

**JASPER COUNTY, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2011**

COUNTY COUNCIL

LEROY BLACKSHEAR, CHAIRMAN

SAMUEL GREGORY  
THEODUS L. DRAYTON

HENRY ETHERIDGE  
MARTIN SAULS, IV

COUNTY ADMINISTRATOR  
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES  
RONNIE MALPHRUS

PREPARED BY:  
FINANCE DEPARTMENT

**Jasper County, South Carolina**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 2011

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# INTRODUCTORY SECTION



# Jasper County Council

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358 THIRD AVENUE • RIDGELAND, SC 29936  
P.O. BOX 1149 • RIDGELAND, SC 29936

LEROY BLACKSHEAR  
Chairman

REV. SAMUEL GREGORY  
Vice Chairman

HENRY ETHERIDGE  
Councilman

THEODUS L. DRAYTON  
Councilman

L. MARTIN SAULS IV  
Councilman

December 15, 2011

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

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jasper County for the fiscal year ended June 30, 2011.

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

The County's financial statements have been audited by Baird & Company CPAS, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2009 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformity with GAAP. The independent auditors' reports is presented as the first component of the financial section of this report.

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

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

### **Profile of the Government**

The County founded in 1912 is located in the Southeastern part of South Carolina, just north of Savannah, Georgia. The County currently occupies a land area of 662 square miles and serves a population of 24,777. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

The County provides a full range of services including: police and fire protection, the maintenance of highways, streets, and other infrastructure, recreational activities, and cultural events, sanitation services, emergency medical services, E-911 and courts service. The County underwent a salary and staffing study that redefined the functional areas of certain department heads. These recommendations were adopted by the County to allow for greater accountability. The financial statements were reorganized to comply with these changes. As a result information prior to fiscal year 2002 was not available for the statistical section.

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 45-47 as part of the required supplementary information for governmental funds.

### **Factors Affecting Financial Condition**

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

## **Local Economy**

The County's fiscal year 2012 assessable base is \$108,221,976, down 7% from the assessable base of \$116,098,071 in fiscal year 2011. The decrease in assessable base is due to a county-wide reassessment of values. The County's private sector average weekly wage decreased 3% from the previous year and is currently \$594. The 2010 U.S. Census reports that median family income for Jasper County is \$35,163.

The 2010 U.S. Census population estimate for Jasper County is 24,777. The 2000 census placed Jasper County as the fourth fastest growing county in the state. A 2006 study completed by Clemson University's Strom Thurmond Institute projected that Jasper County would grow in population to 177,000 residents by 2026.

Jasper County is the gateway to the Hilton Head Island and the Beaufort County tourism market because of Interstate 95 that runs north and south through the middle of the County for a distance of 36 miles with seven interchanges. Two primary corridors, US 278 running east/west and SC 170 running north/south, accommodate a majority of the tourist traffic in both Jasper and Beaufort Counties. Most of Jasper County's large scale residential and commercial growth is occurring along these corridors in multi-use communities with vested densities.

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

As a result of the financial and economic problems that have negatively impacted the United States, Jasper County has experienced a growth slow-down. The impact of a construction slowdown in Jasper County has been hard felt as many of all private sector jobs in the County were construction related. Many Jasper County residents also are employed in service industries supporting tourism related business in neighboring Beaufort County.

Jasper County's unemployment rate is currently 8.6%. Jasper County is presently ranked 40<sup>th</sup> in unemployment in the state out of 46 counties. There are presently only 6 South Carolina counties with lower unemployment rates. Before the economic downturn, Jasper County also had one of the lowest unemployment rates in the state. The County has long suffered from an underemployment problem rather than an unemployment problem. Even before the economic downturn, Jasper County understood the need for creating sustainable jobs for its residents and diversifying its tax base.

For many years, the County has supported a regional approach to economic development and job creation. The idea of developing a regional economic development vision and leveraging regional economic development resources to attract sustainable jobs has made sense for the County.

To that end, the Jasper County Council joined the Beaufort County Council in forming a state sanctioned economic development alliance known as the Lowcountry Economic Alliance. The Alliance is governed by a board of directors composed of elected officials and business members from both counties. Two new businesses located in Jasper County this year. These businesses will create a total of 275 new jobs over the next five years.

The Alliance has also evaluated public and private sites within Jasper County that have been proposed for economic development projects. Some current deficiencies in infrastructure have been identified for all of these properties. Efforts are underway to publicly and privately finance infrastructure improvements/extensions to and within these properties. Development of RiverPort Business Park, a 1,400 acre premier logistics center for warehousing, distribution, and light industrial use, is currently underway in the City of Hardeeville. Jasper County is extending water, sewer and gas utilities in the Cypress Ridge Industrial Park. Jasper County and the Town of Ridgeland are also currently working on a joint project to develop a new industrial park known as the Ridgeland Industrial Park in the Town of Ridgeland.

The States of Georgia and South Carolina have joined forces to develop a bi-state port authority to construct and operate a new deep water shipping terminal in Jasper County on approximately 1,500 acres of land located in the southern portion of Jasper County along the Savannah River. The port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office to oversee the development of the new port. The new port will have a tremendous impact on the local economy and presents the potential for substantial financial benefit to Jasper County. It has been estimated that the new port will produce 450 direct jobs and as many as 98,000 new jobs in the region.

For the past decade, the State of Georgia has also been preparing to further dredge the Savannah River to enable larger ships to use the Garden City Marine Terminal. The Georgia Ports Authority is timing the project to enable the state to service the larger vessels when the Panama Canal reopens in 2014 with the ability to accommodate the larger vessels.

### **Long-term Financial Planning**

Jasper County spent much time and effort in years past trying to understand and manage the growth it was experiencing. One of the primary concerns was in assuring that the future cost of providing County services did not exceed the revenues received from the new growth. To that end, the County maintained a growth management strategy that encouraged a vast majority of all of the residential and commercial development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland. Virtually all of the new, large-scale growth will undoubtedly now take place within the corporate limits of the County's two municipalities.

Clemson University's January 2006 Fiscal Impact Assessment for Jasper County, the City of Hardeeville and the Town of Ridgeland, estimates that additional revenue from future growth will cover the growth-related capital and operating expenditures of Jasper County under every scenario analyzed.

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

The Jasper County Council set a goal of developing an affordable housing program to ensure that affordable housing opportunities remain in Jasper County as the area grows. An affordable housing market analysis has been completed for Jasper County and new affordable rental, single family home construction, and rehabilitation projects have been completed. The County has provided financial support for one of the projects, obtained grant funding for another, and anticipates pursuing the creation of a tax increment financing (TIF) district to support the development of another.



The County has recently developed a government campus in the Town of Ridgeland. The campus project involved new construction and renovation and includes the County's historic courthouse, a new County administrative building known as the Jasper County Government Building, and the Perry House which houses the Jasper County Chamber of Commerce and the Jasper County Museum operated by the Jasper County Historical Society.

Over the past few years, the County reacted to uncertain financial conditions by reducing its operating budgets, reducing its workforce, and controlling expenditures. Throughout this time period, the County maintained its bond rating of A+ with Standard Poor's. This year, the County is able to see the results of implementing these difficult financial management decisions. The uncertainty of the County's debt has been managed and resolved and the County ends the year with overall expenditures under budget by \$1,472,172, a fund balance increase of \$839,729, a combined ending fund balance of \$7,352,920, and an unassigned fund balance for the general fund of \$2,813,708 or 14.4% of the total fund expenditures.

For the last several years, the County struggled with the stresses of trying to provide services with shrinking revenue sources. Going forward, the County now finds itself in a position of budgeting to provide services with relatively flat revenues. This will require that the County maintain the discipline to continually evaluate the types and levels of services it presently provides.

### **Significant Financial Policies**

The following policies had a significant impact on the current period financial statements:

1. Revenues remained fairly constant compared to the prior year. Total revenues were down \$1,373,414 of which \$909,934 related to capital grants. Taxes decreased \$164,011 due to larger than expected refunds as the result of appeals.
2. Housing of prisoners was down due to faster turnaround times by the solicitor.
3. Overtime decreased due to converting EMS positions to a different class.
4. Expenses decreased due to a reduction in the workforce and a general freeze on spending.
5. The implementation of GASB Statement No. 45 resulted in an accrual of \$819,246 to reflect the future liability of the County for retiree benefits.

### **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, 2010. This was the thirteenth consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a horizontal line extending to the right.

Andrew P. Fulghum  
County Administrator

A handwritten signature in black ink, written in a cursive style that reads 'Ronnie Malphrus'.

Ronnie Malphrus  
Deputy Administrator-Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jasper County  
South Carolina

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



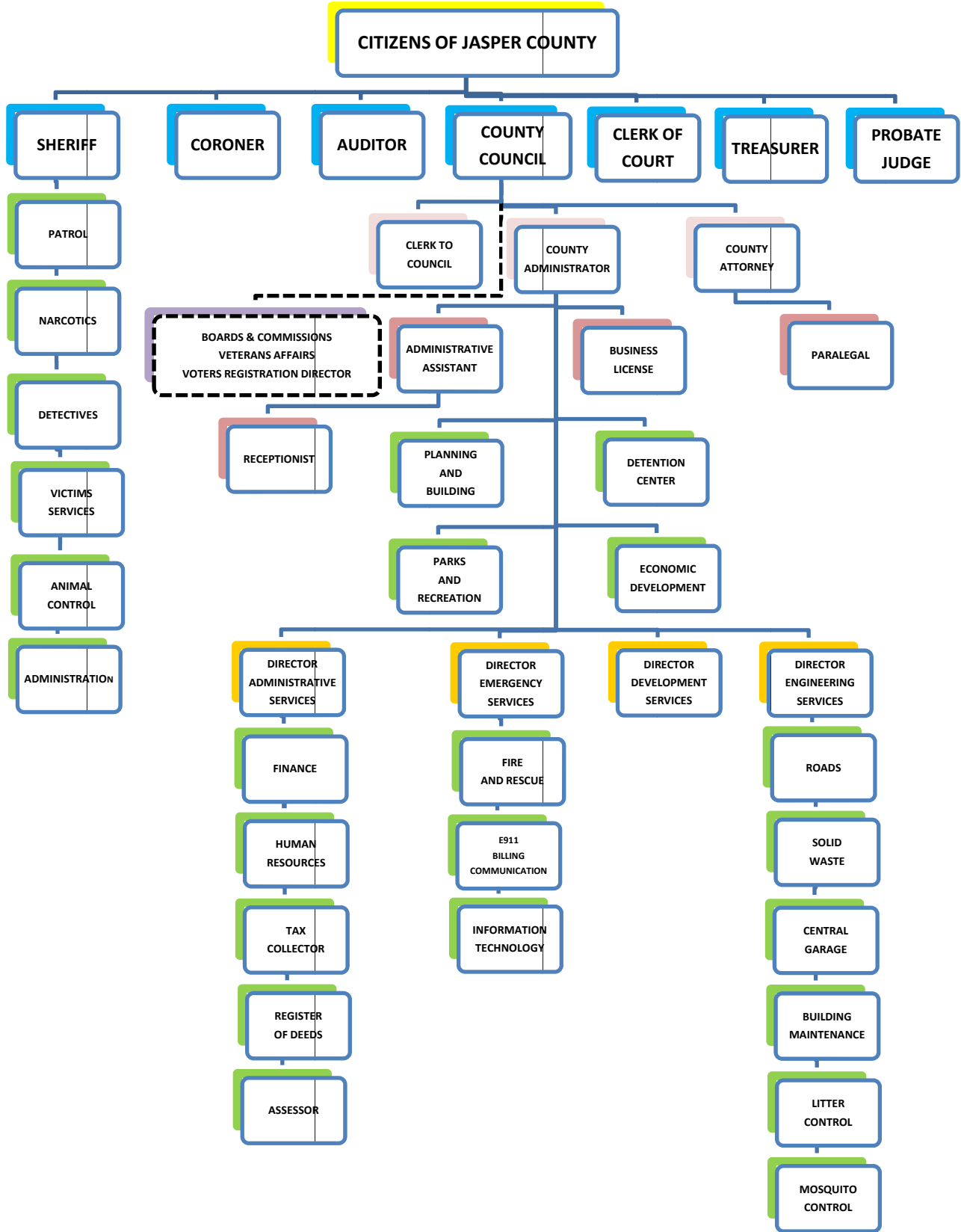
A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

