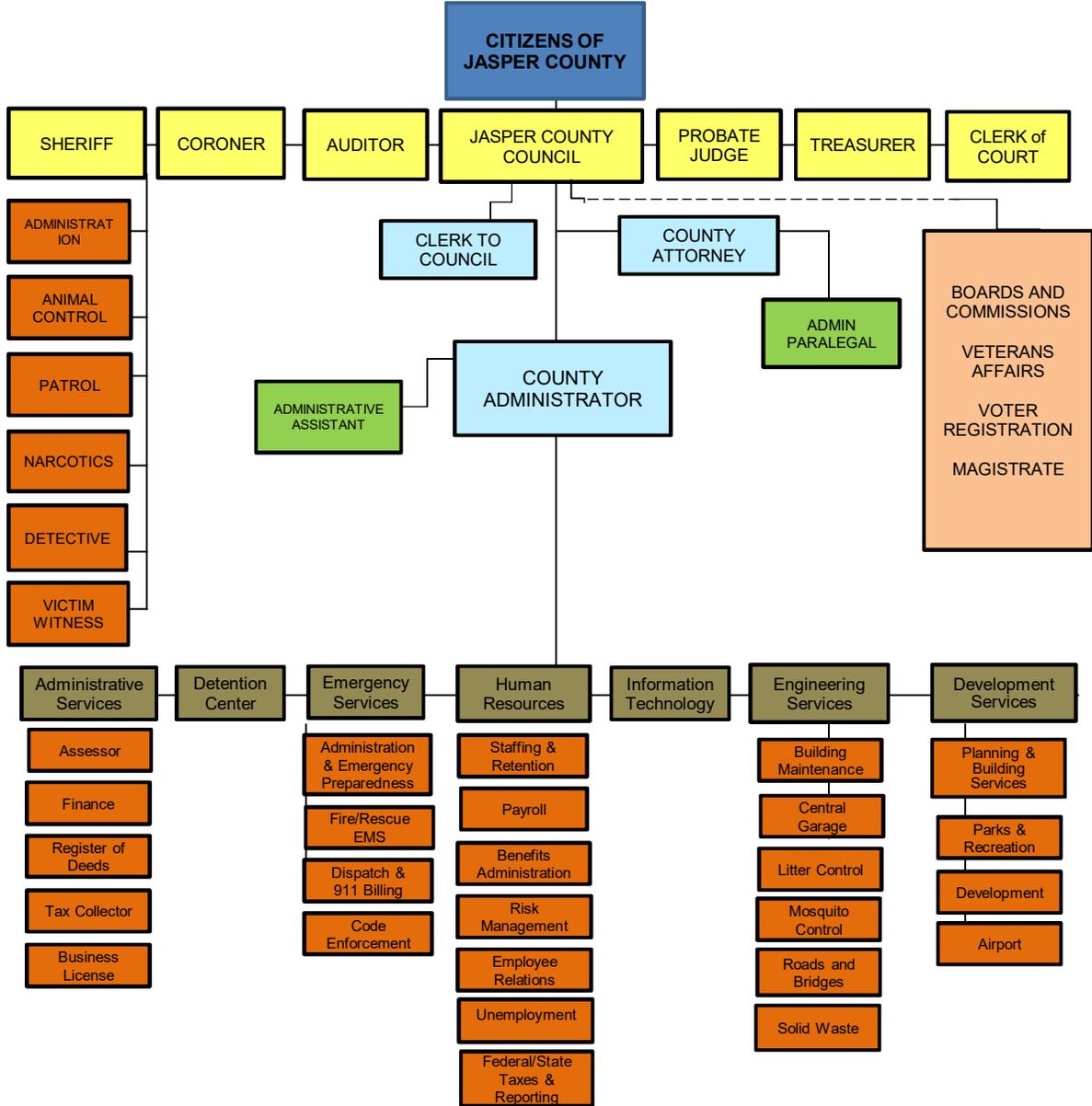
**Jasper County
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

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, 2022**

TITLE	NAME
Chairperson – 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.....	Vacant
Director of Emergency Services.....	Russell Wells
Treasurer.....	Verna Garvin
Sheriff.....	Donald L. Hipp
Auditor.....	Monica Wilson

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Jasper County, South Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Jasper County, South Carolina's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered

material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Jasper County, South Carolina's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Jasper County, South Carolina's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions, and Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 12-20 and 67-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basis 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any other form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated, if, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2022, 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 solely 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 the effectiveness of Jasper County, South Carolina's 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, LC
Certified Public Accountants

Augusta, Georgia
December 15, 2022

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, 2022. 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 5 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 \$60,192,872 (net position) which was an increase of \$12,173,215.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$63,488,792 an increase of \$14,514,057.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$17,880,935 or 49% of total fund expenditures which represents approximately 5 months of general 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 21-22 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 23-26 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 27-28 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 29-63 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 64-66 and historical pension and OPEB information on pages 67-69.

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 70-77 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 \$60,192,872 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		
	2022	2021
Current and Other Assets		
Cash and Other Assets	\$ 69,082,321	\$ 52,502,143
Capital Assets	58,236,850	57,574,633
Total Assets	<u>127,319,171</u>	<u>110,076,776</u>
Deferred Outflows of Resources	<u>15,413,373</u>	<u>18,620,631</u>
Long-term Liabilities Outstanding	65,842,952	72,916,939
Other Liabilities	4,763,634	2,607,953
Total Liabilities	<u>70,606,586</u>	<u>75,524,892</u>
Deferred Inflows of Resources	<u>11,933,086</u>	<u>5,152,859</u>
Net Position		
Net Investment in Capital Assets	35,776,355	37,109,703
Restricted	35,851,689	26,616,330
Unrestricted	<u>(11,435,172)</u>	<u>(15,706,376)</u>
Total Net Position	<u>\$ 60,192,872</u>	<u>\$ 48,019,657</u>

By far the largest portion of the County's net position \$35,776,355 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 \$35,851,689 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 \$12,173,215 in 2022 compared to an increase of \$10,977,683 in 2021. Key elements of this increase are as shown in the following table.

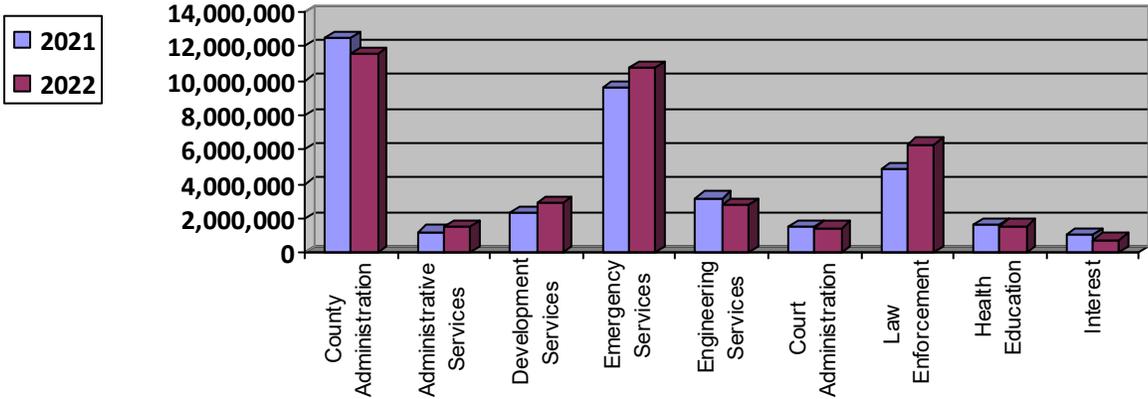
JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2022	2021
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,210,127	\$ 4,891,996
Operating Grants and Contributions	1,217,447	1,650,040
Capital Grants and Contributions	49,184	1,360,014
General Revenues:		
Property Taxes	27,418,412	24,467,875
Other Taxes	14,399,696	10,923,894
Grants and Contributions not restricted to specific programs	1,159,042	1,060,149
Other	2,380,874	811,796
Special Item - OPEB	-	3,716,256
Total Revenues	<u>51,834,782</u>	<u>48,882,020</u>
Expenses:		
County Administration	11,538,976	12,490,203
Administrative Services	1,499,534	1,266,283
Development Services	2,894,934	2,304,506
Emergency Services	10,759,046	9,565,210
Engineering Services	2,777,249	3,178,858
Court Administration	1,478,556	1,537,232
Law Enforcement	6,334,414	4,874,153
Health, Education and Welfare	1,577,427	1,636,162
Interest Expense	801,431	1,051,730
Total Expenses	<u>39,661,567</u>	<u>37,904,337</u>
Change in net position	12,173,215	10,977,683
Net position - beginning	<u>48,019,657</u>	<u>37,041,974</u>
Net position - ending	<u>\$ 60,192,872</u>	<u>\$ 48,019,657</u>

Total revenues were up \$2,952,762 and expenses were up \$1,757,230.

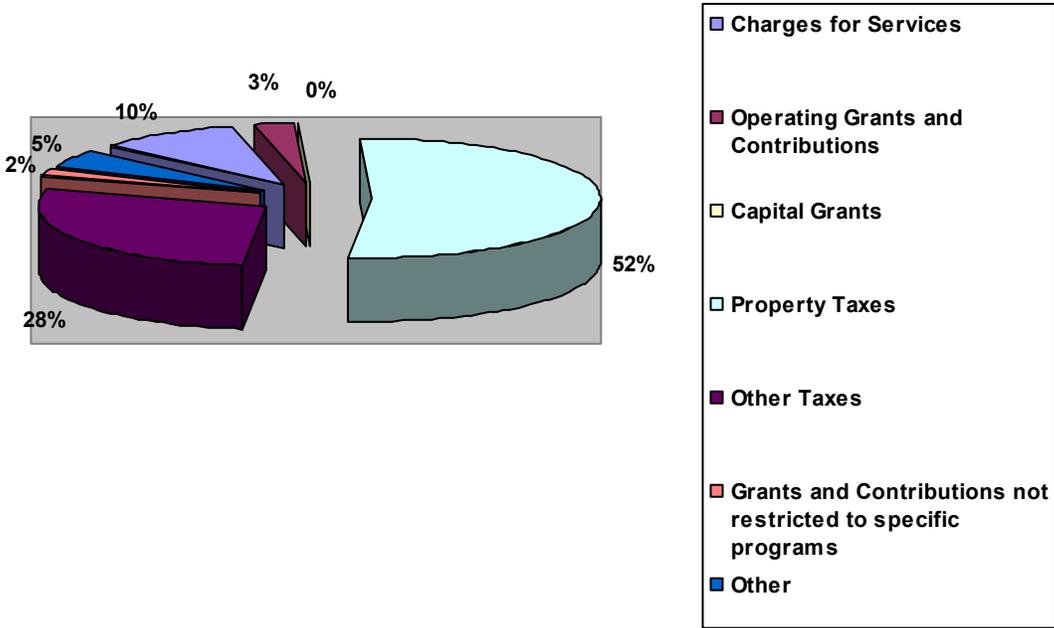
Revenues related to operating grants and capital grants were down \$1,743,423 because of the completion of the grants associated with airport development. The special item in 2021 resulted from the elimination of the County subsidies toward health and dental coverage for dependents effective July 1, 2020. Charges for services were up \$318,131 because the resumption of services previously impacted by the pandemic. Additionally, property tax collections were up by \$2,950,537 and other taxes were up by \$3,475,802.

The increase in overall expenses related to budgeted increases in salaries and related costs. Additionally, American Rescue Plan Act funding of approximately \$1,685,088 was used to compensate employee payroll for services during the pandemic.

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 \$63,488,792, an increase of \$14,514,057.