**JASPER COUNTY, SOUTH CAROLINA  
ORGANIZATIONAL CHART**



**JASPER COUNTY, SOUTH CAROLINA  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2011**

<b>TITLE</b>	<b>NAME</b>
Chairman – County Council.....	Leroy Blackshear
Vice Chairman – County Council.....	Samuel Gregory
Council Member.....	Theodus L. Drayton
Council Member.....	Henry Etheridge
Council Member.....	Martin Sauls, IV
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley
Treasurer.....	Verna Garvin
Sheriff.....	Gregory Jenkins

# FINANCIAL SECTION

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2011, which collectively comprise Jasper County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Jasper County, South Carolina's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities, each major fund and the aggregate remaining fund information of Jasper County, South Carolina, as of June 30, 2011, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2011, on our consideration of Jasper County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

To the County Council  
Jasper County, South Carolina  
Page -2-

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 19 and 45 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, Capital Assets Used in the Operation of the Governmental Funds schedules and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Jasper County, South Carolina. The combining and individual nonmajor fund financial statements, the combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, Capital Assets Used in the Operation of the Governmental Funds schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in the relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

December 15, 2011  
Augusta, Georgia



## **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, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report.

### **Financial Highlights**

- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$20,864,120 (net assets). Of this amount, \$2,321,926 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizen's and creditors.
- The County's total net assets decreased by \$1,451,830.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$7,352,920, a decrease of \$2,145,086. This decrease is mostly attributable to capital outlay of \$1,650,841 for courthouse renovations.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,813,708 or 14.4 percent of the total fund expenditures.
- The County had \$19,656,384 in notes and leases outstanding versus \$20,094,149 last year, a decrease of 7.5 percent. This decrease was the result of refinancing the bonds.

### **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 assets presents information on all of the county's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in the net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

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

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

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

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

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

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

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

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

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

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-47 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.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 50-52 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets exceeded liabilities by \$20,864,120 at the close of the most recent fiscal year. The following table reflects the condensed governmental-wide statement of net assets.

<b>JASPER COUNTY, SOUTH CAROLINA NET ASSETS</b>		
	<b>2011</b>	<b>2010</b>
Current and Other Assets		
Cash and Other Assets	\$ 26,398,603	\$ 15,846,389
Capital Assets	32,826,863	32,585,480
Total Assets	<u>59,225,466</u>	<u>48,431,869</u>
Long-term Liabilities Outstanding	23,098,543	22,700,563
Other Liabilities	15,262,803	3,415,356
Total Liabilities	<u>38,361,346</u>	<u>26,115,919</u>
Net Assets		
Investment in Capital Assets, Net of Related Debt	14,002,982	17,091,293
Restricted	4,539,212	4,205,198
Unrestricted	2,321,926	1,019,459
Total Net Assets	<u>\$ 20,864,120</u>	<u>\$ 22,315,950</u>

At the end of the current fiscal year, Jasper County is able to report positive balances in all categories of net assets.

By far the largest portion of the County's net assets \$14,002,982 (67 percent) 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 assets of \$4,539,212 represents the balance of net assets that have restricted resources and are not available to fund other commitments. The largest portion, \$2,624,177 of the restricted assets, represent assets that have been set aside for economic development. The remaining restricted net assets of \$1,915,035 relate to capital projects underway and other revenue sources that are earmarked for specific County functions.

The balance of unrestricted net assets, \$2,321,926 (11.1 percent), may be used to meet the County's ongoing obligations to citizens and creditors.

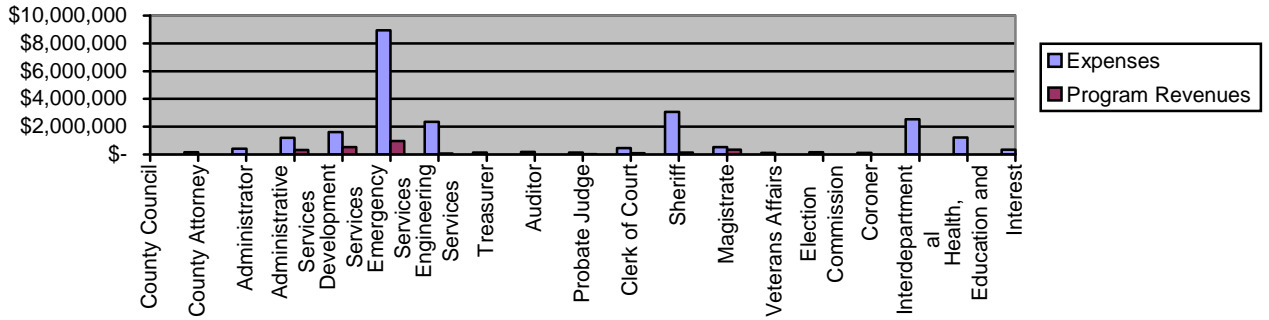
**Governmental activities.** The County's total net assets decreased by \$1,451,830 in 2011 compared to a decrease of \$1,726,866 in 2010. Key elements of this decrease are as shown in the following table.

<b>JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET ASSETS</b>		
	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,507,861	\$ 2,752,617
Operating Grants and Contributions	1,192,917	1,070,983
Capital Grants and Contributions	-	909,934
General Revenues:		
Property Taxes	14,543,433	14,707,444
Other Taxes	2,886,942	2,952,808
Grants and Contributions not restricted to specific programs	825,630	896,719
Other	505,856	545,548
Total Revenues	<u>22,462,639</u>	<u>23,836,053</u>
Expenses:		
County Council	208,343	207,604
County Attorney	152,084	158,494
Administrator	409,656	410,059
Administrative Services	1,202,744	1,280,754
Development Services	1,618,401	1,959,726
Emergency Services	8,932,496	10,160,230
Engineering Services	2,350,468	2,418,172
Treasurer	141,850	137,095
Auditor	182,117	195,511
Probate Judge	144,576	128,959
Clerk of Courts	467,179	465,361
Sheriff	3,075,109	3,053,203
Magistrate	537,170	571,238
Veterans Affairs	113,967	108,363
Election Commission	172,179	218,932
Coroner	116,246	118,522
Interdepartmental	2,523,716	2,458,932
Health, Education and Welfare	1,230,667	1,182,128
Interest Expense	335,501	329,636
Total Expenses	<u>23,914,469</u>	<u>25,562,919</u>
Change in net assets	(1,451,830)	(1,726,866)
Net assets - beginning	<u>22,315,950</u>	<u>24,042,816</u>
Net assets - ending	<u>\$ 20,864,120</u>	<u>\$ 22,315,950</u>

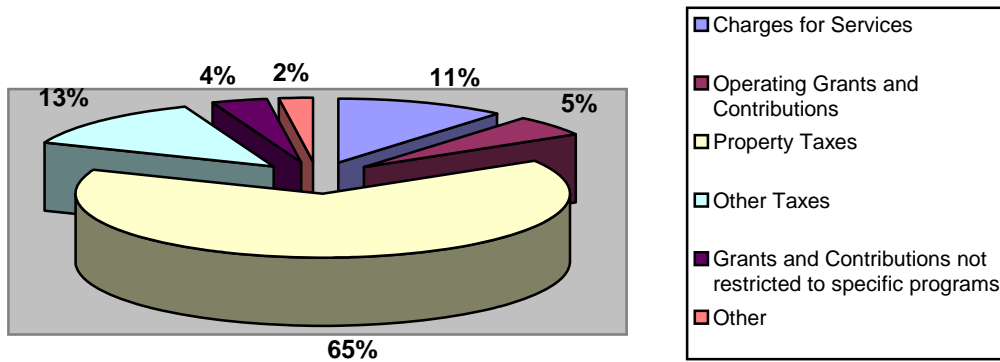
Revenues have remained fairly constant compared to the prior year. Total revenues were down \$1,373,414 of which \$909,934 related to capital grants. Taxes decreased \$164,011 due to larger than expected refunds as the result of appeals.

Expenses decreased due to a reduction in the workforce and a general freeze on spending. The implementation of GASB Statement No. 45 resulted in an accrual of \$819,246 to reflect the future liability of the County for retiree benefits.

**Expenses and Program Revenues – 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, unreserved 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 \$7,352,920, a decrease of \$2,145,086 in comparison with a decrease of \$3,146,845 for the prior year.

The fund balance of the County's General Fund increased by \$839,729 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were under budget by \$513,779. This negative variance can be explained as follows:
  - Taxes were under budget \$763,917 due to a high volume of appeals which resulted in a lowering of assessed values.
- Overall expenditures were under budget by \$1,472,172. This positive variance can be explained as follows:
  - Housing of prisoners was down due to faster turnaround times by the solicitor.
  - Overtime decreased due to converting EMS positions to a different class.

The capital projects fund has a total fund balance of \$640,849 of which \$250,000 is assigned for the renovation of the Health Department building. The decrease of \$3,204,259 is attributable to the capital outlay of \$1,650,841 for the courthouse renovation and the transfer of \$1,325,000 to payoff BAN.

## General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. During the current fiscal year, County Council did not approve any supplemental budget increases or reductions. As discussed on the previous page, property taxes were \$763,917 under budget because of a large volume of appeals which resulted in a decrease of assessed values. In response, the county either delayed or did not fill open positions. Also, a freeze was put on all nonessential expenses. This resulted in positive budget variances in all departments.

## Capital Assets and Debt Administration

**Capital Assets.** The County's investment in capital assets for its governmental type activities as of June 30, 2011 amounts to \$32,826,863 (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:

Courthouse renovations	\$	1,650,841
Sheriff vehicles		62,972
Total Capital Outlay	\$	<u>1,713,813</u>

Additional information on the County's capital assets can be found in note 5 on page 36 of this report.

**Long-term Obligations.** At the end of the current fiscal year, the County had total long-term obligations outstanding of \$23,098,543. The County's total long-debt increased by \$684,278 (3.0 percent) during the current fiscal year. Bank loans were paid as scheduled. Post employment benefits increased by \$819,246. Changes in outstanding debt are summarized below. See Note 8 page 38 for additional information.

	<u>2011</u>	<u>2010</u>
Bank loans	\$ 1,292,682	\$ 1,459,149
Bond anticipation notes	6,735,000	18,635,000
Revenue bond	11,915,000	-
Compensated absences	834,860	818,361
Other post employment benefits	2,607,299	1,788,053
Sub-total	<u>23,384,841</u>	<u>22,700,563</u>
Less deferred amounts	(286,298)	-
Total	<u>\$ 23,098,543</u>	<u>\$ 22,700,563</u>

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the County is \$9,855,492. There is no general obligation debt outstanding at June 30, 2011. However, \$4,500,000 of general obligation debt was issued on November 1, 2011 to partially liquidate the \$6,735,000 BAN.