The fund balance of the County's General Fund increased by \$3,935,721 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$4,847,591. This positive variance can be explained as follows:
 - Tax revenues were over budget \$4,346,396. This is attributable to better than budgeted in local option sales taxes collected during the year.
 - Fines, fees, and licenses were over budget \$1,562,886. This is attributable to better than anticipated revenues in development services and administrative services for register of deeds and business license and permitting as well as ambulance services. Courts administration fees were up due to an increase in court availability.
 - Intergovernmental revenues were over budget approximately \$189,480 than budgeted because of unbudgeted incentive funds.
 - The negative variance of \$1,251,171 in miscellaneous income represents the amount budgeted for a cash carryforward of \$1,367,699.
- Overall expenditures were over budget by \$45,648. Key elements of this negative variance can be explained as follows:
 - The County was under budget in county administration by \$583,882. The detention center was under budget \$208,614 due to lower than budgeted personnel costs, data processing was under budget \$158,008 and interdepartmental was under budget \$572,733 for contractual services. Information technology was over budget \$203,959 for maintenance, contractual services and computer equipment and county professional services were over budget \$184,261.
 - The County was under budget in development services by \$473,547 which was mostly related to personnel and special projects within the department and airport personnel.
 - The County was over budget in emergency services by \$272,289 that included emergency telecommunications positive variance of \$180,744 related to radio contract and maintenance netted with the fire rescue negative variance of \$453,033 related to salaries, benefits, and other operational expenditures.
 - Court administration was under budget \$156,316 related to personnel vacancies.
 - Law Enforcement was over budget \$401,138 related to sheriff personnel costs and postmortems for the coroner's office.
 - Debt service was over budget because of the application of GASB Statement 87 for lease payments.
 - Capital outlay includes expenditures for airport development, vehicles, equipment, and building improvements.
- Overall other financing sources (uses) reported an unfavorable budget variance of \$866,222. Key elements of this negative variance can be explained as follows:
 - Transfers in have an unfavorable budget variance related to economic development funds and 911 fees of \$691,188 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 \$4,616,469 which is restricted for future debt payments. The increase of \$744,461 relates to taxes collected in excess of bond payments.

The economic development fund has a total fund balance of \$3,714,366 which is assigned for future economic development projects. The decrease of \$168,816 relates to the development service expenditures.

The capital projects fund has a total fund balance of \$29,862,847. The increase of \$9,232,405 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 revenues while expenditures were just slightly over budget.

During the year, an amendment reducing the budget by \$2,217,104 was made thereby reducing the original budget of \$38,328,988 to \$36,111,884. This amendment was made for the following amounts:

<u>Reason for Amendment</u>	<u>Amount</u>
E911 Transfer	\$ (350,812)
Grants for Cherry Point Fire	(500,000)
Bond Issuance for Cherry Point Fire	(1,308,000)
ARPA Fund Revenue	1,685,088
Cash Carry Forward	(1,743,380)
Total Budget Amendment	<u>\$ (2,217,104)</u>

Capital Assets and Debt Administration

Capital Assets. The County’s investment in capital assets for its governmental type activities as of June 30, 2022 amounts to \$58,236,850 (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: Roof, Metal Sheds, HVAC units, Modular Building	\$ 488,273
Construction in progress: Ridgeland-Claude Dean Airport and Fire Stations	1,168,345
Infrastructure: Temporary Terminal Ridgeland Airport	355,375
Machinery & Equipment: Waste Containers, Compactor, Playground, Cameras, Radio Console, Trailers, White Board, Mowers, Drone, Computer Equipment	684,523
Vehicles: Silverados, Explorers, F150, F250, Chevy Cruze, Caravan	562,775
Total Capital Outlay	<u>\$ 3,259,291</u>

Additional information on the County’s capital assets can be found in note 4 on page 39 of this report.

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$65,842,952. The County's total long-term obligations decreased by \$7,073,987 during the current fiscal year, which is mainly attributable to the overall statewide reduction in the net pension liability. A general obligation bond for \$5,415,000 was issued to refund \$5,328,179 during the year. A revenue bond was issued for \$2,579,989 for airport improvements. Leases payable increased by \$277,693 due to the implementation of GASB Statement No. 87, Leases. All other long-term debt was paid as scheduled. Other post employment benefits increased by \$2,788,255 with the latest actuarial evaluation, while the net pension liability decreased by \$11,866,493.

JASPER COUNTY, SOUTH CAROLINA LONG-TERM OBLIGATIONS

	Governmental Activities	
	2022	2021
Notes payable	\$ 1,551,362	\$ 1,624,490
Leases payable	264,825	119,141
General obligation bonds	6,592,380	6,570,200
Revenue bond	16,174,441	14,384,772
Compensated absences	1,139,291	1,019,445
Net pension liability	20,865,392	32,731,885
Other post employment benefits	19,255,261	16,467,006
Total	<u>\$ 65,842,952</u>	<u>\$ 72,916,939</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 \$15,135,992 with \$6,592,380 of general obligation debt issued that offsets this limit for a legal debt margin of \$8,543,612.

Additional information on the County's long-term debt can be found in note 7 on page 41 of this report.

Economic Factors and Next Year's Budget

- Unemployment as of June 2022 stands at 3.2% versus 3.7% a year ago. In comparison, the State's unemployment rate is 3.2% and the national rate is 3.6% as of June 2022.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2021 tax year increased from \$173,302,034 to \$189,199,899.

All of these factors were considered in preparing the County's budget for the 2023 fiscal year.

During the current fiscal year, the fund balance in the general fund increased to \$22,463,881. The County set millage for the 2023 budget year at 140 and has budgeted 12 mills for the debt service fund to retire the bonds, which is a reduction of 2 mills from the previous year. Budgeted expenditures for 2023 are projected to increase 15.2% to \$44,173,741 from \$38,328,988 in 2022.

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, 2022**

ASSETS	GOVERNMENTAL ACTIVITIES
Cash	\$ 22,299,681
Receivables	5,674,827
Lease Receivable	285,639
Restricted Cash	37,333,486
Property Held for Resale	3,488,688
Capital Assets,	
Not being depreciated	10,465,709
Being depreciated, net	47,771,141
Total Assets	127,319,171
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pension	10,393,624
Deferred Outflows Related to OPEB	4,448,597
Deferred Outflows Related to Refunding	571,152
Total Deferred Outflows of Resources	15,413,373
Total Assets and Deferred Outflows of Resources	\$ 142,732,544
LIABILITIES	
Accounts Payable	\$ 2,013,005
Salaries and Benefits Payable	549,936
Unearned Revenues	2,093,360
Accrued Interest	107,333
Noncurrent Liabilities	
Due within one year	1,918,952
Due in more than one year	
Debt Obligations	23,803,347
Net Pension Liability	20,865,392
Net OPEB Liability	19,255,261
Total Liabilities	70,606,586
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Leases	93,787
Deferred Inflows Related to Pension	9,889,253
Deferred Inflows Related to OPEB	1,950,046
Total Deferred Inflows of Resources	11,933,086
NET POSITION	
Net Investment in Capital Assets	35,776,355
Restricted for:	
Law Enforcement	200,898
Victims Assistance	132,216
Transportation	27,071,045
Courts Administration	1,151,272
Debt Service	4,642,012
Tourist related expenditures	1,848,548
E911 expenditures	771,463
Solid Waste	34,235
Unrestricted	(11,435,172)
Total Net Position	60,192,872
Total Liabilities, Net Position, and Deferred Inflows of Resources	\$ 142,732,544

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, 2022**

<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	\$ 11,538,976	\$ -	\$ 42,652	\$ -	\$ (11,496,324)
Administrative Services	1,499,534	1,977,452	-	-	477,918
Development Services	2,894,934	526,336	217,720	49,184	(2,101,694)
Emergency Services	10,759,046	1,267,228	353,894	-	(9,137,924)
Engineering Services	2,777,249	826,885	148,563	-	(1,801,801)
Court Administration	1,478,556	464,757	107,985	-	(905,814)
Law Enforcement	6,334,414	147,469	277,059	-	(5,909,886)
Health, Education and Welfare	1,577,427	-	69,574	-	(1,507,853)
Interest	801,431	-	-	-	(801,431)
Total Governmental Activities	<u>\$ 39,661,567</u>	<u>\$ 5,210,127</u>	<u>\$ 1,217,447</u>	<u>\$ 49,184</u>	<u>(33,184,809)</u>
General Revenues					
Property Taxes					27,418,412
Local Option Sales Taxes					5,560,588
Local Option Special Purpose Taxes					7,667,323
Franchise Taxes					46,300
Accommodation and Hospitality Taxes					1,125,485
Grants and contributions not restricted to specific programs					1,159,042
Miscellaneous					2,380,874
Total General Revenues, Special Items and Transfers					<u>45,358,024</u>
Change in net position					12,173,215
Net position, beginning					48,019,657
Net position, ending					<u>\$ 60,192,872</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<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	\$ 21,220,553	\$ -	\$ 1,079,128	\$ -	\$ -	\$ 22,299,681
Receivables - net	2,593,285	107,215	-	2,926,747	47,580	5,674,827
Restricted Cash	1,332,946	4,769,263	-	28,445,267	2,786,010	37,333,486
Interfund Receivables	1,263,113	-	-	-	-	1,263,113
Property Held for Resale	-	-	3,488,688	-	-	3,488,688
Total Assets	<u>\$ 26,409,897</u>	<u>\$ 4,876,478</u>	<u>\$ 4,567,816</u>	<u>\$ 31,372,014</u>	<u>\$ 2,833,590</u>	<u>\$ 70,059,795</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,465,987	\$ 207,710	\$ 110,702	\$ 226,245	\$ 2,361	\$ 2,013,005
Salaries and Benefits Payable	549,936	-	-	-	-	549,936
Unearned Revenue	1,330,803	-	742,748	19,809	-	2,093,360
Interfund Payables	-	-	-	1,263,113	-	1,263,113
Total Liabilities	<u>3,346,726</u>	<u>207,710</u>	<u>853,450</u>	<u>1,509,167</u>	<u>2,361</u>	<u>5,919,414</u>
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	599,290	52,299	-	-	-	651,589
Total Deferred Inflows of Resources	<u>599,290</u>	<u>52,299</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>651,589</u>
Fund Balances						
Restricted	1,332,946	4,616,469	-	27,071,045	2,831,229	35,851,689
Committed	-	-	-	2,791,802	-	2,791,802
Assigned	3,250,000	-	3,714,366	-	-	6,964,366
Unassigned	17,880,935	-	-	-	-	17,880,935
Total Fund Balances	<u>22,463,881</u>	<u>4,616,469</u>	<u>3,714,366</u>	<u>29,862,847</u>	<u>2,831,229</u>	<u>63,488,792</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,409,897</u>	<u>\$ 4,876,478</u>	<u>\$ 4,567,816</u>	<u>\$ 31,372,014</u>	<u>\$ 2,833,590</u>	<u>\$ 70,059,795</u>

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

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

Total fund balances for governmental funds		\$ 63,488,792
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	4,917,722	
Buildings and Improvements, net of \$9,862,482 accumulated depreciation	20,543,268	
Machinery and Equipment, net of \$6,058,356 accumulated depreciation	3,253,063	
Vehicles, net of \$5,714,732 accumulated depreciation	2,871,279	
Infrastructure, net of \$3,515,983 accumulated depreciation	20,841,157	
Right of Use, Leased Assets, net of \$81,802 accumulated amortization	<u>262,374</u>	
Total Capital Assets		58,236,850
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		651,589
Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds.		
		285,639
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	10,393,624	
Related to OPEB	4,448,597	
Related to advance refunding	571,152	
Deferred inflows of resources:		
Related to leases	(93,787)	
Related to pensions	(9,889,253)	
Related to OPEB	<u>(1,950,046)</u>	
Total deferred outflows and inflows of resources		3,480,287
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, 2022 are:		
Accrued Interest Payable	(107,333)	
Net Pension Liability	(20,865,392)	
Post Retirement Benefits Payable	(19,255,261)	
Bonds, Notes and Leases Payable	(24,583,008)	
Compensated Absences	<u>(1,139,291)</u>	
Total Long-Term Liabilities		<u>(65,950,285)</u>
Total net position of governmental activities		<u>\$ 60,192,872</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, 2022