Additional information on the County's long-term debt can be found in note 8 on page 38 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- Unemployment as of October stands at 8.9 percent versus 11.2 percent a year ago. In comparison, the state's unemployment rate is 10.7 percent and the national rate is 9.5 percent as of June 2011. Jasper County is ranked 37<sup>th</sup> out of 46 counties, along with Richland County, as the lowest unemployment in the State of South Carolina.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2010 tax year increased from \$122,554,721 to \$123,193,653 due to growth.

All of these factors were considered in preparing the County's budget for the 2012 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$2,813,708. The County set millage for the 2012 budget year at 145, which is an increase of 22 mills. Budgeted expenditures for 2012 are projected to increase 1.3 percent to \$21,486,884 from \$21,204,924 in 2011. Also, the County has budgeted 12 mills for a new debt service fund to retire the bonds.

### **Requests for Information**

This financial report is designed to provide a general overview of Jasper County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Jasper County, P.O. Box 1149, Ridgeland, South Carolina, 29936.



# BASIC FINANCIAL STATEMENTS

**JASPER COUNTY, SOUTH CAROLINA  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

	<b>GOVERNMENTAL ACTIVITIES</b>
<b>ASSETS</b>	
Cash	\$ 17,546,305
Receivables	3,333,814
Lease Receivable	832,503
Restricted Cash	1,036,709
Notes Receivable	294,266
Property Held for Resale	1,704,340
Bond Issue Costs	1,650,666
Capital Assets not being depreciated	
Land	2,534,470
Construction in Progress	18,000
Capital Assets being depreciated	
Buildings and Improvements	22,164,987
Machinery and Equipment	2,459,921
Vehicles	1,731,883
Infrastructure	3,917,602
Total Assets	59,225,466
<b>LIABILITIES</b>	
Accounts Payable	1,101,200
Salaries and Benefits Payable	693,969
Unearned Revenue	1,040,064
Accrued Interest	242,570
Bond Payable	12,185,000
Noncurrent Liabilities	
Due within one year	1,612,003
Due in more than one year	21,486,540
Total Liabilities	38,361,346
<b>NET ASSETS</b>	
Invested in Capital Assets, net of related debt	14,002,982
Restricted for:	
Economic Development	2,624,177
Capital Projects	640,849
Debt Service	228,370
Other Purposes	1,045,816
Unrestricted	2,321,926
Total Net Assets	\$ 20,864,120

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, 2011**

<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 ASSETS</u>
					<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
<b>Governmental Activities</b>					
County Council	\$ 208,343	\$ -	\$ -	\$ -	\$ (208,343)
County Attorney	152,084	-	-	-	(152,084)
Administrator	409,656	-	-	-	(409,656)
Administrative Services	1,202,744	314,008	-	-	(888,736)
Development Services	1,477,292	529,801	144,939	-	(802,552)
Emergency Services	8,932,496	973,303	572,599	-	(7,386,594)
Engineering Services	2,350,468	67,556	164,017	-	(2,118,895)
Treasurer	141,852	-	-	-	(141,852)
Auditor	182,117	-	-	-	(182,117)
Probate Judge	144,576	26,516	-	-	(118,060)
Clerk of Court	467,179	102,910	13,400	-	(350,869)
Sheriff	3,075,109	144,024	252,437	-	(2,678,648)
Magistrate	537,170	343,573	-	-	(193,597)
Veterans Affairs	113,967	-	4,614	-	(109,353)
Election Commission	172,179	-	40,911	-	(131,268)
Coroner	116,246	-	-	-	(116,246)
Interdepartmental	2,523,716	-	-	-	(2,523,716)
Health, Education and Welfare	1,230,667	6,170	-	-	(1,224,497)
Interest	353,365	-	-	-	(353,365)
Total Governmental Activities	<u>\$ 23,791,226</u>	<u>\$ 2,507,861</u>	<u>\$ 1,192,917</u>	<u>\$ -</u>	<u>(20,090,448)</u>
<b>General Revenues</b>					
Property Taxes					14,543,433
Local Option Sales Taxes					2,466,415
Franchise Taxes					46,103
Accommodation and Hospitality Taxes					374,424
Grants and contributions not restricted to specific programs					825,630
Earnings on investments					62,185
Miscellaneous					443,673
Total General Revenues, Special Items and Transfers					<u>18,761,863</u>
Change in net assets					(1,328,585)
Net assets, beginning					22,315,950
Net assets, ending					<u>\$ 20,987,365</u>

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

**JASPER COUNTY, SOUTH CAROLINA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>						
Cash	\$ 2,877,901	\$ 12,596,145	\$ 1,406,357	\$ 108,977	\$ 556,925	17,546,305
Receivables - net	3,016,505	-	2,074	-	315,235	3,333,814
Restricted Cash	482,403	-	-	554,306	-	1,036,709
Interfund Receivables	-	-	267,253	-	46,123	313,376
Notes Receivable	-	-	294,266	-	-	294,266
Property Held for Resale	-	-	1,704,340	-	-	1,704,340
Total Assets	<u>\$ 6,376,809</u>	<u>\$ 12,596,145</u>	<u>\$ 3,674,290</u>	<u>\$ 663,283</u>	<u>\$ 918,283</u>	<u>\$ 24,228,810</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 1,025,033	\$ -	\$ 17,571	\$ 22,434	\$ 36,162	1,101,200
Salaries and Benefits Payable	693,969	-	-	-	-	693,969
Accrued Interest Payable	-	182,775	-	-	-	182,775
Deferred Revenue	1,359,505	-	1,032,542	-	7,523	2,399,570
Interfund Payables	-	-	-	-	313,376	313,376
Bond Payable	-	12,185,000	-	-	-	12,185,000
Total Liabilities	<u>3,078,507</u>	<u>12,367,775</u>	<u>1,050,113</u>	<u>22,434</u>	<u>357,061</u>	<u>16,875,890</u>
<b>Fund Balances</b>						
<b>Reserved</b>						
Assigned	-	-	625,571	551,872	-	1,177,443
Nonspendable	-	-	1,998,606	-	-	1,998,606
Restricted	484,594	228,370	-	88,977	241,051	1,042,992
Committed	-	-	-	-	320,171	320,171
<b>Unreserved</b>						
Unassigned	2,813,708	-	-	-	-	2,813,708
Total Fund Balances	<u>3,298,302</u>	<u>228,370</u>	<u>2,624,177</u>	<u>640,849</u>	<u>561,222</u>	<u>7,352,920</u>
Total Liabilities and Fund Balances	<u>\$ 6,376,809</u>	<u>\$ 12,596,145</u>	<u>\$ 3,674,290</u>	<u>\$ 663,283</u>	<u>\$ 918,283</u>	<u>\$ 24,228,810</u>

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

**JASPER COUNTY, SOUTH CAROLINA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2011**

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

Total fund balances for governmental funds		\$ 7,352,920
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	2,534,470	
Construction in Progress	18,000	
Buildings and Improvements, net of \$4,052,744 accumulated depreciation	22,164,987	
Machinery and Equipment, net of \$3,049,951 accumulated depreciation	2,459,921	
Vehicles, net of \$3,638,223 accumulated depreciation	1,731,883	
Infrastructure, net of \$994,709 accumulated depreciation	<u>3,917,602</u>	
Total Capital Assets		32,826,863

Some of the County's receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.		1,359,506
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Receivables under a leasing arrangement that will be received over a period of years that are reported as revenue each year in the funds.		832,503
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The costs to issue long-term debt are due and payable at the issuance of debt and accordingly are reported as expenditures in the fund statements. In the statement of net assets bond issuance costs are amortized over the duration of the debt.		1,650,666
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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 assets. Balances at June 30, 2011 are:

Accrued Interest Payable	(59,795)	
Post Retirement Benefits Payable	(2,607,299)	
Bonds, Notes and Leases Payable	(19,656,384)	
Compensated Absences	<u>(834,860)</u>	
Total Long-Term Liabilities		<u>(23,158,338)</u>

Total net assets of governmental activities		<u>\$ 20,864,120</u>
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**JASPER COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
<b>REVENUES</b>						
Taxes	\$ 16,945,182	\$ 279,029	\$ -	\$ -	\$ 255,355	\$ 17,479,566
Fines, Fees and Licenses	2,117,285	-	15,384	-	257,922	2,390,591
Intergovernmental	1,122,562	-	-	-	957,730	2,080,292
Miscellaneous	238,116	-	207,255	663	121,377	567,411
Total Revenue	<u>20,423,145</u>	<u>279,029</u>	<u>222,639</u>	<u>663</u>	<u>1,592,384</u>	<u>22,517,860</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
County Council	213,154	-	-	-	-	213,154
County Attorney	151,057	-	-	-	-	151,057
Administrator	402,354	-	-	-	-	402,354
Administrative Services	1,171,607	-	-	-	-	1,171,607
Development Services	893,381	-	174,206	-	462,772	1,530,359
Emergency Services	8,015,681	-	-	32,517	500,226	8,548,424
Engineering Services	1,803,058	-	-	513,225	164,655	2,480,938
Treasurer	139,932	-	-	-	-	139,932
Auditor	191,176	-	-	-	-	191,176
Probate Judge	144,576	-	-	-	-	144,576
Clerk of Court	462,929	-	-	-	-	462,929
Sheriff	2,575,203	-	-	-	355,553	2,930,756
Magistrate	542,008	-	-	-	-	542,008
Veterans Affairs	110,624	-	-	-	-	110,624
Election Commission	150,756	-	-	-	-	150,756
Coroner	115,968	-	-	-	-	115,968
Interdepartmental	1,120,398	373,912	-	2,000	-	1,496,310
Health, Education and Welfare	1,230,667	-	-	-	-	1,230,667
<b>Debt Service:</b>						
Principal	123,245	-	43,222	-	-	166,467
Interest	44,978	361,275	41,007	50,513	-	497,773
<b>Capital Outlay:</b>						
Emergency Services	-	-	-	-	62,972	62,972
Engineering Services	-	-	-	1,650,841	-	1,650,841
Total Expenditures	<u>19,602,752</u>	<u>735,187</u>	<u>258,435</u>	<u>2,249,096</u>	<u>1,546,178</u>	<u>24,391,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>820,393</u>	<u>(456,158)</u>	<u>(35,796)</u>	<u>(2,248,433)</u>	<u>46,206</u>	<u>(1,873,788)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Debt	-	11,915,000	-	6,735,000	-	18,650,000
Premium on Issuance of Debt	-	72,379	-	11,572	-	83,951
Discount on Issuance of Debt	-	(370,249)	-	-	-	(370,249)
Refunding of BANs	-	(11,900,000)	-	(6,735,000)	-	(18,635,000)
Transfers In	268,000	1,325,000	140,531	357,602	108,133	2,199,266
Transfers Out	(248,664)	(357,602)	-	(1,325,000)	(268,000)	(2,199,266)
Total Other Financing Sources (Uses)	<u>19,336</u>	<u>684,528</u>	<u>140,531</u>	<u>(955,826)</u>	<u>(159,867)</u>	<u>(271,298)</u>
Net change in fund balances	839,729	228,370	104,735	(3,204,259)	(113,661)	(2,145,086)
Fund balances, beginning	2,458,573	-	2,519,442	3,845,108	674,883	9,498,006
Fund balances, ending	<u>\$ 3,298,302</u>	<u>\$ 228,370</u>	<u>\$ 2,624,177</u>	<u>\$ 640,849</u>	<u>\$ 561,222</u>	<u>\$ 7,352,920</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, 2011**