	<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	\$ 31,014,254	\$ 2,273,551	\$ -	\$ 7,667,323	\$ 972,340	\$ 41,927,468
Fines, Fees and Licenses	4,716,386	-	76,167	-	417,574	5,210,127
Intergovernmental	1,623,807	-	-	570,613	13,533	2,207,953
Miscellaneous	2,347,617	7,693	217,441	98,699	279	2,671,729
Total Revenues	<u>39,702,064</u>	<u>2,281,244</u>	<u>293,608</u>	<u>8,336,635</u>	<u>1,403,726</u>	<u>52,017,277</u>
EXPENDITURES						
Current:						
County Administration	9,877,125	-	-	254,282	-	10,131,407
Administrative Services	1,482,101	-	-	-	-	1,482,101
Development Services	1,613,586	-	387,424	-	250,817	2,251,827
Emergency Services	9,610,586	-	-	196,443	-	9,807,029
Engineering Services	2,413,731	-	-	214,655	-	2,628,386
Court Administration	1,464,136	-	-	-	-	1,464,136
Law Enforcement	5,871,538	-	-	89,214	66,434	6,027,186
Health, Education and Welfare	1,573,722	-	-	-	-	1,573,722
Debt Service:						
Principal	196,650	895,000	-	73,128	-	1,164,778
Interest	92,448	641,783	-	47,882	-	782,113
Capital Outlay:						
County Government	166,419	-	-	68,506	-	234,925
Development Services	754,486	-	-	201,895	-	956,381
Emergency Services	511,444	-	-	970,505	-	1,481,949
Engineering Services	156,837	-	-	-	-	156,837
Law Enforcement	372,723	-	-	56,476	-	429,199
Total Expenditures	<u>36,157,532</u>	<u>1,536,783</u>	<u>387,424</u>	<u>2,172,986</u>	<u>317,251</u>	<u>40,571,976</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,544,532</u>	<u>744,461</u>	<u>(93,816)</u>	<u>6,163,649</u>	<u>1,086,475</u>	<u>11,445,301</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Bonds	-	-	-	2,857,682	-	2,857,682
Premium on Debt Issuance	-	-	-	124,253	-	124,253
Refunding Bonds Issued	-	-	-	5,415,000	-	5,415,000
Payment to Refunded Debt Escrow Agent	-	-	-	(5,328,179)	-	(5,328,179)
Transfers In	519,333	-	-	-	128,144	647,477
Transfers Out	(128,144)	-	(75,000)	-	(444,333)	(647,477)
Total Other Financing Sources (Uses)	<u>391,189</u>	<u>-</u>	<u>(75,000)</u>	<u>3,068,756</u>	<u>(316,189)</u>	<u>3,068,756</u>
Net change in fund balances	3,935,721	744,461	(168,816)	9,232,405	770,286	14,514,057
Fund balances, beginning	18,528,160	3,872,008	3,883,182	20,630,442	2,060,943	48,974,735
Fund balances, ending	<u>\$ 22,463,881</u>	<u>\$ 4,616,469</u>	<u>\$ 3,714,366</u>	<u>\$ 29,862,847</u>	<u>\$ 2,831,229</u>	<u>\$ 63,488,792</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, 2022**

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		\$ 14,514,057
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$3,259,291) was more than depreciation (\$2,569,745) in the current period.</p>		
		689,546
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.</p>		
		(27,330)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are as follows:</p>		
Issuance of Debt	\$ (8,396,935)	
Repayment of Principal	6,492,957	
Accrued Interest, Premiums, and Discounts	<u>(19,318)</u>	(1,923,296)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(182,495)
<p>Governmental funds report employee benefits as expenditures. However, in the statements of activities, the cost of employee benefits earned net of employee contributions is reported as an expense.</p>		
Pension contributions	2,404,454	
Cost of benefits earned net of employee contributions	<u>(2,248,645)</u>	155,809
OPEB contributions	410,526	
Cost of OPEB benefits earned net of employee contributions	<u>(1,343,756)</u>	(933,230)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated Absences		<u>(119,846)</u>
Total change in net position of governmental activities		<u>\$ 12,173,215</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, 2022**

	Custodial Funds Other
ASSETS	
Cash	\$ 35,188,967
Receivables	165,350
Total Assets	\$ 35,354,317
LIABILITIES	
Accounts Payable	\$ 71,981
Total Liabilities	71,981
NET POSITION	
Restricted for Individuals, Organizations, Other Governments	35,282,336
Total Net Position	35,282,336
Total Liabilities and Net Position	\$ 35,354,317

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, 2022**

	Custodial Funds Other
Additions	
Contributions from individuals	\$ 162,138
Property tax collections and state aid for other governments	83,700,264
License and fees collected for State	1,138,453
Miscellaneous	52,111
Total Additions	85,052,966
Deductions	
Payments to individuals	131,894
Payments of property taxes and state aid to other governments	82,917,073
Payments to state	1,233,629
Payments on behalf of other entities	515,626
Total Deductions	84,798,222
Change in net position	254,744
Net Position, beginning	35,027,592
Net Position, ending	\$ 35,282,336

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022**

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, 2022**

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, 2022**

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, 2022**

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:

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

JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

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 refunding 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, other postemployment benefit liability and leases. 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, 2022**

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 2021 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, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases

Lessee: The County is a lessee for noncancellable leases. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include the discount rate, the lease terms and the lease payments. For the discount rate, the County uses the interest rate charged by the lessor. If an interest rate is not provided by the lessor, the County will use its estimated incremental borrowing rate as the discount rate. Lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position in the government-wide financial statements.

Lessor: The County is a lessor for noncancellable leases. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements. The County recognizes lease receivables with an initial, individual value of \$5,000 or more. At the commencement of the lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include the discount rate, the lease terms and the lease receipts. For the discount rate, the County uses the incremental borrowing rate as the discount rate. Lease terms include the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 DEPOSITS AND INVESTMENTS

As of June 30, 2022, the County had the following cash and investments included in governmental funds of \$59,633,167 and fiduciary fund cash of \$35,188,967.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 206,829	\$ 763,623
Investments	12 months or less	27,415,425	27,415,425
US Government Securities	Daily	507,597	507,597
<u>Cash</u>			
Checking Accounts		66,691,883	67,686,183
Change Funds		400	-
Total Deposits and Investments		<u>\$ 94,822,134</u>	<u>\$ 96,372,828</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, 2022 is \$763,623.

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, 2022, the bank balance was \$96,372,828. At year end, all of the County's deposits were covered by federal depository insurance and or by collateral held in the pledging financial institution.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 RECEIVABLES

Receivables at June 30, 2022, 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>Capital Projects</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 3,990,981	\$ 339,113	\$ 2,103,743	\$ -	\$ 6,433,837
Accounts	6,594,252	-	-	-	6,594,252
Other	987,500	-	823,004	47,580	1,858,084
Gross receivables	<u>11,572,733</u>	<u>339,113</u>	<u>2,926,747</u>	<u>47,580</u>	<u>14,886,173</u>
Allowance for doubtful accounts					
Taxes	(2,547,870)	(231,898)	-	-	(2,779,768)
Accounts	<u>(6,431,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,431,578)</u>
Net total receivables	<u>\$ 2,593,285</u>	<u>\$ 107,215</u>	<u>\$ 2,926,747</u>	<u>\$ 47,580</u>	<u>\$ 5,674,827</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	\$ -	\$ 19,809
Special purpose grant not yet spent	-	172,500
Developer review fees	-	570,248
American Rescue Plan Act Funds (ARPA)	-	1,330,803
Property taxes not collected within 60 Days	651,589	-
Total	<u>\$ 651,589</u>	<u>\$ 2,093,360</u>

Lease Receivables

The County has two lease receivables. The first lease is an agreement with 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 second lease is a lease of facilities in the Cypress Ridge Industrial Park whereby the tenant has exercised the option to renew for a period of five years. The balance of lease receivables on June 30, 2022 is \$285,639. Also, the County has a deferred inflow of resources of \$93,787 associated with these leases that will be recognized as revenue over the term of the lease. The amortization of lease receivables is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 91,725	\$ 12,304	\$ 104,029
2024	96,329	7,700	104,029
2025	51,436	3,458	54,894
2026	17,704	2,096	19,800
2027	18,702	1,098	19,800
2028	9,743	157	9,900
Total	<u>\$ 285,639</u>	<u>\$ 26,813</u>	<u>\$ 312,452</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers In/(Out)</u>	<u>June 30, 2022</u>
<i>Capital assets not being depreciated/amortized</i>					
Land and improvements	\$ 5,547,987	\$ -	\$ -	\$ -	\$ 5,547,987
Construction in progress	13,929,665	1,168,345	-	(10,180,288)	4,917,722
Total capital assets, not being depreciated/amortized	<u>19,477,652</u>	<u>1,168,345</u>	<u>-</u>	<u>(10,180,288)</u>	<u>10,465,709</u>
<i>Capital assets being depreciated/amortized</i>					
Buildings and improvements	30,041,795	363,955	-	-	30,405,750
Right-to-use buildings	-	124,318	-	-	124,318
Machinery and equipment	8,718,173	628,046	34,800	-	9,311,419
Right-to-use equipment	-	56,477	-	-	56,477
Vehicles	8,478,677	465,875	292,060	(66,483)	8,586,009
Right-to-use vehicles	-	96,900	-	66,483	163,383
Infrastructure	13,821,477	355,375	-	10,180,288	24,357,140
Total capital assets being depreciated/amortized	<u>61,060,122</u>	<u>2,090,946</u>	<u>326,860</u>	<u>10,180,288</u>	<u>73,004,496</u>
<i>Less accumulated depreciation/amortization for:</i>					
Buildings and improvements	9,220,491	641,991	-	-	9,862,482
Right-to-use buildings	-	23,276	-	-	23,276
Machinery and equipment	5,368,907	724,249	34,800	-	6,058,356
Right-to-use equipment	-	8,667	-	-	8,667
Vehicles	5,500,519	504,428	264,730	(25,485)	5,714,732
Right-to-use vehicles	-	24,374	-	25,485	49,859
Infrastructure	2,873,223	642,760	-	-	3,515,983
Total accumulated depreciation/amortization	<u>22,963,140</u>	<u>2,569,745</u>	<u>299,530</u>	<u>-</u>	<u>25,233,355</u>
Total capital assets being depreciated/amortized, net	<u>38,096,982</u>	<u>(478,799)</u>	<u>27,330</u>	<u>10,180,288</u>	<u>47,771,141</u>
Governmental activity capital assets, net	<u>\$ 57,574,634</u>	<u>\$ 689,546</u>	<u>\$ 27,330</u>	<u>\$ -</u>	<u>\$ 58,236,850</u>

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

<u>Governmental Activities</u>	
County Administration	\$ 618,000
Administrative Services	1,203
Development Services	631,076
Emergency Services	935,946
Engineering Services	159,760
Court Administration	8,359
Law Enforcement	215,401
Total depreciation expense - governmental activities	<u>\$ 2,569,745</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 PROPERTY HELD FOR RESALE

As of June 30, 2022, 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, 2021	Additions	Cost of Land Sold	June 30, 2022
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, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects	\$ 1,263,113
		<u>\$ 1,263,113</u>

The \$1,263,113 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, 2022 consisted of the following:

	Transfers In	Transfers Out
General Fund/Nonmajor Local Accommodations	\$ 444,333	\$ 444,333
General Fund/Capital Projects	75,000	75,000
Nonmajor State AT/General Fund	128,144	128,144
Total	<u>\$ 647,477</u>	<u>\$ 647,477</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, 2022**

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2022.

<u>Governmental Activities</u>	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Due Within A Year</u>
General obligation bond	\$ 6,570,200	\$ 5,415,000	\$ 5,392,820	\$ 6,592,380	\$ 295,000
Revenue Bonds	13,465,000	2,579,989	895,000	15,149,989	949,874
Plus amount for bonds issued at a premium	919,772	124,253	19,573	1,024,452	-
Less amounts for bonds issued at a discount	(609,182)	-	(38,031)	(571,151)	-
Notes payable	1,624,490	-	73,128	1,551,362	271,709
Leases	119,141	277,693	132,009	264,825	102,369
Total	<u>22,089,421</u>	<u>8,396,935</u>	<u>6,474,499</u>	<u>24,011,857</u>	<u>1,618,952</u>
Compensated absences	1,019,445	622,452	502,606	1,139,291	300,000
Total	<u>\$ 23,108,866</u>	<u>\$ 9,019,387</u>	<u>\$ 6,977,105</u>	<u>\$ 25,151,148</u>	<u>\$ 1,918,952</u>

Long-term debt payable at June 30, 2022 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>191,852</u>
Total Notes Payable	<u>\$ 1,551,362</u>

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	195,000	23,180	218,180
2028-2029	384,510	22,960	407,470
Total	<u>\$ 1,551,362</u>	<u>\$ 228,560</u>	<u>\$ 1,779,922</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bonds	Balance
\$5,415,000 General Obligation Series 2021 for retirement of the Bond used for construction of the Court House and Ridgeland Airport.	\$ 5,415,000
\$1,177,380 General Obligation Series 2020 with interest payments at 1.61% interest for the construction of the Marsh Cove Fire Station.	<u>1,177,380</u>
Total General Obligation Bonds	<u><u>\$ 6,592,380</u></u>

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
2023	\$ 295,000	\$ 262,387	\$ 557,387
2024	324,906	250,587	575,493
2025	375,953	237,740	613,693
2026	212,036	222,857	434,893
2027	113,157	214,536	327,693
2028-2032	559,028	1,008,437	1,567,465
2033-2037	773,568	599,097	1,372,665
2038-2042	3,549,590	329,919	3,879,509
2043-2047	308,311	70,154	378,465
2048-2050	80,831	15,428	96,259
Total	<u><u>\$ 6,592,380</u></u>	<u><u>\$ 3,211,142</u></u>	<u><u>\$ 9,803,522</u></u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

The County entered into various leases for building space, vehicles, and equipment. New leases incurred were recorded in the amount of \$277,693 during the current fiscal year. As of June 30, 2022, the value of the lease liability was \$264,825. The value of the right-to-use asset as of the end of the current fiscal year was \$344,176 and had accumulated amortization of \$81,803. These leases are paid from the general fund. The terms of the leases vary and are outlined below:

Leases	Balance
\$163,382 lease for right to use vehicles with annual payments for five years including interest at 3.0-5.5%.	\$ 116,827
\$56,477 lease for right to use equipment with annual payments for four years including interest at 5.5%.	43,941
\$124,318 lease for right to use modular building with annual payments for two years including interest at 5.5%.	104,057
Total Leases	\$ 264,825

The annual requirements to amortize the leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 102,369	\$ 12,429	\$ 114,798
2024	86,053	6,918	92,971
2025	30,934	3,711	34,645
2026	32,664	1,983	34,647
2027	12,805	310	13,115
Total	\$ 264,825	\$ 25,351	\$ 290,176

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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.	\$ 4,875,000
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.	1,455,000
The County issued installment purchase revenue bonds Series 2022 in the amount of \$5,000,000 for construction of the airport.	2,579,989
The County issued installment purchase revenue bonds Series 2017 in the amount of \$8,290,000.	<u>6,240,000</u>
Total Revenue Bond	<u><u>\$ 15,149,989</u></u>

The annual requirements to amortize the bonds are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 949,874	\$ 563,522	\$ 1,513,396
2024	1,069,009	532,609	1,601,618
2025	1,114,834	492,485	1,607,319
2026	1,010,834	449,886	1,460,720
2027	882,013	413,306	1,295,319
2028-2032	4,949,450	1,565,247	6,514,697
2033-2037	4,673,975	606,085	5,280,060
2038-2039	500,000	29,700	529,700
Total	<u>\$ 15,149,989</u>	<u>\$ 4,652,840</u>	<u>\$ 19,802,829</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Refundings

In March 2022, the County issued \$5,415,000 in General Obligation Refunding Bonds Series 2021 at interest rates between 2.00% and 4.00%. The County issued the bonds to advance refund \$4,370,000 to fully refund the General Obligation Bond Series 2011 and \$981,001 General Obligation Bond of 2015 with interest rates between 3.5% to 5.0%. The net proceeds of \$5,617,015 (after payment of approximately \$174,293 in issue costs) along with other cash were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the GO Bonds Series 2011 and 2015 are considered defeased and the liability for those bonds have been removed from the statement of net position. The County completed the refunding to reduce its total debt service payments over a period of 20 years by \$1,747,265 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,476,202.

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, 2022, \$4,850,000 and \$3,850,000 were outstanding.

Defeasance Debt

The County has also defeased general obligation bonds in the current year and revenue bonds in prior years by placing the proceeds of new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability of the defeased bonds are not included in the County's financial statements. As of June 30, 2022, the amount of debt considered defeased is approximately \$12,988,000, which includes bonds refunded during the current fiscal year.

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2022 there was \$482,068 in debt service reserve accounts. Also, \$4,255,985 is on hand toward the interest and principal on the bonds. The current budget for 2022-2023 includes 12 mills for the payment of debt service.

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 on June 30, 2022 are \$1,139,291 and include 17% for employee benefits and are included in long-term liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits

Plan Description – County employees who participate in the County’s health insurance plan and who retire from County service in accordance with the South Carolina Retirement System may have their health insurance continued. The plan is a single-employer plan that covers the current and former employees, including beneficiaries, of only one employer. 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, 2021, the County contributed \$440,722 to the plan, including \$440,722 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, 2021:

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	279

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Other Post Employment Benefits – Continued

Changes in the Total OPEB Liability

Balance at June 30, 2021	<u>\$ 16,467,006</u>
Changes for the year:	
Service Cost	778,697
Interest Cost	407,582
Difference between expected & actual experience	86,493
Changes in Assumption	1,956,205
Benefit Payment	<u>(440,722)</u>
Net change in total OPEB liability	<u>2,788,255</u>
Balance at June 30, 2022	<u><u>\$ 19,255,261</u></u>

Changes of assumptions reflect a change in the discount rate from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021. Additionally, the demographic and salary increase assumptions were updated to reflect the 2020 SCRS experience study.

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 – 1.92% as of June 30, 2021 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 retiree 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 gender-distinct South Carolina Retirees 2020 Mortality Tables are used with the following multipliers applied to the base tables: 97% for male SCRS members, 107% for female SCRS members, 127% for male PORS members, and 107% for female PORS members. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.

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, 2019 as conducted for the South Carolina Retirement Systems (SCRS).

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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
\$ 15,542,790	\$ 19,255,261	\$ 24,252,563

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 1.92%, 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 .92%	Current Discount Rate 1.92%	1% Increase 2.92%
\$ 23,265,704	\$ 19,255,261	\$ 16,149,214

At June 30, 2021, 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	\$ 75,050	\$ 1,186,587
Changes in assumptions	3,963,021	763,459
Contributions subsequent to the measurement date	410,526	-
Total	\$ 4,448,597	\$ 1,950,046

The amount of \$410,526 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, 2023. 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)
2023	\$ 157,477
2024	157,477
2025	232,121
2026	514,655
2027	514,947
Thereafter	511,348
Total	\$ 2,088,025

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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 containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Comprehensive Annual Financial Report 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, 2022**

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.

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

- 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. 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

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 2022¹</u>	<u>Fiscal Year 2021¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2022¹</u>	<u>Fiscal Year 2021¹</u>
SCRS		
Employer Class Two	16.41%	15.41%
Employer Class Three	16.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	18.84%	17.84%
Employer Class Three	18.84%	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.

Actuarial Assumptions and Methods

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

The June 30, 2021, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2020.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the systems. In FY 2021 the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ¹	7.00%	7.00%
Projected salary increases	3.0% to 11.0% (varies by service) ¹	3.5% to 10.5% (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 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2021, TPL are as follows.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB 67 less that system's fiduciary net position. NPL totals, as of June 30, 2021, 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	\$ 22,066,875	\$ 13,404,830	\$ 8,662,045	60.7%
PORS	41,191,069	28,987,722	12,203,347	70.4%
Total	\$ 63,257,944	\$ 42,392,552	\$ 20,865,392	

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments is based upon 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 2021 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<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>
Public Equity¹	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity^{1,2}	9.0%	9.68%	0.87%
Private Debt²	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate ²	9.0%	6.01%	0.54%
Infrastructure ²	3.0%	5.08%	0.15%
Total Expected Return ³	100.0%		5.18%
Inflation for Actuarial Purposes			2.25%
			<u>7.43%</u>

¹The target weight to Private Equity will be equal to its actual weight, reported by the custodial bank, as of prior month end. When flows have occurred, flow adjusted weights are used to more accurately reflect the impact of the asset class weight. Private Equity and Public Equity combine for 55% of the entire portfolio.

²Staff and Consultant will notify the Commission if Private Market assets exceed 25% of total assets.

³Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 20% of total assets.

Discount Rate

The discount rate used to measure the TPL was 7 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, 2022**

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 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate			
System	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
SCRS	\$ 11,346,320	\$ 8,662,045	\$ 6,431,024
PORS	17,705,513	12,203,347	7,696,253
	\$ 29,051,833	\$ 20,865,392	\$ 14,127,277

Pension Expense

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2021, are presented below.