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

Net change in fund balances -- total governmental funds	\$ (2,145,086)
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 (\$1,713,813) exceeded depreciation (\$1,450,430) in the current period.	263,383
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net assets.	(22,000)
Proceeds of debt are reported as a revenue in governmental funds. However, in the government wide statements proceeds of debt are treated as a liability. 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.	
Issuance of bonds	(18,650,000)
Premiums on bonds issued	(83,951)
Discounts on bonds issued	370,249
Expenditures on behalf of Lowcountry Council of Governments is recorded as miscellaneous in governmental funds but is recorded as lease receivable in government wide statements.	(43,222)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	18,801,467
Revenues that were reported in the funds that are not reported in the statement of activities	(11,997)
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.	
Bond Issue Costs	760,664
Other Post Employment Benefits	(819,246)
Compensated Absences	(16,499)
Accrued Interest	144,408
Total change in net assets of governmental activities	\$ (1,451,830)

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

**JASPER COUNTY, SOUTH CAROLINA  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2011**

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash	\$ 4,457,137
Total Assets	<u>4,457,137</u>
<b>LIABILITIES</b>	
Due to Others	4,457,137
Total Liabilities	<u>\$ 4,457,137</u>

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



**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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 Constitutional Officers, revenues and expenditures are included in the General Fund. The accounting policies of the County conform to generally accepted accounting principles, as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard – setting body for establishing governmental accounting and financial reporting.

Generally accepted accounting principles, as established by the Governmental Accounting Standards Board, require that the financial reporting entity's financial statements include the financial operation of the primary government organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The basic criteria for including organizations as component units within the reporting entity include imposition of will, and financial benefit or burden on a primary government and selection of governing authority. Based on the above reporting criteria, there are no other organizations that must be included in the reporting entity.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information about the reporting government as a whole, except for its fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. Jasper County reports only governmental activities, as there are no business type activities or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

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 both 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, franchise fees, licenses, certain intergovernmental revenues, 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. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

The *economic development fund* accounts for the resources accumulated and payments made for economic development of the County.

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

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

Additionally, the government reports the following fund types:

The *agency fund* is used to account for resources held by the County in a trustee capacity for the Jasper County schools and for amounts held by other departments for others.

As a general rule the effect of interfund activity has not been eliminated from the government-wide financial statements.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued**

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first then unrestricted resources, as they are needed.

**Assets, Liabilities, and Net Assets or Equity**

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 in 1 and 2 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 in 1 and 2 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;

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.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity - Continued**

Receivable and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables". Interfund receivables/payables are netted for purposes of determining major funds.

All emergency medical service and property taxes receivables are shown net of an allowance for uncollectibles.

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 15<sup>th</sup> with penalties assessed of 3% if paid after January 15<sup>th</sup>, 10% if paid after January 31<sup>st</sup>, and 15% if paid after March 15<sup>th</sup>. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for fiscal year 2011 is 123 mills with an additional 31 mills for the Cherry Point Fire District.

Inventories

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

Capital Assets

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity - Continued**

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

Fund Equity

The GASB has issued Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2010. The following categories of fund balance are now being used in the fund level financial statements of the government funds:

*Nonspendable Fund Balance*

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

*Restricted Fund Balance*

The restricted fund balance classification includes amounts that are either restricted externally by creditors, grantors, contributors, or laws or regulations of other governments or restricted by law through constitutional provisions or enabling legislation.

*Committed Fund Balance*

The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balances also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The County recognizes committed fund balances that have been approved for specific purposes by County Council before the year end.

*Assigned Fund Balance*

The assigned fund balance classification includes amounts that are constrained by the County's intent to be used for specific purposes but are not restricted or committed. The authority for making an assignment is not required to be the County's highest level of decision-making authority and as such, the nature of the actions necessary to remove or modify an assignment does not require the County's highest level of authority. Assigned fund balance amounts in the County's financial statements represent amounts approved by County Council to be transferred and spend after year end. In the special revenue fund, assigned fund balances represent amounts to be spent for specific purposes.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Assets, Liabilities, and Net Assets or Equity - Continued**

*Unassigned Fund Balance*

The unassigned fund balance classification includes amounts that have not been assigned to other funds and have not been restricted, committed, or assigned for specific purposes within the general fund.

Based on the County's policies regarding fund balance classifications as noted above, the County considers amounts that are restricted, committed, or assigned to be spent when the corresponding expenditures that has been designated by County Council or donors has been made. After these fund balances have been depleted, unassigned fund balance will be considered to have been spent.

Government-wide and fund financial statements must be presented using an all-inclusive format. That is, the results of the current period's activities are to be reported as an addition to (or a deduction from) equity at the beginning of the period to arrive at the closing equity balance. Thus changes in net assets on the government-wide statement of activities is added to (or deducted from) net assets – beginning of the fiscal year to arrive at net assets – end of the fiscal year.

Net assets are defined as the difference between assets and liabilities in the government-wide statement of net assets.

The government-wide statement of net assets reports all government assets; therefore, a significant portion of the net assets reported there typically reflects a government's investment in capital assets. To draw financial statement users' attention to this important information, GAAP requires the amount of net assets invested in capital assets to be reported as a separate category of net assets. Net assets invested in capital assets, net of related debt includes all capital assets less accumulated depreciation and outstanding principal of related debt.

GAAP direct that the difference between total net assets and the two categories discussed above (invested in capital assets, net of related debt and restricted net assets) be reported as unrestricted net assets.

Comparative Data

Comparative total data for the prior year has not been presented.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

Expenses/Expenditures

Consistent with the current financial resources measurement focus, the governmental fund statement of activities reports expenditures rather than expenses. Expenditures in the fund financial statements are presented by character for the governmental funds. The character of an expenditure is based upon the periods it is presumed to benefit. Expenditures that primarily benefit the present period (current expenditures) are distinguished from those presumed to benefit both the present and future periods (debt service expenditures and capital outlay expenditures). GAAP also provides for a fourth character classification, intergovernmental expenditures, for situations where one governmental entity provides resources to another.

Government-wide expenses are reported by function. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the expenditures reported on the governmental fund financial statements and those expenses reported on the government-wide financial statements. For example, the governmental funds report capital outlay expenditures, while the government-wide financial statements report depreciation.

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

In accordance with the State of South Carolina General Statute, the County prepares an annual balanced budget ordinance. 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.

In March, the budget process begins with a special comprehensive work session in which the finance department and administrator meet with all department heads to discuss current and future trends, needs and goals of the County. All department heads submit comprehensive lists of programs, projects, and initiatives to be considered in the upcoming budget and meet with finance department staff and the administrator individually. During May and June, formal budget workshops are held. The Council holds public hearings and a final budget must be prepared and adopted no later than June 30.

Budgets are prepared at the fund, function and department level. Budgets are adopted at the fund level and are amended as necessary during the fiscal year in one of two ways. First, the administrator delegated by County Council, may make line item transfers within individual fund budgets with subsequent monthly notice to County Council. Such transfers can neither increase nor decrease the overall budget at the fund level. Secondly, the budget may be increased or decreased at the fund level as changing circumstances dictate, subject to County Council approval. There were no budget amendments during the year.

**Individual Fund Deficits**

The Capital Projects Fund is reporting a deficit of \$3,204,259 that was expected due to the renovation of the courthouse and the transfer to the debt service fund to payoff the BANs.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – CONTINUED**

The nonmajor governmental funds are reporting of loss of \$113,661 that is attributable to the following individual funds: \$152,707 in the Accommodations Tax Fund, \$638 in the Waste Tire Fund, \$12,829 in the Sheriff Fund, and a surplus of \$52,513 in the E911 Fund. These were expected reductions in the fund equity of these nonmajor funds due to approved expenditures. The County is not in violation of any legal or contractual provisions that may require financial remedy.

**NOTE 3 DEPOSITS AND INVESTMENTS**

As of June 30, 2011, the County had the following cash and investments that are included in cash governmental funds of \$18,583,014 and the agency fund cash of \$4,457,137.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<b><u>Investment</u></b>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 840,987	\$ 890,736
Certificates of Deposit	12 months or less	2,974,465	2,974,465
US Government Securities (First American Treasury Obligation)	Daily	295,605	295,605
<b><u>Cash</u></b>			
Checking Accounts		18,927,672	18,970,538
Change Funds		400	-
Total Deposits and Investments		<u>\$ 23,039,129</u>	<u>\$ 23,131,344</u>

\* Account is swept daily. \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2011 is \$679,603.

**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 government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$18,177,672 of the County's bank balance was insured by the FDIC's Transaction Guarantee Program. Under that program, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

Uninsured and collateral held by third party bank trust department not in the County's name	<u>\$ 2,774,465</u>
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**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 4 RECEIVABLES**

Receivables at June 30, 2011, 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>Economic Dev</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Property taxes and assessments	\$ 4,264,164	\$ -	\$ -	\$ 4,264,164
Fines and Fees	3,054,773	-	-	3,054,773
Intergovernmental	225,154	-	304,048	529,202
Other	26,279	2,074	11,187	39,540
Gross receivables	7,570,370	2,074	315,235	7,887,679
Allowance for uncollectible accounts	(4,553,865)	-	-	(4,553,865)
Net total receivables	<u>\$ 3,016,505</u>	<u>\$ 2,074</u>	<u>\$ 315,235</u>	<u>\$ 3,333,814</u>

Governmental funds report deferred revenue 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 revenue and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 1,022,241	\$ -
Emergency medical service fees	337,264	-
Grant drawdowns prior to meeting all eligibility requirements	7,523	7,523
Special purpose drawdown not yet spent	1,032,541	1,032,541
Total	<u>\$ 2,399,569</u>	<u>\$ 1,040,064</u>

**Notes Receivable**

The County has a note receivable from a local manufacturer for \$400,000. The terms of the note call for forty quarterly payments of \$11,895 including interest at 3.5% beginning September 2008. The balance at June 30, 2011 is \$294,266.

**Receivables**

The County entered into an agreement with the Lowcountry Council of Governments (LCOG) to borrow \$900,000 on behalf of LCOG. LCOG leased their facilities to the County who in turn leased it back to LCOG for an amount equal to the payments on the bank loan. The balance of the lease at June 30, 2011 is \$832,503. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 45,339	\$ 38,890	\$ 84,229
2013	47,559	36,670	84,229
2014	49,888	34,341	84,229
2015	52,330	31,898	84,228
2016	54,893	29,336	84,229
2017 - 2021	247,799	89,117	336,916
2022 - 2026	334,695	37,316	372,011
Total	<u>\$ 832,503</u>	<u>\$ 297,568</u>	<u>\$ 1,130,071</u>

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 5 CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2011 was as follows:

<b>Governmental Activities</b>	<b>June 30, 2010</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2011</b>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,534,470	\$ -	\$ -	\$ 2,534,470
Construction in progress	3,546,750	1,650,841	5,179,591	18,000
Total capital assets, not being depreciated	<u>6,081,220</u>	<u>1,650,841</u>	<u>5,179,591</u>	<u>2,552,470</u>
Capital assets being depreciated				
Buildings and improvements	21,060,140	5,157,591	-	26,217,731
Machinery and equipment	5,509,872	-	-	5,509,872
Vehicles	5,330,501	62,972	23,367	5,370,106
Infrastructure	4,912,311	-	-	4,912,311
Total capital assets being depreciated	<u>36,812,824</u>	<u>5,220,563</u>	<u>23,367</u>	<u>42,010,020</u>
Less accumulated depreciation for:				
Buildings and improvements	3,516,027	536,717	-	4,052,744
Machinery and equipment	2,660,427	389,524	-	3,049,951
Vehicles	3,267,895	393,695	23,367	3,638,223
Infrastructure	864,215	130,494	-	994,709
Total accumulated depreciation	<u>10,308,564</u>	<u>1,450,430</u>	<u>23,367</u>	<u>11,735,627</u>
Total capital assets being depreciated, net	<u>26,504,260</u>	<u>3,770,133</u>	<u>-</u>	<u>30,274,393</u>
Governmental activities capital assets, net	<u>\$ 32,585,480</u>	<u>\$ 5,420,974</u>	<u>\$ 5,179,591</u>	<u>\$ 32,826,863</u>

Construction in progress consists of work on a proposed fire station.

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

<b><u>Governmental Activities</u></b>	
Administrator	\$ 4,476
Administrative Services	29,999
Development Services	46,151
Emergency Services	384,991
Engineering Services	232,736
Clerk of Court	345
Sheriff	132,232
Parks, Recreation, and Tourism	11,055
Election Commission	26,505
Interdepartmental	581,940
Total depreciation expense - governmental activities	<u>\$ 1,450,430</u>

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2011 is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Nonmajor Governmental Funds	\$ 267,253
		\$ 267,253

The \$267,253 due to the economic fund from the nonmajor governmental funds represents shortfalls of cash in the nonmajor governmental funds.

**Interfund Transfers**

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

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund / Non-major E-911 Reimburse E-911 expenses	\$ 125,000	\$ 125,000
General Fund / Non-major A-Tax, H-Tax For payment on road construction note	143,000	143,000
Non-major State A-Tax / General fund State A-Tax receipts	108,133	108,133
Development fund / General fund To reimburse escrow refunds	140,531	140,531
Debt service / Capital projects Amounts not spent on capital projects transferred to pay bond	1,325,000	1,325,000
Capital projects / Debt service Transfer portion of bond proceeds for Health Department project	357,602	357,602
	\$ 2,199,266	\$ 2,199,266

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 7 SHORT-TERM OBLIGATIONS**

An analysis of the short-term debt activity for the County for the year ended June 30, 2011 follows:

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>
Bond Anticipation Note	\$ 11,900,000	\$ 285,000	\$ -	\$ 12,185,000
Tax Anticipation Note	-	2,000,000	2,000,000	-
	<u>\$ 11,900,000</u>	<u>\$ 2,285,000</u>	<u>\$ 2,000,000</u>	<u>\$ 12,185,000</u>

The 2010B Bond Anticipation Note dated July 1, 2010 was refinanced with the 2011A Series Bond dated June 27, 2011. Proceeds of the bonds are on deposit in the debt service fund in the amount of \$12,367,775 to pay principal and interest on the bond anticipation loan on July 1, 2011.

**NOTE 8 LONG-TERM OBLIGATIONS**

The following is a summary of changes in long-term obligations for the year ended June 30, 2011.

	<u>June 30, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2011</u>	<u>Due Within One Year</u>
Bank loans	\$ 1,459,149	\$ -	\$ 166,467	\$ 1,292,682	\$ 172,573
Bond anticipation notes	18,635,000	6,735,000	18,635,000	6,735,000	925,000
Revenue bonds	-	11,915,000	-	11,915,000	-
Plus: deferred amounts for issuance premiums	-	83,951	-	83,951	-
Less: deferred amounts for issuance costs	-	(370,249)	-	(370,249)	-
Sub-total debt	<u>20,094,149</u>	<u>18,363,702</u>	<u>18,801,467</u>	<u>19,656,384</u>	<u>1,097,573</u>
Compensated absences	818,361	336,590	320,091	834,860	289,430
Other post-employment benefits	1,788,053	1,046,996	227,750	2,607,299	225,000
Total	<u>\$ 22,700,563</u>	<u>\$ 19,747,288</u>	<u>\$ 19,349,308</u>	<u>\$ 23,098,543</u>	<u>\$ 1,612,003</u>

Long-term debt payable at June 30, 2011 is comprised of the following issues:

<u>Bank Loans Payable</u>	<u>Balance</u>
\$1,200,000 loan for construction of the Greenway Park Road payable in twenty semi-annual payments of \$70,555 including interest at 3.19%.	\$ 460,179
\$900,000 loan for Lowcountry Council of Governments in a lease-leaseback arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%	832,503
	<u>\$ 1,292,682</u>

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 LONG-TERM OBLIGATIONS – CONTINUED**

The annual requirements to amortize the debt at June 30, 2011 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 172,573	\$ 52,766	\$ 225,339
2013	178,912	46,427	225,339
2014	185,493	39,845	225,338
2015	118,317	34,260	152,577
2016	54,893	29,336	84,229
2017 - 2021	317,513	103,632	421,145
2022 - 2026	264,981	22,801	287,782
Total	<u>\$ 1,292,682</u>	<u>\$ 329,067</u>	<u>\$ 1,621,749</u>

**Bond Anticipation Notes**

\$6,735,000 for the renovation of the Courthouse due November 1, 2011 with interest of 2.0%

<u>Balance</u>
<u>\$ 6,735,000</u>
<u>\$ 6,735,000</u>

On November 1, 2011 the bond anticipation notes were converted to long-term debt by issuing a General Obligation Bond for \$4,500,000 and a Revenue Bond for \$1,800,000. Additionally, \$435,000 will be paid from the proceeds of new debt.

The annual requirements to amortize the bonds are as follows:

<b>Revenue Bond</b>			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 490,000	\$ 15,000	\$ 505,000
2013	390,000	26,200	416,200
2014	410,000	18,400	428,400
2015	510,000	10,200	520,200
Total	<u>\$ 1,800,000</u>	<u>\$ 69,800</u>	<u>\$ 1,869,800</u>

<b>General Obligation Bond</b>			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ -	\$ 112,531	\$ 112,531
2013	-	225,063	225,063
2014	-	225,063	225,063
2015	-	225,063	225,063
2016	-	225,063	225,063
2017 - 2021	130,000	1,108,338	1,238,338
2022 - 2026	195,000	1,065,362	1,260,362
2027 - 2031	230,000	1,009,575	1,239,575
2032 - 2036	295,000	918,263	1,213,263
2037 - 2041	2,845,000	590,000	3,435,000
2042	805,000	19,119	824,119
Total	<u>\$ 4,500,000</u>	<u>\$ 5,723,440</u>	<u>\$ 10,223,440</u>

<b>Proceeds of Debt</b>			
<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	435,000	-	435,000
Total	<u>\$ 6,735,000</u>	<u>\$ 5,793,240</u>	<u>\$ 12,528,240</u>

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 LONG-TERM OBLIGATIONS - CONTINUED**

**Revenue Bonds**

The County issued installment purchase revenue bonds Series 2011A in the amount of \$11,915,000 to provide funds to refund the \$12,185,000 Bond Anticipation Note. The proceeds along with \$1,325,000 in unspent funds from the project account is in the debt service fund to pay the Bond Anticipation Note. The bond is due interest only until 2016 and then in annual installments until 2044 as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ -	\$ 444,970	\$ 444,970
2013	-	588,931	588,931
2014	-	588,931	588,931
2015	-	588,931	588,931
2016	55,000	588,931	643,931
2017 - 2021	1,380,000	2,833,669	4,213,669
2022 - 2026	1,740,000	2,521,556	4,261,556
2027 - 2031	2,230,000	2,055,375	4,285,375
2032 - 2036	2,945,000	1,420,650	4,365,650
2037 - 2041	490,000	886,725	1,376,725
2042 - 2044	3,075,000	328,650	3,403,650
Total	<u>\$ 11,915,000</u>	<u>\$ 12,847,319</u>	<u>\$ 24,762,319</u>

**Debt Service Fund**

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2011 there was \$12,367,775 on hand for payment of the bond anticipation note. Also, \$228,370 is on hand toward the interest which is payable on April 1, 2012. The current budget for 2011-2012 has included 12 mills for the payment of debt service.

**Commitments Under Noncapitalized Leases** – The County has operating leases on various small equipment. Amounts due are insignificant to the financial statements.

**Compensated Absences**

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County enacted a new policy regarding compensated vacation days in 1993. At that time, all unused vacation hours were “banked.” Each employee is to receive appropriate vacation hours based on tenure at the beginning of the year. The only hours the employees will be allowed to carry over each calendar year are the “banked” hours until they are used up. No accumulation of paid days off will be allowed in the future. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2011 are \$834,680 and include 17% for employee benefits and are included in long-term liabilities.

**Other Post Employment Benefits**

*Plan Description* – County employees who participated 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.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 LONG-TERM OBLIGATIONS - CONTINUED**

**Other Post Employment Benefits - Continued**

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, 2011, the County contributed \$227,750 to the plan, including \$227,750 for current premiums while no prefunding contributions were made.

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

**Other Post Employment Benefits – Continued**

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

Annual required contribution	\$ 1,011,235
Interest on net OPEB obligation	35,761
Annual OPEB cost (expense)	1,046,996
Contributions made	(227,750)
Increase in net OPEB obligation	819,246
Net OPEB obligation - beginning of year	1,788,053
Net OPEB obligation - end of year	\$ 2,607,299

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2011 and the three preceding years were as follows:

Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
2009	\$ 1,086,193	14.9%	\$ 924,438
2010	1,086,193	20.5%	1,788,053
2011	1,046,996	21.7%	2,607,299

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 8 LONG-TERM OBLIGATIONS – CONTINUED**

*Funded Status and Funding Progress* - As of June 30, 2010, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$7,342,670, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,342,670.

**Other Post Employment Benefits - Continued**

The covered payroll (annual payroll of active employees covered by the plan) was \$9,146,450 , and the ratio of the UAAL to the covered payroll was 0 percent.

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

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

In the June 30, 2010 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after ten years. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities value at 4.5 percent. The UAAL is being amortized on an open basis as a level percentage of projected payroll (assumed to increase at 3 percent) required to fully amortize the UAAL over a thirty year period.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Unit Credit Cost (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ((b - a) / c)</b>
6/30/2008	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
6/30/2009	-	7,239,895	7,239,895	0.0%	10,685,795	67.8%
6/30/2010	-	7,239,895	7,239,895	0.0%	9,169,334	79.0%
6/30/2011	-	7,342,670	7,342,670	0.0%	9,146,450	80.3%



**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9 FUND BALANCES**

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non- Major</u>
<b>Nonspendable</b>					
Property held for resale	\$ -	\$ 1,704,340	\$ -	\$ -	\$ -
Notes receivable	-	294,266	-	-	-
	<u>-</u>	<u>1,998,606</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Restricted</b>					
Clerk of Court incentive	467,779	-	-	-	-
Sheriff child support	14,624	-	-	-	-
E-911 funds	-	-	-	-	202,428
Drug seizures	-	-	-	-	105,122
Deficits State Atax and waste tire	-	-	-	-	(66,499)
Jail project	-	-	88,977	-	-
Victims Service	2,191	-	-	-	-
Debt payments	-	-	-	228,370	-
	<u>484,594</u>	<u>-</u>	<u>88,977</u>	<u>228,370</u>	<u>241,051</u>
<b>Committed</b>					
Local accommodations tax	-	-	-	-	172,841
Local hospitality tax	-	-	-	-	147,329
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,170</u>
<b>Assigned</b>					
Equipment purchases	-	-	377,670	-	-
Health Department	-	-	174,202	-	-
Development Projects	-	585,856	-	-	-
Joint Planning Fund	-	39,715	-	-	-
	<u>-</u>	<u>625,571</u>	<u>551,872</u>	<u>-</u>	<u>-</u>
<b>Unassigned</b>					
	<u>2,813,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>\$ 3,298,302</u>	<u>\$ 2,624,177</u>	<u>\$ 640,849</u>	<u>\$ 228,370</u>	<u>\$ 561,221</u>

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 9 FUND BALANCES - CONTINUED**

**Nonmajor Funds**

The nonmajor restricted fund balance of \$241,051 included a deficit fund balance of \$48,413 in the Waste Tire Fund and \$18,086 in the Statewide Accommodations Tax Fund as indicated in the supplementary information section Combining Balance Sheet for Nonmajor Governmental Funds.