Description	SCRS	PORS
Service cost (annual cost of current service)	\$ 411,781	\$ 980,535
Interest on the total pension liability	1,472,314	2,724,154
Plan administrative costs	7,014	14,801
Plan member contributions	(373,048)	(721,642)
Expected return on plan assets	(754,716)	(1,621,424)
Recognition of current year amortization - Difference between expected and actual experience & assumption changes	212,119	691,372
Recognition of current year amortization - Difference between projected and actual investment earnings	(343,581)	(726,103)
Other	631	(6,644)
Total	\$ 632,514	\$ 1,335,049

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 following schedules reflect the amortization of collective deferred outflows / inflows of resources related to pensions outstanding at June 30, 2021.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ 147,548	\$ 11,691
Assumption changes	474,132	-
Net difference between projected and actual investment earnings	-	1,258,276
Deferred Amounts from Changes in proportion share and differences between employer contributions & proportionate share of total plan employer contributions	1,970,015	1,874,659
Contributions subsequent to the measurement date	850,930	-
Total	<u>\$ 3,442,625</u>	<u>\$ 3,144,626</u>

<u>PORS</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 415,148	\$ 38,006
Assumption changes	870,401	-
Net difference between projected and actual investment earnings	-	2,735,936
Deferred Amounts from Changes in proportion share and differences between employer contributions & proportionate share of total plan employer contributions	4,111,926	3,970,685
Contributions subsequent to the measurement date	1,553,524	-
Total	<u>\$ 6,950,999</u>	<u>\$ 6,744,627</u>
Total All Plans	<u>\$ 10,393,624</u>	<u>\$ 9,889,253</u>

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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

The amounts reported of \$850,930 and \$1,553,524 that was reported as deferred outflows of resources related to the contribution subsequent to the measurement date of 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 expenses are follows:

Amortization of Deferred Outflows/Inflows of Resources			
Amortized period ending June 30,	SCRS	PORS	Total
2022	\$ (22,453)	\$ (108,666)	\$ (131,119)
2023	1,582	(101,517)	(99,935)
2024	(85,076)	(204,399)	(289,475)
2025	(446,984)	(932,570)	(1,379,554)
Net Balance of Deferred Outflows / (Inflows) of Resources	<u>\$ (552,931)</u>	<u>\$ (1,347,152)</u>	<u>\$ (1,900,083)</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 by the General Assembly, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2021 who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2021 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

	SCRS	PORS
Employer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2021	\$ 669,763	\$ 1,245,407
Nonemployer Contributions Reported in Statement of Changes in Net Position for the fiscal year ended June 30, 2021	35,505	59,141
Reconciliation Differences in Nonemployer Contributions Reported in the Statement of Changes Resolved in FY 2022	-	6
Employer Contributions Not Representative of Future Contribution Effort	(8,395)	(22,994)
Employer and Nonemployer Contributions Used as the Basis for Allocating Employers' Proportionate Shares of Collective Pension Amounts - June 30, 2021 Measurement Date	\$ 696,873	\$ 1,281,560

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, 2021, and the accounting valuation report as of June 30, 2021. 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' Comprehensive Annual Financial Report.

Payables to the Pension Plan

The general fund reports and funds the retirement system. At June 30, 2022, the County reported payables for the June 2022 contributions of \$305,774.

NOTE 8 EMPLOYEE BENEFIT PLANS

401(K) Plan

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

NOTE 9 LANDFILL

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022. 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:

Project	Spent-to-Date	Remaining Commitment
Airport acquisition	\$ 417,719	\$ 421,260
Construction of fire stations	1,070,777	679,394

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.

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.

The County maintains airport insurance policies for liability and excess insurance coverages to protect against legal liability for bodily injury or property damage incurred from the operation of the Ridgeland-Claude Dean Airport (Endurance American Insurance Company).

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

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	\$ 1,151,272	\$ -	\$ -	\$ -	\$ -
Law Enforcement	23,915	-	-	-	176,983
Victims Assistance	132,216	-	-	-	-
E-911 funds	-	-	-	-	771,463
Accom/Hospitality Tax	-	-	-	-	1,848,548
Waste Tire	-	-	-	-	34,235
Transportation	-	-	27,071,045	-	-
Debt Payments	25,543	-	-	4,616,469	-
Total Restricted	<u>1,332,946</u>	<u>-</u>	<u>27,071,045</u>	<u>4,616,469</u>	<u>2,831,229</u>
Committed					
Marsh Cove Fire	-	-	291,802	-	-
Airport Construction	-	-	2,500,000	-	-
Total Committed	<u>-</u>	<u>-</u>	<u>2,791,802</u>	<u>-</u>	<u>-</u>
Assigned					
2022 Budget	3,250,000	-	-	-	-
Development Projects	-	3,714,366	-	-	-
Total Assigned	<u>3,250,000</u>	<u>3,714,366</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>17,880,935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 22,463,881</u>	<u>\$ 3,714,366</u>	<u>\$ 29,862,847</u>	<u>\$ 4,616,469</u>	<u>\$ 2,831,229</u>

NOTE 13 NET INVESTMENT IN CAPITAL ASSETS

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

Capital Assets	\$ 58,236,850
Debt on Capital Assets:	
Revenue Bonds	(15,149,989)
General Obligation Bonds	(6,592,380)
Leases	(264,825)
Deferred Refundings	571,151
Premium on Bonds Payable	(1,024,452)
Net Investment in Capital Assets	<u>\$ 35,776,355</u>

The long-term debt includes \$1,551,362 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 TAX ABATEMENTS

The County has two tax abatement programs pursuant to which the County reduces certain taxpayers' property tax liability.

Fee-in-lieu of ad valorem property tax program

One of the County's tax abatement programs is the "Fee-in-Lieu of Ad Valorem Property Tax" ("FILOT") program. South Carolina state law authorizes three forms of the FILOT program: a "Little Fee" as authorized by Chapter 4, Title 12 of the Code of Laws of South Carolina, 1976, as amended; a "Simplified Fee" as authorized by Chapter 44, Title 12 of the Code of Laws of South Carolina, 1976, as amended; or a "Big Fee" as authorized by Section 4-29-67 of the Code of Laws of South Carolina, 1976, as amended. The purpose of the FILOT program is to reduce the disparately higher property tax rates applied to manufacturing and certain commercial properties in South Carolina, which have previously impeded new and expanding business from locating in South Carolina.

A taxpayer is eligible to receive a property tax reduction under the FILOT program if the taxpayer agrees to make a minimum investment in a project located in the County within a 5-year period. The minimum investment a taxpayer must make to be eligible for the FILOT program is based on the form of the FILOT program chosen by the County and the taxpayer. Under the Little Fee and the Simplified Fee forms of the FILOT program, taxpayers must make a minimum investment of \$2,500,000. Under the Big Fee form of the FILOT program, taxpayers must make a minimum investment of \$45,000,000. Additionally, before a taxpayer is eligible for a benefit under the FILOT program, the County Council, the governing body of the County, must find that (i) the project is anticipated to benefit the general public welfare by providing services, employment, recreation, or other public benefits not otherwise adequately provided locally; (ii) the project gives rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iii) the purposes to be accomplished by the project are proper governmental and public purposes; and (iv) the benefits of the project are greater than the costs.

Property taxes are abated under the FILOT program through an agreement, executed by the County and the taxpayer, pursuant to which a fee-in-lieu of ad valorem property tax payment for the economic development property associated with the project is calculated using (i) a reduced assessment ratio, which may be reduced from the effective assessment ratio imposed by state law to a floor of 6% (or 4% in the case of certain enhanced investments as defined by state law), and (ii) a locked millage rate (or a millage rate that is allowed to increase or decrease every fifth year), for an initial term of not more than 30 years (or 40 years in the case of certain enhanced investments as defined by state law). The FILOT program also permits certain qualifying taxpayers and the County to negotiate for equalized fee-in-lieu of ad valorem property tax payments over the term of the agreement.

If the taxpayer does not make the minimum investment in a project within the 5-year period as described above, then the agreement is automatically terminated. On termination, the taxpayer is obligated to pay to the County the difference between (i) the total amount of ad valorem property taxes that would have been paid by the taxpayer had the economic development property associated with the project not been subject to the agreement, taking into account exemptions from property taxes that would have been available to the taxpayer, and (ii) the total amount of fee-in-lieu of ad valorem property tax payment made by the taxpayer with respect to the economic development property associated with the project.

In addition to the minimum eligibility requirements to receive a property tax reduction under the FILOT program as described above, the taxpayer may also make certain commitments to (i) invest certain amounts in taxable real and personal property at a project in an amount greater than the minimum investment, and (ii) create a certain number of new, full-time jobs at a project.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 TAX ABATEMENTS - CONTINUED

For tax year 2021, County property taxes abated as a result of the FILOT program (inclusive of agreements entered into pursuant to the FILOT program and the SSRC program, as described below, combined) totaled \$2,240,307. The County received \$4,698,755 in fee-in-lieu of ad valorem tax payments from taxpayers with active agreements under the FILOT program in tax year 2021.

Special source revenue credit program

The County also abates property taxes through programs which utilize "Special Source Revenue Credits" ("SSRC"). SSRCs are authorized by South Carolina state law, specifically, Section 4-1-175 of the Code of Laws of South Carolina 1976, as amended. The County utilizes SSRCs in certain development programs to enhance the economic development of the County.

A taxpayer is eligible to receive an SSRC and reduce its property taxes, if (i) the taxpayer's property is located in a multicounty industrial or business park, and (ii) the taxpayer uses the credit to pay the cost of designing, acquiring, constructing, improving, or expanding (a) infrastructure serving the County or the taxpayer's property, or (b) improved or unimproved real estate and personal property, including machinery and equipment used in the operation of a manufacturing or commercial enterprise.

Property taxes are abated through the County providing an SSRC (in the form of a percentage or fixed dollar amount) against a taxpayer's property tax liability. Although not required by state law, often, the County and the taxpayer enter into an agreement pursuant to which the County agrees to provide an SSRC against a taxpayer's property tax liability for a period of years, and the taxpayer commits to (i) invest certain amounts in taxable real and personal property at a project, (ii) create a certain number of new, full-time jobs at a project or (iii) invest in some public infrastructure at a project or in the County. In the instances where the County has entered into an agreement to grant an SSRC, if the taxpayer does not meet the commitments as set forth in the agreement, then the County frequently reserves the right to require the taxpayer to repay to the County, either all or some other portion, as determined by formula, of the SSRC received by the taxpayer.

The County may also grant SSRCs in connection with the FILOT program. In these instances, following the calculation of a taxpayer's fee-in-lieu of ad valorem payment under the FILOT program, the County may also apply an SSRC to further abate the taxpayer's property tax liability. To receive property tax abatements through the FILOT program and through the receipt of an SSRC, the taxpayer must meet the eligibility criteria for both programs. Amounts abated as a result of and received from taxpayers with abatement agreements utilizing the FILOT program and SSRCs are reflected in the FILOT program disclosures described above.

For tax year 2021, County property taxes abated as a result of taxpayers with abatement agreements solely utilizing SSRCs totaled \$2,782.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 14 TAX ABATEMENTS - CONTINUED

Multicounty industrial or business park

The County uses multicounty industrial or business parks in connection with the FILOT program and the grant of SSRCS. Specifically, as noted above, to receive a property tax abatement through the programs using SSRCS, a taxpayer's property must be located in a multicounty industrial or business park. Additionally, the County may locate a taxpayer's property in a multicounty industrial or business park at the request of the taxpayer so the taxpayer may secure enhanced benefits from certain state economic development programs. To locate a taxpayer's property in a multicounty industrial or business park, the County must develop, with one or more contiguous counties, a multicounty industrial or business park by entering into an agreement with the contiguous counties which sets forth how the counties will share the expenses and revenues from the multicounty industrial or business park. The agreement must further specify how the revenues from the multicounty industrial or business park will be distributed to each taxing entity in the participating counties.

For tax year 2021, of the total payments made by taxpayers who were subject to the County's multicounty industrial park agreements, \$11,146 would have been received by the County but for the taxpayers' location within its multicounty industrial park.

NOTE 15 IMPLEMENTATION OF NEW ACCOUNTING STANDARD

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases, which was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. As a result of the implementation of GASB Statement No. 87, the County evaluated all leasing arrangements and determined that implementation had no material effect on the beginning equity of the governmental activities net position.

NOTE 16 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 15, 2022, the date the financial statements were issued.

The County received the final payment of American Rescue Plan Act funding of \$2.9 million which was the second installment for a total of \$5.8 million in funds from the State and Local Coronavirus Fiscal Recovery Fund. It is anticipated that these funds will be used for capital improvements within the County.

The County sent \$3.4 million in funds from the County Transportation Tax to the South Carolina State Treasurer's office to be held in escrow for construction of Exit 3 along Interstate Highway 95.

The County is experiencing economic interest in a speculative building and industrial park land. It is anticipated that a closing on some of this property will occur within this next fiscal year.