**Fund Balance Restatement**

The beginning fund balances were restated to comply with GASB 54 as follows:

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Non- Major</u>
Beginning June 30, 2010 per audit:				
Reserved	\$ -	\$ 2,035,086	\$ 3,724,237	\$ -
Undesignated	2,458,573	484,356	120,871	674,883
	<u>2,458,573</u>	<u>2,519,442</u>	<u>3,845,108</u>	<u>674,883</u>
Restated:				
Nonspendable	-	2,035,086	-	-
Restricted	387,648	484,356	3,467,438	220,091
Committed	-	-	-	454,792
Assigned	-	-	377,670	-
Unassigned	2,070,925	-	-	-
	<u>\$ 2,458,573</u>	<u>\$ 2,519,442</u>	<u>\$ 3,845,108</u>	<u>\$ 674,883</u>

**NOTE 10 RETIREMENT PLAN**

*Plan Description* - As a condition of employment, all eligible County employees are required to participate in a pension plan. All firemen and law enforcement officers must belong to the South Carolina Police Officers Retirement System (SCPORS). All other eligible employees must belong to the South Carolina Retirement System (SCRS). Both plans are a cost-sharing multiple-employer Public Employee Retirement System (PERS) administered by the Retirement Division of the State Budget and Control Board. Retirement costs are funded by withholding from the employees' salaries, and by a contribution from the County of a percentage of the employees' salaries. Both Retirement Systems are administered by the South Carolina Retirement System, which is a state agency. The County has no fiduciary responsibility for or further liability for either of the retirement plans beyond their current contributions. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System and Police Officers' Retirement System may be obtained by writing to the South Carolina Retirement System, PO Box 11960, Columbia, South Carolina 29211.

*Basic Provisions* - Benefit provisions are established under the authority of Title 9 of the South Carolina Code of Laws. Under current statutes pertaining to the SCRS, member employees who retire at age 65 or after 28 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82 percent of the average final compensation (average compensation over the last three years of credited service) times years of credited service. A member with at least 25 years of credited service who terminates employment may continue to pay

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 10 RETIREMENT PLAN - CONTINUED**

employee and employer contributions until 28 years of credited service credit is reached. The contributions will be made through the most recent employer on a regular basis and remitted to the South Carolina Retirement System.

Under current statutes pertaining to the SCPORS, member employees who retire at age 65 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of average final compensation times years of credited service.

Member employees who are at least 60 years of age may elect early retirement in which case the full service benefit is reduced by 5 percent for each year the employee's age at retirement is less than 65. In either case, any unrecovered contributions are payable upon death and cost of living adjustments are evaluated annually on an ad hoc basis. Full service or early retirees may elect other optional methods of benefit distributions, including lump sum distributions, benefit levels coordinated with the retiree's social security benefits and distributions to a named beneficiary. Benefits are fully vested on reaching 5 years of service. The SCRS and the SCPORS also provide life insurance, survivor and disability benefits to all member employees.

*Funding Policy*

*South Carolina Retirement System (SCRS)*

The County is required to contribute 9.39 percent which includes 0.15 percent towards group life insurance. The County's contributions for the years ending June 30, 2011, 2010, and 2009 were \$421,831, \$456,087, and \$496,293, respectively, and were equal to the required contributions for each year.

*Police Officers Retirement System (PORS)*

The County is required to contribute 11.13 percent which includes 0.40 percent towards group life insurance and survivor and disability benefits. The County's contributions for the years ending June 30, 2011, 2010, and 2009 were \$475,891, \$481,234, and \$458,147, respectively, for SCPORS members and were equal to the required contributions for each year.

**NOTE 11 EMPLOYEE BENEFIT PLANS**

**401(K) Plan**

Jasper County currently offers substantially 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 12 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 FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

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

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

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40 percent 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, 2011, \$6,450,000 and \$5,500,000 were outstanding.

The Jasper County, South Carolina Special Source Revenue Bond Notes, Series 2005 (Jasper County School Project) special source revenue bonds in the amount of \$11,540,000 were issued to help with the construction of Jasper County Schools. The bonds are to be repaid with the school portion of a fee-in-lieu tax. The County has no liability for repayment of the debt. At June 30, 2011, \$6,895,000 was outstanding.

The County has committed to renovate the Health Department building. The estimated cost is \$250,000. Money is available in the Capital Projects fund.

**NOTE 14 RISK MANAGEMENT**

The County is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits.

The State of South Carolina itself assumes substantially all risks for the following:

Claims of covered public employees for health and dental insurance benefits (Office of Insurance Services),

Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement System), and

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 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.

**JASPER COUNTY, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 14 RISK MANAGEMENT - CONTINUED**

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.

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.

**NOTE 15 PROPERTY HELD FOR RESALE**

The detail on property held for resale is as follows:

	<b>June 30, 2010</b>	<b>Additions</b>	<b>Cost of Land Sold</b>	<b>June 30, 2011</b>
Cypress Ridge Land	\$ 670,640	\$ -	\$ -	\$ 670,640
Ridgeland Industrial Park	40,240	-	-	40,240
Sergeant Jasper Park	69,300	-	-	69,300
Cypress Ridge Spec Bldg 1	320,000	-	-	320,000
Cypress Ridge Spec Bldg 2	604,160	-	-	604,160
Total	<u>\$ 1,704,340</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,704,340</u>

**NOTE 16 NET ASSETS**

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

Capital Assets	\$ 32,826,863
Debt on Capital Assets:	
Revenue Bond	(11,915,000)
Bond Anticipation Note	(6,735,000)
Notes Payable and deferred amounts	(173,881)
Invested in Capital Assets, net of related debt	<u>\$ 14,002,982</u>

The long-term debt includes \$832,503 that offsets the lease receivable from LCOG and is not included in debt on capital assets.

# 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, 2011**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(NEGATIVE)</b>
<b>REVENUES</b>				
Taxes	\$ 17,709,099	\$ 17,709,099	\$ 16,945,182	\$ (763,917)
Fines, Fees and Licenses	2,093,000	2,093,000	2,117,285	24,285
Intergovernmental	998,425	998,425	1,122,562	124,137
Miscellaneous	136,400	136,400	238,116	101,716
Total Revenues	<u>20,936,924</u>	<u>20,936,924</u>	<u>20,423,145</u>	<u>(513,779)</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<b>County Council</b>	<u>215,150</u>	<u>215,150</u>	<u>213,154</u>	<u>1,996</u>
<b>County Attorney</b>	<u>156,100</u>	<u>156,100</u>	<u>151,057</u>	<u>5,043</u>
<b>Administrator</b>	<u>401,900</u>	<u>401,900</u>	<u>402,354</u>	<u>(454)</u>
<b>Administrative Services</b>				
Tax Collector	192,350	192,350	187,179	5,171
Assessor	579,200	579,200	533,096	46,104
Finance Department	168,400	168,400	163,769	4,631
Register of Deeds	127,800	127,800	118,377	9,423
Keep America Beautiful	2,200	2,200	1,870	330
Human Resources	186,100	186,100	167,316	18,784
Total Administrative Services	<u>1,256,050</u>	<u>1,256,050</u>	<u>1,171,607</u>	<u>84,443</u>
<b>Development Services</b>				
Economic Development Department	88,300	88,300	76,254	12,046
Business Licenses	61,950	61,950	59,028	2,922
Planning Commission	193,870	193,870	173,516	20,354
Recreation Department	286,450	286,450	294,273	(7,823)
Sgt Jasper Park	177,300	177,300	161,251	16,049
Building Permits	146,440	146,440	129,059	17,381
Total Development Services	<u>954,310</u>	<u>954,310</u>	<u>893,381</u>	<u>60,929</u>
<b>Emergency Services</b>				
Emergency Management	82,100	12,000	11,945	55
Emergency Telecommunications	893,300	893,300	876,576	16,724
Fire and Rescue	2,648,950	2,648,950	2,538,683	110,267
Information Technology	390,200	390,200	269,851	120,349
Emergency Services Department	1,511,600	1,581,700	1,409,132	172,568
Detention Center	3,007,200	3,007,200	2,583,552	423,648
Cherry Point Fire Station	395,750	395,750	325,942	69,808
Capital Improvements	-	-	-	-
Total Emergency Services	<u>8,929,100</u>	<u>8,929,100</u>	<u>8,015,681</u>	<u>913,419</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, 2011**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(NEGATIVE)</b>
<b>Engineering Services</b>				
Administrative	\$ 227,950	\$ 227,950	\$ 218,739	\$ 9,211
Central Garage	155,500	155,500	160,954	(5,454)
Mosquito Control	17,200	17,200	10,257	6,943
Litter Control	63,300	63,300	58,019	5,281
Roads and Bridges	534,008	530,500	480,777	49,723
Building Maintenance	320,692	324,200	253,482	70,718
Solid Waste	689,900	689,900	620,830	69,070
Total Engineering Services	<u>2,008,550</u>	<u>2,008,550</u>	<u>1,803,058</u>	<u>205,492</u>
<b>Treasurer</b>	<u>148,900</u>	<u>148,900</u>	<u>139,932</u>	<u>8,968</u>
<b>Auditor</b>	<u>189,200</u>	<u>189,200</u>	<u>191,176</u>	<u>(1,976)</u>
<b>Probate Judge</b>	<u>136,800</u>	<u>136,800</u>	<u>144,576</u>	<u>(7,776)</u>
<b>Clerk of Court</b>				
Clerk of Court	480,500	480,500	461,234	19,266
Clerk of Court Incentive	-	-	1,695	(1,695)
Total Clerk of Court	<u>480,500</u>	<u>480,500</u>	<u>462,929</u>	<u>17,571</u>
<b>Sheriff</b>				
Sheriff	2,421,500	2,421,500	2,462,026	(40,526)
Victims Witness Program	104,850	104,850	97,928	6,922
Sheriff Child Support	-	-	15,249	(15,249)
Total Sheriff	<u>2,526,350</u>	<u>2,526,350</u>	<u>2,575,203</u>	<u>(48,853)</u>
<b>Magistrate</b>				
Central Traffic	159,700	159,700	143,665	16,035
Magistrate Lynah	110,000	110,000	102,522	7,478
Hardeeville	106,350	106,350	101,756	4,594
Central Bond	104,900	104,900	63,505	41,395
Magistrate McDonald	95,950	95,950	100,568	(4,618)
Magistrate Badgett	36,100	36,100	29,992	6,108
Total Magistrate	<u>613,000</u>	<u>613,000</u>	<u>542,008</u>	<u>70,992</u>
<b>Veterans Affairs</b>	<u>114,950</u>	<u>114,950</u>	<u>110,624</u>	<u>4,326</u>
<b>Election Commission</b>	<u>217,000</u>	<u>217,000</u>	<u>150,756</u>	<u>66,244</u>
<b>Coroner</b>	<u>126,850</u>	<u>126,850</u>	<u>115,968</u>	<u>10,882</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, 2011**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		<b>(NEGATIVE)</b>
<b>Interdepartmental</b>				
Interdepartmental	\$ 840,500	\$ 840,500	\$ 738,633	\$ 101,867
Data Processing	303,000	303,000	327,622	(24,622)
Capital Improvements	89,500	89,500	54,143	35,357
Total Interdepartmental	<u>1,233,000</u>	<u>1,233,000</u>	<u>1,120,398</u>	<u>112,602</u>
<b>Health, Education and Welfare</b>				
Agency Appropriations	1,072,054	1,072,054	1,103,884	(31,830)
County Libraries	26,260	26,260	25,227	1,033
Health Department	26,000	26,000	24,936	1,064
Department of Social Services	36,450	36,450	35,479	971
Miscellaneous County Accounts	49,950	49,950	29,053	20,897
Animal Shelter	8,000	8,000	5,269	2,731
National Guard	5,500	5,500	6,819	(1,319)
Total Health, Education and Welfare	<u>1,224,214</u>	<u>1,224,214</u>	<u>1,230,667</u>	<u>(6,453)</u>
<b>Debt Service:</b>				
Principal	125,000	125,000	123,245	1,755
Interest	18,000	18,000	44,978	(26,978)
Total Debt Service	<u>143,000</u>	<u>143,000</u>	<u>168,223</u>	<u>(25,223)</u>
Total Expenditures	<u>21,074,924</u>	<u>21,074,924</u>	<u>19,602,752</u>	<u>1,472,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,000)</u>	<u>(138,000)</u>	<u>820,393</u>	<u>958,393</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	268,000	268,000	268,000	-
Transfers Out	(130,000)	(130,000)	(248,664)	(118,664)
Total Other Financing Sources (Uses)	<u>138,000</u>	<u>138,000</u>	<u>19,336</u>	<u>(118,664)</u>
Net change in fund balances	-	-	839,729	839,729
Fund balances, beginning	2,458,573	2,458,573	2,458,573	-
Fund balances, ending	<u>\$ 2,458,573</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 839,729</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:**

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the General Fund using the modified accrual basis. An annual budget for the Special Revenue Fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the Capital Projects Fund is not adopted as its revenues and expenditures are adopted on a project basis. Appropriations lapse at the end of the budget year.

# 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 accommodations taxes that are legally restricted for expenditures that promote parks, recreation and tourism within the County.

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

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

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

**Grants** This fund is used to account for grant funds that are restricted to specific purposes.

**JASPER COUNTY, SOUTH CAROLINA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

**SPECIAL REVENUE**

**TOTAL  
NONMAJOR  
GOVERNMENTAL  
FUNDS**

**ASSETS**

	<b>ACCOM TAX</b>	<b>WASTE TIRE</b>	<b>SHERIFF</b>	<b>E911</b>	<b>GRANTS</b>	
Cash	\$ 258,252	\$ -	\$ 105,122	\$ 193,551	\$ -	\$ 556,925
Receivables	-	2,310	-	8,877	304,048	315,235
Interfund Receivables	46,123	-	-	-	-	46,123
<b>Total Assets</b>	<b>\$ 304,375</b>	<b>\$ 2,310</b>	<b>\$ 105,122</b>	<b>\$ 202,428</b>	<b>\$ 304,048</b>	<b>\$ 918,283</b>

**LIABILITIES AND FUND BALANCES**

Liabilities

Accounts Payable	\$ 2,290	\$ 4,600	\$ -	\$ -	\$ 29,272	\$ 36,162
Deferred Revenue	-	-	-	-	7,523	7,523
Interfund Payables	-	46,123	-	-	267,253	313,376
<b>Total Liabilities</b>	<b>2,290</b>	<b>50,723</b>	<b>-</b>	<b>-</b>	<b>304,048</b>	<b>357,061</b>

Fund Balances

Unreserved	302,085	(48,413)	105,122	202,428	-	561,222
<b>Total Fund Balances</b>	<b>302,085</b>	<b>(48,413)</b>	<b>105,122</b>	<b>202,428</b>	<b>-</b>	<b>561,222</b>

**Total Liabilities and Fund Balances**

<b>Total Liabilities and Fund Balances</b>	<b>\$ 304,375</b>	<b>\$ 2,310</b>	<b>\$ 105,122</b>	<b>\$ 202,428</b>	<b>\$ 304,048</b>	<b>\$ 918,283</b>
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**JASPER COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	<b>SPECIAL REVENUE</b>					<b>TOTAL NONMAJOR GOVERNMENTAL FUNDS</b>
	<b>ACCOM TAX</b>	<b>WASTE TIRE</b>	<b>SHERIFF</b>	<b>E911</b>	<b>GRANTS</b>	
<b>REVENUES</b>						
Taxes	\$ 255,355	\$ -	\$ -	\$ -	\$ -	\$ 255,355
Fines, Fees and Licenses	-	-	79,179	178,743	-	257,922
Intergovernmental	-	9,572	-	-	948,158	957,730
Miscellaneous	163	-	121,214	-	-	121,377
Total Revenue	<u>255,518</u>	<u>9,572</u>	<u>200,393</u>	<u>178,743</u>	<u>948,158</u>	<u>1,592,384</u>
<b>EXPENDITURES</b>						
<b>Current:</b>						
Development Services	373,358	-	-	-	89,414	462,772
Emergency Services	-	-	-	1,230	498,996	500,226
Engineering Services	-	10,210	-	-	154,445	164,655
Sheriff	-	-	213,222	-	142,331	355,553
<b>Capital Outlay:</b>						
Emergency Services	-	-	-	-	62,972	62,972
	<u>373,358</u>	<u>10,210</u>	<u>213,222</u>	<u>1,230</u>	<u>948,158</u>	<u>1,546,178</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(117,840)</u>	<u>(638)</u>	<u>(12,829)</u>	<u>177,513</u>	<u>-</u>	<u>46,206</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	108,133	-	-	-	-	108,133
Transfers Out	(143,000)	-	-	(125,000)	-	(268,000)
Total Other Financing Sources (Uses)	<u>(34,867)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>(159,867)</u>
Net change in fund balances	(152,707)	(638)	(12,829)	52,513	-	(113,661)
Fund balances, beginning	454,792	(47,775)	117,951	149,915	-	674,883
Fund balances, ending	<u>\$ 302,085</u>	<u>\$ (48,413)</u>	<u>\$ 105,122</u>	<u>\$ 202,428</u>	<u>\$ -</u>	<u>\$ 561,222</u>

# FUDICIARY FUNDS

## Agency Funds

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

<b>School</b>	This fund is used to account for receipts by the treasurer of assets earmarked for the school district.
<b>Clerk of Court</b>	This fund is used to account for child support payments, bonds, restitution and fines collected by the clerk of court.
<b>Delinquent Tax Collector</b>	This fund represents delinquent taxes collected for the school district and funds on hand from the tax sale.
<b>1% Fire Fund</b>	This fund represents the receipts by the treasurer that will be disbursed to the various fire departments within the County.
<b>Nickel Plate Road Dev</b>	This fund represents the 40% of taxes to be paid to the developer and Hampton County.
<b>Treasurers Tax Account</b>	This fund represents the portion of the tax account designated for other entities.
<b>Town of Ridgeland</b>	This fund represents the automobile taxes due to the Town of Ridgeland.
<b>City of Hardeeville</b>	This fund represents the automobile taxes due to the City of Hardeeville.
<b>Magistrates Court</b>	This fund represents fines collected that have not been disposed of by the court.
<b>Register of Deeds</b>	This fund represents the portion of the fee to be paid to the state.

**JASPER COUNTY, SOUTH CAROLINA**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>School</b>				
Asset - Cash	\$ 5,035,456	\$ 52,276,138	\$ 54,104,550	\$ 3,207,044
Liabilities - Due to Others	\$ 5,035,456	\$ 52,276,138	\$ 54,104,550	\$ 3,207,044
<b>Clerk of Court</b>				
Asset - Cash	\$ 1,573,619	\$ 2,445,182	\$ 3,387,166	\$ 631,635
Liabilities - Due to Others	\$ 1,573,619	\$ 2,445,182	\$ 3,387,166	\$ 631,635
<b>Delinquent Tax Collector</b>				
Asset - Cash	\$ 424,484	\$ 6,073,067	\$ 6,182,576	\$ 314,975
Liabilities - Due to Others	\$ 424,484	\$ 6,073,067	\$ 6,182,576	\$ 314,975
<b>1% Fire Fund</b>				
Asset - Cash	\$ 139,796	\$ 78,635	\$ 63,873	\$ 154,558
Liabilities - Due to Others	\$ 139,796	\$ 78,635	\$ 63,873	\$ 154,558
<b>Nickle Plate Road Dev</b>				
Asset - Cash	\$ 29,065	\$ 1,268,562	\$ 1,271,119	\$ 26,508
Liabilities - Due to Others	\$ 29,065	\$ 1,268,562	\$ 1,271,119	\$ 26,508
<b>Treasurers Tax Account</b>				
Asset - Cash	\$ 64,858	\$ 2,427,715	\$ 2,431,677	\$ 60,896
Liabilities - Due to Others	\$ 64,858	\$ 2,427,715	\$ 2,431,677	\$ 60,896
<b>Town of Ridgeland</b>				
Asset - Cash	\$ 2,690	\$ 36,818	\$ 36,669	\$ 2,839
Liabilities - Due to Others	\$ 2,690	\$ 36,818	\$ 36,669	\$ 2,839
<b>City of Hardeeville</b>				
Asset - Cash	\$ 3,932	\$ 4,297,610	\$ 4,322,445	\$ (20,903)
Liabilities - Due to Others	\$ 3,932	\$ 4,297,610	\$ 4,322,445	\$ (20,903)
<b>Magistrates Court</b>				
Asset - Cash	\$ 62,996	\$ 464,758	\$ 489,964	\$ 37,790
Liabilities - Due to Others	\$ 62,996	\$ 464,758	\$ 489,964	\$ 37,790
<b>Register of Deeds</b>				
Asset - Cash	\$ 18,481	\$ 247,828	\$ 254,190	\$ 12,119
Liabilities - Due to Others	\$ 18,481	\$ 247,828	\$ 254,190	\$ 12,119
<b>Forfeit Land Commission</b>				
Asset - Cash	\$ 6,236	\$ 1,983	\$ -	\$ 8,219
Liabilities - Due to Others	\$ 6,236	\$ 1,983	\$ -	\$ 8,219
<b>Installment Tax Account</b>				
Asset - Cash	\$ 7,681	\$ 22,375	\$ 8,599	\$ 21,457
Liabilities - Due to Others	\$ 7,681	\$ 22,375	\$ 8,599	\$ 21,457
Total Assets - Cash	\$ 7,369,294	\$ 69,640,671	\$ 72,552,828	\$ 4,457,137
Total Liabilities - Due to Others	\$ 7,369,294	\$ 69,640,671	\$ 72,552,828	\$ 4,457,137