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, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 26,667,858	\$ 26,667,858	\$ 31,014,254	\$ 4,346,396
Fines, Fees and Licenses	3,153,500	3,153,500	4,716,386	1,562,886
Intergovernmental	1,434,327	1,434,327	1,623,807	189,480
Miscellaneous	4,157,080	3,598,788	2,347,617	(1,251,171)
Total Revenues	35,412,765	34,854,473	39,702,064	4,847,591
EXPENDITURES				
Current:				
County Administration				
County Council	270,750	270,750	262,794	7,956
County Attorney	233,910	233,910	220,544	13,366
Administrator	449,970	449,970	437,184	12,786
Human Resources	291,810	291,810	242,589	49,221
Information Technology	1,157,100	1,157,100	1,361,059	(203,959)
Treasurer	217,350	217,350	226,483	(9,133)
Auditor	210,250	210,250	200,409	9,841
Detention Center	3,279,160	3,279,160	3,070,546	208,614
Interdepartmental	1,700,296	3,236,977	2,664,244	572,733
Data Processing	536,800	536,800	378,792	158,008
Capital Improvements	702,000	152,000	219,331	(67,331)
Professional Services	77,500	77,500	261,761	(184,261)
Election Commission	347,430	347,430	331,389	16,041
Total County Administration	9,474,326	10,461,007	9,877,125	583,882
Administrative Services				
Tax Collector	261,895	261,895	196,663	65,232
Assessor	678,100	678,100	751,254	(73,154)
Finance Department	257,810	257,810	216,449	41,361
Register of Deeds	201,730	201,730	183,142	18,588
Business Licenses	96,275	96,275	82,637	13,638
Keep America Beautiful	25,000	50,000	51,956	(1,956)
Total Administrative Services	1,520,810	1,545,810	1,482,101	63,709
Development Services				
Economic Development Department	528,333	528,333	246,450	281,883
Planning Commission	255,570	217,955	208,611	9,344
Recreation Department	475,920	475,920	411,591	64,329
Airport	413,000	413,000	270,590	142,410
Sgt Jasper Park	222,475	222,475	260,005	(37,530)
Building Permits	229,450	229,450	216,339	13,111
Total Development Services	2,124,748	2,087,133	1,613,586	473,547

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	<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	\$ 1,761,372	\$ 1,410,560	\$ 1,229,816	\$ 180,744
Levy Fire	228,000	228,000	316,763	(88,763)
Fire and Rescue	6,193,049	5,441,766	5,719,147	(277,381)
Emergency Services Department	1,290,981	1,290,981	1,212,536	78,445
Cherry Point Fire District	2,794,990	966,990	1,132,324	(165,334)
Total Emergency Services	<u>12,268,392</u>	<u>9,338,297</u>	<u>9,610,586</u>	<u>(272,289)</u>
Engineering Services				
Administrative	283,040	283,040	312,828	(29,788)
Central Garage	129,452	124,952	120,867	4,085
Mosquito Control	21,200	21,200	18,620	2,580
Litter Control	35,000	10,000	2,665	7,335
Roads and Bridges	638,540	622,540	574,467	48,073
Building Maintenance	353,845	353,845	428,802	(74,957)
Solid Waste	1,030,150	1,050,650	955,482	95,168
Total Engineering Services	<u>2,491,227</u>	<u>2,466,227</u>	<u>2,413,731</u>	<u>52,496</u>
Court Administration				
Probate Judge	213,280	213,280	216,294	(3,014)
Clerk of Court	582,552	582,552	557,320	25,232
Central Traffic	171,320	171,320	176,452	(5,132)
Magistrate Lynah	131,100	131,100	99,950	31,150
Magistrate Johnson	163,150	163,150	138,175	24,975
Central Bond	133,550	133,550	131,675	1,875
Magistrate McDonald	116,000	116,000	70,369	45,631
Magistrate Badgett	109,500	109,500	73,901	35,599
Total Court Administration	<u>1,620,452</u>	<u>1,620,452</u>	<u>1,464,136</u>	<u>156,316</u>
Law Enforcement				
Sheriff	5,407,800	5,134,100	5,475,846	(341,746)
Victims Witness Program	60,200	60,200	60,592	(392)
Coroner	276,100	276,100	335,100	(59,000)
Total Law Enforcement	<u>5,744,100</u>	<u>5,470,400</u>	<u>5,871,538</u>	<u>(401,138)</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, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Health, Education and Welfare				
Veterans Affairs	\$ 126,720	\$ 126,720	\$ 112,361	\$ 14,359
Agency Appropriations	1,322,600	1,360,225	1,340,507	19,718
County Libraries	53,600	53,600	53,419	181
Health Department	24,800	24,800	24,431	369
Department of Social Services	32,700	32,700	34,484	(1,784)
Hardeeville Annex	5,000	5,000	4,249	751
Farmers Market	4,500	4,500	4,271	229
Total Health, Education and Welfare	1,569,920	1,607,545	1,573,722	33,823
Debt Service				
Principal	-	-	196,650	(196,650)
Interest	19,000	19,000	92,448	(73,448)
Total Debt Service	19,000	19,000	289,098	(270,098)
Capital Outlay				
County Administration	67,825	67,825	166,419	(98,594)
Development Services	474,200	474,200	754,486	(280,286)
Emergency Services	499,188	499,188	511,444	(12,256)
Engineering Services	134,800	134,800	156,837	(22,037)
Law Enforcement	320,000	320,000	372,723	(52,723)
Total Capital Outlay	1,496,013	1,496,013	1,961,909	(465,896)
Total Expenditures	38,328,988	36,111,884	36,157,532	(45,648)
Excess (deficiency) of revenues over (under) expenditures	(2,916,223)	(1,257,411)	3,544,532	4,801,943
OTHER FINANCING SOURCES (USES)				
Issuance of Debt	1,308,000	-	-	-
Transfers In	1,608,223	1,257,411	519,333	(738,078)
Transfers Out	-	-	(128,144)	(128,144)
Total Other Financing Sources (Uses)	2,916,223	1,257,411	391,189	(866,222)
Net change in fund balances	-	-	3,935,721	3,935,721
Fund balances, beginning	18,528,160	18,528,160	18,528,160	-
Fund balances, ending	\$ 18,528,160	\$ 18,528,160	\$ 22,463,881	\$ 3,935,721

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the Net Pension Liability	NA	NA	0.042983%	0.043313%	0.040713%	0.039003%	0.039466%	0.030171%	0.047879%	0.040026%
Proportionate Share of the Net Pension Liability	NA	NA	\$ 7,400,248	\$ 8,214,519	\$ 8,696,237	\$ 8,780,203	\$ 8,842,973	\$ 6,889,307	\$ 12,233,939	\$ 8,662,045
Covered Payroll	NA	NA	\$ 3,874,024	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173	\$ 4,289,985	\$ 4,245,317	\$ 4,478,619
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	191.02%	203.01%	220.52%	223.10%	216.41%	160.59%	288.17%	193.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	59.90%	56.99%	52.90%	53.30%	54.10%	54.40%	50.70%	60.70%

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	PORS - FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the Net Pension Liability	NA	NA	0.41805%	0.41507%	0.42452%	0.43080%	0.43929%	0.324596%	0.681130%	0.474301%
Proportionate Share of the Net Pension Liability	NA	NA	\$ 8,003,283	\$ 9,046,436	\$ 10,767,893	\$ 11,802,083	\$ 12,447,516	\$ 9,302,723	\$ 20,497,946	\$ 12,203,347
Covered Payroll	NA	NA	\$ 5,032,231	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457	\$ 6,598,581	\$ 7,649,260	\$ 7,026,101
Proportionate Share of the New Pension Liability as a Percentage of Its Covered Payroll	NA	NA	159.04%	176.49%	199.00%	203.78%	204.71%	140.98%	267.97%	173.69%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	NA	NA	67.50%	64.57%	60.40%	60.90%	61.70%	62.70%	58.80%	70.40%

NA - not available

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

SCRS - FISCAL YEAR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	NA	NA	\$ 441,049	\$ 436,037	\$ 454,916	\$ 554,086	\$ 624,623	\$ 660,571	\$ 696,873	\$ 850,930
Contributions in Relation to the Contractually Required Contribution	NA	NA	441,049	436,037	454,916	554,086	624,623	660,571	696,873	850,930
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	\$ 4,046,332	\$ 3,943,462	\$ 3,935,461	\$ 4,086,173	\$ 4,289,985	\$ 4,245,317	\$ 4,478,619	\$ 5,138,463
Contributions as a Percentage of Covered Payroll	NA	NA	10.90%	11.06%	11.56%	13.56%	14.56%	15.56%	15.56%	16.56%

PORS - FISCAL YEAR

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	NA	NA	\$ 687,357	\$ 743,621	\$ 826,135	\$ 987,466	\$ 1,120,315	\$ 1,395,225	\$ 1,281,560	\$ 1,553,525
Contributions in Relation to the Contractually Required Contribution	NA	NA	687,357	743,621	826,135	987,466	1,120,315	1,395,225	1,281,560	1,553,525
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	NA	NA	\$ 5,125,706	\$ 5,411,101	\$ 5,791,660	\$ 6,080,457	\$ 6,498,581	\$ 7,649,260	\$ 7,026,101	\$ 8,074,452
Contributions as a Percentage of Covered Payroll	NA	NA	13.41%	13.74%	14.26%	16.24%	17.24%	18.24%	18.24%	19.24%

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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Service Cost at the End of the Year	NA	NA	NA	NA	NA	\$ 824,462	\$ 660,904	\$ 637,971	\$ 730,828	\$ 778,697
Interest on the TOL	NA	NA	NA	NA	NA	514,790	598,009	582,919	573,508	407,582
Changes of benefit terms	NA	NA	NA	NA	NA	-	-	-	(3,785,962) *	-
Difference between Expected and Actual Experience of the Total OPEB Liability	NA	NA	NA	NA	NA	(42,143)	(1,328,926)	(1,700)	(754,376)	86,493
Changes in Assumptions	NA	NA	NA	NA	NA	(1,795,933)	(292,434)	1,361,729	1,974,069	1,956,205 **
Benefit Payments	NA	NA	NA	NA	NA	(216,730)	(285,632)	(357,079)	(457,201)	(440,722)
Net Change in Total OPEB Liability	NA	NA	NA	NA	NA	(715,554)	(648,079)	2,223,840	(1,719,134)	2,788,255
Total OPEB Liability - Beginning	NA	NA	NA	NA	NA	17,325,933	16,610,379	15,962,300	18,186,140	16,467,006
Total OPEB Liability - Ending	NA	NA	NA	NA	NA	<u>\$ 16,610,379</u>	<u>\$ 15,962,300</u>	<u>\$ 18,186,140</u>	<u>\$ 16,467,006</u>	<u>\$ 19,255,261</u>
 Covered-Employee Payroll									<u>\$ 10,126,970</u>	<u>\$ 10,440,887</u>
 Total OPEB Liability as a Percentage of Covered Payroll									<u>162.61%</u>	<u>184.42%</u>

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

** Discount rate changed from 2.45% as of June 30, 2020 to 1.92% as of June 30, 2021, and revised SCRS demographic and salary increase assumptions.

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.

Law Enforcement 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, 2022**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	<u>ACCOM TAX</u>	<u>WASTE TIRE</u>	<u>LAW ENFORCEMENT</u>	<u>E911</u>	
ASSETS					
Receivables - net	\$ -	\$ 3,939	\$ -	\$ 43,641	\$ 47,580
Restricted Cash	1,850,240	30,296	177,652	727,822	2,786,010
Total Assets	<u>\$ 1,850,240</u>	<u>\$ 34,235</u>	<u>\$ 177,652</u>	<u>\$ 771,463</u>	<u>\$ 2,833,590</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 1,692	\$ -	669	\$ -	\$ 2,361
Total Liabilities	<u>1,692</u>	<u>-</u>	<u>669</u>	<u>-</u>	<u>2,361</u>
Fund Balances					
Restricted	1,848,548	34,235	176,983	771,463	2,831,229
Total Fund Balances	<u>1,848,548</u>	<u>34,235</u>	<u>176,983</u>	<u>771,463</u>	<u>2,831,229</u>
Total Liabilities and Fund Balances	<u>\$ 1,850,240</u>	<u>\$ 34,235</u>	<u>\$ 177,652</u>	<u>\$ 771,463</u>	<u>\$ 2,833,590</u>

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>SPECIAL REVENUE</u>				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	LAW ENFORCEMENT	E911	
REVENUES					
Taxes	\$ 972,340	\$ -	\$ -	\$ -	\$ 972,340
Fines, Fees and Licenses	-	-	142,811	274,763	417,574
Intergovernmental	-	12,509	1,024	-	13,533
Miscellaneous	279	-	-	-	279
Total Revenue	<u>972,619</u>	<u>12,509</u>	<u>143,835</u>	<u>274,763</u>	<u>1,403,726</u>
EXPENDITURES					
Current:					
Development Services	250,817	-	-	-	250,817
Sheriff	-	-	66,434	-	66,434
	<u>250,817</u>	<u>-</u>	<u>66,434</u>	<u>-</u>	<u>317,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>721,802</u>	<u>12,509</u>	<u>77,401</u>	<u>274,763</u>	<u>1,086,475</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	128,144	-	-	-	128,144
Transfers Out	(444,333)	-	-	-	(444,333)
Total Other Financing Sources (Uses)	<u>(316,189)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(316,189)</u>
Net change in fund balances	405,613	12,509	77,401	274,763	770,286
Fund balances, beginning	1,442,935	21,726	99,582	496,700	2,060,943
Fund balances, ending	<u>\$ 1,848,548</u>	<u>\$ 34,235</u>	<u>\$ 176,983</u>	<u>\$ 771,463</u>	<u>\$ 2,831,229</u>

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, 2022**

	<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	\$ 32,277,693	\$ 1,523,987	\$ 1,248,647	\$ 14,164	\$ 124,476	\$ 35,188,967
Receivables	165,350	-	-	-	-	165,350
Total Assets	<u>\$ 32,443,043</u>	<u>\$ 1,523,987</u>	<u>\$ 1,248,647</u>	<u>\$ 14,164</u>	<u>\$ 124,476</u>	<u>\$ 35,354,317</u>
Liabilities						
Accounts Payable	\$ 71,981	\$ -	\$ -	\$ -	\$ -	\$ 71,981
Total Liabilities	<u>71,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,981</u>
Net Position						
Restricted for Individuals, Organizations, Other Governments	32,371,062	1,523,987	1,248,647	14,164	124,476	35,282,336
Total Net Position	<u>32,371,062</u>	<u>1,523,987</u>	<u>1,248,647</u>	<u>14,164</u>	<u>124,476</u>	<u>35,282,336</u>
Total Liabilities and Net Position	<u>\$ 32,443,043</u>	<u>\$ 1,523,987</u>	<u>\$ 1,248,647</u>	<u>\$ 14,164</u>	<u>\$ 124,476</u>	<u>\$ 35,354,317</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, 2022**

	<u>Custodial Funds</u>					Total Other Custodial Funds
	<u>Taxes and State Aid</u>	<u>State License and Fees</u>	<u>Developer Funds</u>	<u>Outside Agencies</u>	<u>Detention Center</u>	
Additions						
Contributions from individuals	\$ -	\$ -	\$ -	\$ 8,071	\$ 154,067	\$ 162,138
Property tax collections and state aid for other governments	83,700,264	-	-	-	-	83,700,264
License and fees collected for State	-	1,138,453	-	-	-	1,138,453
Miscellaneous	-	-	754	51,357	-	52,111
Total Additions	<u>83,700,264</u>	<u>1,138,453</u>	<u>754</u>	<u>59,428</u>	<u>154,067</u>	<u>85,052,966</u>
Deductions						
Payments to individuals	-	-	-	-	131,894	131,894
Payments of property taxes and state aid to other governments	82,917,073	-	-	-	-	82,917,073
Payments to state	-	1,233,629	-	-	-	1,233,629
Payments on behalf of other entities	-	-	462,913	52,713	-	515,626
Total Deductions	<u>82,917,073</u>	<u>1,233,629</u>	<u>462,913</u>	<u>52,713</u>	<u>131,894</u>	<u>84,798,222</u>
Change in net position	783,191	(95,176)	(462,159)	6,715	22,173	254,744
Net Position, beginning	<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>
Net Position, ending	<u>\$ 32,660,058</u>	<u>\$ 1,234,992</u>	<u>\$ 1,248,647</u>	<u>\$ 14,164</u>	<u>\$ 124,475</u>	<u>\$ 35,282,336</u>

JASPER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2022

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	261,077	773,725		1,034,802
Court fines and assessments remitted to State Treasurer	160,118	415,721		575,839
Total Court Fines and Assessments retained	100,959	358,004		458,963
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	2,562	5,236		7,798
Assessments retained	1,127	34,791		35,918
Total Surcharges and Assessments retained for victim services	3,689	40,027		43,716

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance		119,039	119,039
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer		35,918	35,918
Victim Service Surcharges Retained by City/County Treasurer		7,798	7,798
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)		162,755	162,755

JASPER COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2022

Expenditures for Victim Service Program:	Municipal	County	Total
Salaries and Benefits		29,183	29,183
Operating Expenditures		1,356	1,356
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)		30,539	30,539
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)		132,216	132,216
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year		132,216	132,216

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.	79-82
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.	83-86
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.	87-91
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.	92-93
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.	94-96

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									
	2013	2014	2015 *	2016	2017	2018	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 35,776,355
Restricted	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	35,851,689
Unrestricted (Deficit)	5,782,359	6,010,816	(8,893,517)	(9,451,526)	(9,370,333)	(19,576,094)	(20,391,347)	(18,614,049)	(15,706,376)	(11,435,172)
Total Governmental Activities Net Position	<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>\$ 48,019,657</u>	<u>\$ 60,192,872</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
County Administration	\$ 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	\$ 11,538,976
Administrative Services	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	1,499,534
Development Services	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	2,894,934
Emergency Services	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	10,759,046
Engineering Services	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	2,777,249
Court Administration	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	1,478,556
Law Enforcement	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	6,334,414
Health, Education, and Welfare	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	1,577,427
Interest Expense	850,242	957,203	916,856	920,388	1,554,125	888,148	857,742	878,254	1,051,730	801,431
Total Expenses	<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>	<u>39,661,567</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:										
Emergency Services Fees	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	1,267,228
Fines	444,629	389,434	451,735	480,927	614,145	598,211	806,152	598,635	396,898	464,757
Development Services Fees	718,872	816,226	585,637	905,471	857,960	1,121,032	932,187	1,043,823	738,388	526,336
Engineering Services	-	-	-	527,949	595,801	631,777	636,353	627,124	837,708	826,885
Administrative Services	853,623	718,152	812,303	240,023	324,521	341,406	434,160	652,969	1,299,410	1,977,452
Law Enforcement	-	-	-	-	-	-	-	-	138,480	147,469
Operating Grants and Contributions	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	1,217,447
Capital Grants and Contributions	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	49,184
General Revenues										
Taxes	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	41,818,108
Grants and Contributions not restricted to specific programs	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	1,159,042
Earnings on investments	28,465	25,864	15,325	3,570	-	-	-	-	-	-
Other	119,861	365,396	285,301	318,782	609,523	32,119	693,254	917,377	811,796	2,380,874
Special Items - OPEB	-	-	-	-	-	-	-	-	3,716,256	-
Total Revenues	<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>48,882,020</u>	<u>51,834,782</u>
Change in net position	685,995	263,609	1,444,929	3,105,992	4,577,257	7,898,473	10,394,862	13,485,874	10,977,683	12,173,215
Net Position-Beginning	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	48,019,657
Prior Period Adjustment	(1,633,857)	-	(15,316,453)	-	-	(9,661,401)	-	-	-	-
Net Position-Ending	<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>\$ 48,019,657</u>	<u>\$ 60,192,872</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL FUND										
Restricted	\$ 350,682	\$ 430,985	\$ 520,978	\$ 563,068	\$ 623,694	\$ 729,418	\$ 902,246	\$ 1,145,085	\$ 1,215,528	\$ 1,332,946
Assigned	-	542,000	1,200,000	1,400,000	1,400,000	1,700,000	2,600,000	1,320,000	3,111,080	3,250,000
Unassigned	6,868,983	7,889,633	8,964,563	10,007,590	10,588,816	11,175,135	10,750,767	11,780,914	14,201,553	17,880,935
Total General Fund	<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>\$ 18,528,161</u>	<u>\$ 22,463,881</u>
ECONOMIC DEVELOPMENT FUND										
Assigned	\$ 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	\$ 3,714,366
Nonspendable	-	-	-	-	-	293,108	-	-	-	-
Total Economic Development Fund	<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>	<u>\$ 3,714,366</u>
CAPITAL PROJECTS FUND										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,980,189	\$ 8,715,265	\$ 13,800,209	\$ 19,467,852	\$ 27,071,045
Committed	455,066	342,905	-	79,529	49,784	49,784	27,382	1,179,077	1,162,590	2,791,802
Total Capital Projects Fund	<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>	<u>\$ 29,862,847</u>
DEBT SERVICE FUND										
Restricted	\$ 530,482	\$ 792,360	\$ 768,263	\$ 1,043,165	\$ 1,526,975	\$ 1,754,785	\$ 2,196,091	\$ 2,704,529	\$ 3,872,008	\$ 4,616,469
Total Debt Service Fund	<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>	<u>\$ 4,616,469</u>
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ 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	\$ 2,831,229
Assigned	66,012	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<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>	<u>\$ 2,831,229</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									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 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	\$ 41,927,468
Fines, Fees, and Licenses	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	5,210,127
Intergovernmental	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	2,207,953
Miscellaneous	2,021,768	452,878	790,823	1,378,744	2,498,262	2,595,360	1,123,824	2,564,112	1,141,693	2,671,729
Total Revenues	<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>45,772,026</u>	<u>52,017,277</u>
Expenditures										
Current:										
County Administration	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	10,131,407
Administrative Services	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	1,482,101
Development Services	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	2,251,827
Emergency Services	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	9,807,029
Engineering Services	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	2,628,386
Court Administration	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	1,464,136
Law Enforcement	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	6,027,186
Health, Education, and Welfare	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	1,573,722
Debt Service										
Principal	623,885	595,206	696,402	494,303	1,100,490	1,964,369	1,000,640	889,081	1,180,306	1,164,778
Interest	872,281	943,272	927,490	918,772	1,001,819	850,680	823,205	839,689	945,708	782,113
Bond Issuance Costs	-	-	-	-	394,413	-	-	-	-	-
Capital Outlay	<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>	<u>3,259,291</u>
Total Expenditures	<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>	<u>40,571,976</u>
Excess (deficiency) of revenues over (under) expenditures	<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>10,574,529</u>	<u>11,445,301</u>
Other Financing Sources (Uses)										
Issuance of Debt	968,021	384,738	319,010	2,302,890	314,533	785,350	1,359,510	3,251,158	-	2,857,682
Refunding Bonds Issued	-	-	-	-	8,290,000	-	-	-	5,540,000	5,415,000
Premium on Debt Issuance	-	-	-	-	156,305	-	-	-	716,821	124,253
Payment to Refunded Debt Escrow Agent	-	-	-	-	(7,240,000)	-	-	-	(5,535,066)	(5,328,179)
Transfers In	343,616	439,551	500,802	1,177,793	788,215	434,857	305,000	1,519,251	500,101	647,477
Transfers Out	<u>(343,616)</u>	<u>(439,551)</u>	<u>(500,802)</u>	<u>(1,177,793)</u>	<u>(788,215)</u>	<u>(434,857)</u>	<u>(305,000)</u>	<u>(1,519,251)</u>	<u>(500,101)</u>	<u>(647,477)</u>
Total Other Financing Sources (Uses)	<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>	<u>3,068,756</u>
Net Change in Fund Balances	1,589,334	1,654,835	1,371,122	2,209,881	1,464,196	3,554,402	7,641,943	7,994,280	11,296,284	14,514,057
Fund Balances, Beginning	10,198,458	11,787,792	13,442,627	14,813,749	17,023,630	18,487,826	22,042,228	29,684,171	37,678,451	48,974,735
Fund Balances, Ending	<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>\$ 48,974,735</u>	<u>\$ 63,488,792</u>
Debt service as a percentage of noncapital expenditures	7.0%	7.2%	7.4%	6.3%	8.5%	10.5%	7.0%	5.2%	6.6%	5.2%

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	
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
2022	117,335,040	71,864,859	189,199,899	3,303,424,475	628,109,818	3,931,534,293	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
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
2022	85.00	57.00	12.00	154.00	166.00	25.00	32.00	143.27	112.00

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

Schedule 7

TAXPAYER	2022			2013		
	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	\$ 18,164,869	1	9.60%	\$ 19,855,387	1	16.90%
Palmetto Electric	3,738,270	2	1.98%	3,048,550	2	2.30%
Triangle Palisades at New	2,104,800	3	1.11%	-	-	0.00%
Moffett Solar 1 LLC	1,638,812	4	0.87%	-	-	0.00%
Raia SC Exchange VG Mahwah LLC	1,543,560	5	0.82%	-	-	0.00%
Peacock RE LLC	1,494,230	6	0.79%	-	-	0.00%
Minto Latitude HH LLC	1,462,840	7	0.77%	-	-	0.00%
Brooke Mill LLC	1,396,200	8	0.74%	-	-	0.00%
Carolina Gas Transmission Corporation	1,392,600	9	0.74%	1,080,940	5	0.90%
Charleston and Savannah RR	1,308,633	10	0.69%	-	-	0.00%
Georgia DOT	-	-	0.00%	1,941,120	3	1.50%
CSX Transportation	-	-	0.00%	1,324,937	4	1.10%
Auston Chase	-	-	0.00%	1,044,890	6	0.80%
Courtney Bend LLC	-	-	0.00%	827,480	7	0.70%
Okeetee Club	-	-	0.00%	707,650	8	0.70%
Del Webb Communities	-	-	0.00%	627,680	9	0.60%
Central Electric Power	-	-	0.00%	524,690	10	0.50%
Total	<u>\$ 34,244,814</u>		<u>18.10%</u>	<u>\$ 30,983,324</u>		<u>26.00%</u>

Source: Jasper County Auditor

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

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
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%	650,892	18,080,672	96.8%
2020	20,842,052	19,483,409	93.5%	722,752	20,206,161	96.9%
2021	22,649,654	21,910,415	96.7%	589,236	22,499,651	99.3%
2022	24,740,005	23,899,443	96.6%	-	23,899,443	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			
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
2022	6,592,380	1,551,362	264,825	15,603,290	-	24,011,857	1.9%	578.17

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.

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

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2013	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	1.6%	78.33
2022	6,592,380	4,616,469	1,975,911	1.0%	47.58

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, 2022**

<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	\$ 23,776,200	100.00%	\$ 23,776,200
City of Hardeeville	17,195,983	20.00%	3,439,197
Subtotal overlapping debt	<u>40,972,183</u>		<u>27,215,397</u>
County direct debt	<u>24,011,857</u>	100.00%	<u>24,011,857</u>
Total direct and overlapping debt	<u><u>\$ 64,984,040</u></u>		<u><u>\$ 51,227,254</u></u>

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

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

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 189,199,899
Debt limit (8% of assessed value)	15,135,992
Debt applicable to limit:	
General Obligation	<u>(6,592,380)</u>
Total net debt applicable to limit	<u>(6,592,380)</u>
Legal Debt Margin	<u>\$ 8,543,612</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 15,135,992
Total net debt applicable to limit	<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>	<u>(6,592,380)</u>
Legal debt margin	<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>	<u>\$ 8,543,612</u>
Total net debt applicable to the limit as a percentage of debt limit	<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>	<u>43.6%</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 Treasurer

**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
2022	2,281,244	895,000	641,783	1.48

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
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	3.7
2022	29,593	1,259,317	41,531	40.8	4,352	3.2

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

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EMPLOYER	2022			2013		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	389	1	2.87 %	450	1	4.80 %
Jasper County	307	2	2.26	248	5	2.60
Coastal Carolina Medical Center	229	3	1.69	216	6	2.30
Cleland Site Prep Inc.	205	4	1.51	110	9	1.60
Eurovia Atlantic Coast, LLC	180	5	1.33	-	-	-
Compassion Healthcare, Inc.	150	6	1.11	-	-	-
Ridgeland Correctional Institution	124	7	0.91	199	7	2.10
City of Hardeeville	122	8	0.90	-	-	-
Palmetto Electric Cooperative	107	9	0.79	-	-	-
O. C. Welch Ford Lincoln Mercury, Inc.	103	10	0.76	-	-	-
Peacock Automotive Group	-	-	-	313	2	16.34
Wal-Mart	-	-	-	296	3	3.10
Beaufort-Jasper Comprehensive Health	-	-	-	250	4	2.60
J.C. Board of Disabilities & Special Needs	-	-	-	119	8	1.70
Ridgeland Nursing Center	-	-	-	96	10	1.00
Total	<u>1,916</u>		<u>14.13 %</u>	<u>2,297</u>		<u>25.10 %</u>

Source: County Finance Department

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

Schedule 16

FUNCTION/PROGRAM	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County Council	6	6	6	6	6	6	6	6	6	6
Administrator	2	2	2	2	2	2	2	2	2	2
Administrative Services	16	16	16	17	17	18	18	20	20	23
Development Services	5	5	5	5	5	4	7	7	8	6
Emergency Services	4	4	4	4	4	4	4	4	4	6
Engineering Services	35	35	33	38	38	34	37	30	31	31
Treasurer	3	3	3	3	3	4	4	4	4	5
Auditor	4	4	4	4	4	4	4	4	4	4
Probate Judge	2	2	2	2	2	2	2	3	3	3
Clerk of Court	7	7	7	6	6	7	6	7	7	8
Sheriff	42	42	41	40	40	40	54	49	54	56
Magistrate	11	11	11	11	11	12	14	12	13	12
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	2	2	2	2	2	2	2	2	2	3
Coroner	2	2	2	3	3	3	3	3	2	3
Recreation	5	5	5	6	6	6	6	6	7	5
Fire & Rescue	47	47	47	42	42	43	52	65	75	81
Emergency Telecommunications	12	15	13	12	12	13	14	16	15	18
Information Technology	2	2	2	2	2	3	3	3	5	8
Detention	37	37	35	36	36	37	39	32	35	24
County Attorney	2	2	2	2	2	2	1	2	2	1
Total	248	251	244	245	245	248	280	279	301	307

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Source: County Human Resources

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

Schedule 17

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REGISTER OF DEEDS										
Documents Recorded	6,713	5,697	6,032	5,638	5,620	5,369	6,095	6,160	7,455	7,222
SOLID WASTE										
Tons of Solid Waste Handled	7,048	9,967	8,446	9,499	9,657	10,548	10,548	10,357	11,359	9,851
BUILDING DEPARTMENT										
Residential Permits Issued	207	188	203	255	233	320	326	312	410	341
Value of Residential Permits	\$ 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	\$ 20,557,379
Commercial Permits Issued	35	62	64	58	81	79	82	61	51	71
Value of Commercial Permits	\$ 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	\$ 17,744,995
Mobile Home Permits Issued	103	86	104	68	85	94	110	163	89	96
PARKS & RECREATION										
Park Attendance	81,253	17,966 *	19,542	19,552	19,524	24,067	17,340	12,548	19,439	38,720
DETENTION CENTER										
Confinements	1,600	1,992	1,974	1,779	1,830	1,776	1,714	1,291	927	1,080
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	684	845	913	586	670	763	740	815	752	1,146
Gross Sales Within County	\$ 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	\$ 1,374,962,305
EMERGENCY SERVICES										
Calls Dispatched	46,271	49,479	51,080	51,384	55,609	62,958	64,913	68,058	49,621	60,127

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

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>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>	<u>2022</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	14
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	8	8	8	8
EMERGENCY SERVICES:										
Number of fire stations	8	9	9	11	11	12	12 **	11 **	11 **	10
Number of fire rescue apparatus	19	19	19	15	15	19	21	27	26	28
Number of ambulances	7	7	7	6	7	7	7	8	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	22	22	57	57	49
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	1 *	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, 2022**

Federal Grantor/Pass-Through Grantor Program Title	Assistance Listing	Pass-Through Entity Identifying Number	Pass-Through to Sub-Recipients	Expenditures
<i>US Department of Health & Human Services</i>				
Passed through the SC Department of Social Services				
Child Enforcement Block Grant	93.563		\$ -	\$ 117,331
<i>Total US Department of Health & Human Services</i>			<u>-</u>	<u>117,331</u>
<i>US Department of Treasury</i>				
Coronavirus State and Local Fiscal Recovery Funds				
<i>Total US Department of Treasury</i>	21.027		<u>-</u>	<u>1,685,088</u>
<i>US Department of Housing and Urban Development</i>				
Passed through the SC Department of Commerce				
Community Development Block Grant	14.228	4-CI-20-010	<u>-</u>	<u>19,427</u>
<i>Total US Department of Housing and Urban Development</i>			<u>-</u>	<u>19,427</u>
<i>US Department of Homeland Security</i>				
Passed through the SC Department of Emergency Preparedness				
Trauma Grant	97.004		<u>-</u>	<u>19,737</u>
LEMPG Grant	97.042		<u>-</u>	<u>18,834</u>
<i>Total US Department of Homeland Security</i>			<u>-</u>	<u>38,571</u>
Total Federal Financial Assistance			<u>\$ -</u>	<u>\$ 1,860,417</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, 2022**

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, 2022. 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, 2022.



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PREPARED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

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, 2022, and the related notes to the financial statements, which collectively comprise Jasper County, South Carolina's basic financial statements, and have issued our report thereon dated December 15, 2022.

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

The image shows a handwritten signature in cursive script that reads "Baird Audit Group, LLC".

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, GA
December 15, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Jasper County, South Carolina's compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jasper County, South Carolina and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Jasper County, South Carolina's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Jasper County, South Carolina's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Jasper County, South Carolina's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Jasper County, South Carolina's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Jasper County, South Carolina's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Jasper County, South Carolina's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Jasper County, South Carolina's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs. Jasper County, South Carolina's response was not subjected to the other auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Baird Audit Group, LLC

The Baird Audit Group, LLC
Certified Public Accountants

Augusta, Georgia
December 15, 2022

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

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 related 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, 2022 is:

<u>Program Name</u>	<u>CFDA #</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027

- 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, 2022, 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, 2022, which are required to be reported in accordance with 2 CRF Section 200.516(a).