**JASPER COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINES AND ASSESSMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**COURT FINES**

Court fines collected	\$ 630,657
Court fines retained by the County	<u>(322,924)</u>
Court Fines remitted to the State Treasurer	<u>307,733</u>

**COURT ASSESSMENTS**

Court assessments collected	314,817
Court assessments retained by County	<u>(138,276)</u>
Court assessments remitted to the State Treasurer	<u>176,541</u>

**COURT SURCHARGES**

Court surcharges collected	163,917
Court surcharges retained by the County	<u>-</u>
Court surcharges remitted to the State Treasurer	<u>163,917</u>

**VICTIMS ASSISTANCE**

Court assessments allocated to Victims Assistance	35,594
Court surcharges allocated to Victims Assistance	<u>17,130</u>
Funds allocated to Victims Assistance	<u>52,724</u>
Interest income	-
Victim Services expenditures	<u>(50,053)</u>
Funds available (deficit) for carryforward	2,671
Beginning Balance	<u>(480)</u>
Ending balance	<u><u>\$ 2,191</u></u>

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



# STATISTICAL SECTION

# JASPER COUNTY, SOUTH CAROLINA

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	58-61
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.	62-64
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.	65-70
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.	70-71
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.	73-75

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 ASSETS BY COMPONENTS  
LAST TEN FISCAL YEARS**

Schedule 1

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GOVERNMENTAL ACTIVITIES</b>										
Invested in Capital Assets, Net of Related Debt	\$ 9,448,221	\$ 11,179,151	\$ 16,750,785	\$ 17,707,633	\$ 18,033,457	\$ 18,575,683	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982
Restricted	6,236,002	6,785,581	-	-	-	-	685,741	3,944,537	4,205,198	4,539,212
Unrestricted	7,006,827	8,453,306	8,523,876	8,682,699	12,011,585	11,890,660	9,336,633	935,975	1,019,459	2,321,926
Total Governmental Activities Net Assets	<u>\$ 22,691,050</u>	<u>\$ 26,418,038</u>	<u>\$ 25,274,661</u>	<u>\$ 26,390,332</u>	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

Schedule 2

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
Governmental Activities:										
County Council	\$ 102,520	\$ 114,081	\$ 128,310	\$ 114,582	\$ 118,761	\$ 134,382	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343
County Attorney	-	-	-	-	-	-	-	160,460	158,494	152,084
Administrator	334,615	385,883	324,993	277,686	289,214	339,998	459,140	368,859	410,059	409,656
Administrative Services	569,860	587,985	604,881	627,279	817,788	1,001,209	1,363,203	1,527,501	1,280,754	1,202,744
Development Services	1,673,482	2,231,784	1,465,253	1,372,668	1,526,043	1,762,212	1,994,679	1,804,506	1,959,726	1,618,401
Emergency Services	3,472,295	3,877,208	4,665,458	6,276,143	6,677,353	8,084,096	9,575,753	11,462,011	10,160,230	8,932,496
Engineering Services	1,876,261	2,184,588	2,254,202	1,901,778	2,615,122	2,615,436	2,650,295	3,036,955	2,418,172	2,350,468
Treasurer	79,643	90,056	90,493	93,102	107,206	114,184	158,188	155,341	137,095	141,852
Auditor	107,872	113,671	144,620	120,062	156,905	154,042	225,344	246,090	195,511	182,117
Probate Judge	112,901	124,673	140,293	142,204	147,803	166,147	182,278	179,219	128,959	144,576
Clerk of Court	395,932	395,991	476,808	408,538	463,747	461,035	470,086	518,406	465,361	467,179
Sheriff	1,675,138	1,891,437	2,055,863	2,107,222	2,515,271	2,661,891	2,929,037	3,224,882	3,053,203	3,075,109
Magistrate	266,499	296,582	416,747	398,272	409,063	449,539	453,478	546,465	571,238	537,170
Veterans Affairs	82,914	67,959	73,656	78,624	92,216	107,730	111,421	99,590	108,363	113,967
Election Commission	84,683	136,557	153,737	123,269	223,951	183,191	238,603	236,943	218,932	172,179
Coroner	44,125	58,150	76,462	76,358	94,537	86,037	102,863	112,996	118,522	116,246
Interdepartmental	974,663	899,748	652,423	1,048,190	1,525,679	1,323,023	1,396,108	2,270,060	2,458,932	2,523,716
Health, Education, and Welfare	1,052,821	1,072,680	1,167,414	1,241,342	1,632,521	1,524,959	1,566,812	1,587,493	1,182,128	1,230,667
Interest Expense	22,098	69,468	67,353	100,908	166,443	142,168	143,638	132,747	329,636	335,501
Total Expenses	<u>12,928,322</u>	<u>14,598,501</u>	<u>14,958,966</u>	<u>16,508,227</u>	<u>19,579,623</u>	<u>21,311,279</u>	<u>24,207,878</u>	<u>27,892,601</u>	<u>25,562,919</u>	<u>23,914,471</u>
<b>Revenues</b>										
Governmental Activities:										
Program Revenues										
Charges for Services:	2,138,753	2,247,696	2,306,837	2,651,582	2,842,211	3,165,475				
EMS Fees							680,157	722,390	1,089,184	973,303
Business Licenses							496,556	398,283	230,094	327,619
Fines							582,516	522,713	676,356	617,023
Development Fees and Permits							686,292	353,709	412,584	202,182
Other							1,138,817	1,061,116	344,399	387,734
Operating Grants and Contributions	177,024	148,545	187,478	181,931	533,441	292,110	658,006	525,791	1,070,983	1,192,917
Capital Grants and Contributions	1,158,128	1,145,586	2,491,393	900,060	1,630,037	802,986	787,331	394,806	909,934	-
General Revenues										
Taxes	10,957,449	11,050,142	10,306,794	12,723,096	16,719,860	15,601,779	12,895,064	16,700,926	17,660,252	17,430,375
Grants and Contributions not restricted to specific programs	1,311,910	997,459	1,003,984	924,297	977,874	1,077,754	3,333,737	1,153,872	896,719	825,630
Earnings on investments	242,086	169,073	37,037	133,513	277,933	514,250	1,174,418	88,067	68,728	62,185
Other	87,100	17,346	31,708	137,123	225,271	278,226	848,815	473,570	476,820	443,673
Total Revenues	<u>16,072,450</u>	<u>15,775,847</u>	<u>16,365,231</u>	<u>17,651,602</u>	<u>23,206,627</u>	<u>21,732,580</u>	<u>23,281,709</u>	<u>22,395,243</u>	<u>23,836,053</u>	<u>22,462,641</u>
Increase in Net Assets	3,144,128	1,177,346	1,406,265	1,143,375	3,627,004	421,301	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)
Net Assets-Beginning	19,546,922	22,691,050	23,868,396	25,274,661	26,418,038	30,045,042	30,466,343	29,540,174	24,042,816	22,315,950
Net Assets-Ending	<u>\$ 22,691,050</u>	<u>\$ 23,868,396</u>	<u>\$ 25,274,661</u>	<u>\$ 26,418,036</u>	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>

Source: County Audit Reports

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

Schedule 3

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL FUND</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,648	\$ 484,594
Unassigned	4,719,361	4,389,521	3,841,621	4,586,817	7,172,865	7,917,460	6,116,693	1,766,279	2,070,925	2,813,708
Total General Fund	<u>\$ 4,719,361</u>	<u>\$ 4,389,521</u>	<u>\$ 3,841,621</u>	<u>\$ 4,586,817</u>	<u>\$ 7,172,865</u>	<u>\$ 7,917,460</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>
<b>ECONOMIC DEVELOPMENT FUND</b>										
Nonspendable	\$ 1,838,062	\$ 1,645,062	\$ 1,605,942	\$ 1,556,260	\$ 2,107,420	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 1,998,606
Restricted	-	-	-	-	-	-	-	-	484,356	-
Assigned	-	-	-	-	-	-	-	-	-	625,571
Unassigned	1,028,081	729,562	521,129	1,192,869	941,712	1,126,316	800,788	537,550	-	-
Total Economic Development Fund	<u>\$ 2,866,143</u>	<u>\$ 2,374,624</u>	<u>\$ 2,127,071</u>	<u>\$ 2,749,129</u>	<u>\$ 3,049,132</u>	<u>\$ 3,208,736</u>	<u>\$ 2,905,128</u>	<u>\$ 2,607,866</u>	<u>\$ 2,519,442</u>	<u>\$ 2,624,177</u>
<b>CAPITAL PROJECTS FUND</b>										
Restricted	\$ 4,425,327	\$ 4,467,114	\$ 1,150,703	\$ 1,118,657	\$ 1,702,205	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977
Assigned	-	-	-	-	-	898,606	482,205	424,062	377,670	551,872
Total Capital Projects Fund	<u>\$ 4,425,327</u>	<u>\$ 4,467,114</u>	<u>\$ 1,150,703</u>	<u>\$ 1,118,657</u>	<u>\$ 1,702,205</u>	<u>\$ 8,043,196</u>	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>
<b>Debt Service Fund</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,370
Assigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 228,370</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,091	\$ 241,051
Committed	817,189	879,757	564,062	640,846	763,803	764,894	685,741	912,609	454,792	320,171
Total All Other Governmental Funds	<u>\$ 817,189</u>	<u>\$ 879,757</u>	<u>\$ 564,062</u>	<u>\$ 640,846</u>	<u>\$ 763,803</u>	<u>\$ 764,894</u>	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>

Source: County Audit Reports

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

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Taxes	\$ 10,952,410	\$ 10,958,175	\$ 10,335,317	\$ 12,671,321	\$ 16,112,621	\$ 16,310,981	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566
Fines, Fees, and Licenses	2,123,854	2,090,800	2,286,895	2,468,870	2,879,721	3,076,550	3,453,864	2,895,500	2,534,153	2,390,591
Intergovernmental	1,799,967	2,126,568	2,442,814	2,041,227	2,331,937	2,046,598	2,598,454	2,190,940	2,989,546	2,080,292
Miscellaneous	988,317	577,845	1,107,295	828,800	1,343,091	940,811	1,601,576	561,637	574,828	567,411
Total Revenues	<u>15,864,548</u>	<u>15,753,388</u>	<u>16,172,321</u>	<u>18,010,218</u>	<u>22,667,370</u>	<u>22,374,940</u>	<u>23,862,857</u>	<u>22,003,733</u>	<u>23,651,133</u>	<u>22,517,860</u>
<b>Expenditures</b>										
<b>Current:</b>										
County Council	70,271	114,081	128,310	114,582	118,761	134,382	173,655	222,538	204,853	213,154
County Attorney	-	-	-	-	-	-	-	153,288	149,779	151,057
Administrator	333,253	386,742	322,947	293,589	304,841	349,197	462,763	356,342	395,149	402,354
Administrative Services	546,540	571,057	573,985	603,499	809,461	996,441	1,278,477	1,456,237	1,221,345	1,171,607
Development Services	1,959,003	2,290,165	3,724,718	1,619,090	1,734,568	2,157,475	1,951,846	1,747,988	2,810,939	1,530,359
Emergency Services	4,108,155	6,977,362	7,746,270	7,637,030	7,223,206	8,998,374	9,278,103	10,863,837	9,738,625	8,548,424
Engineering Services	1,917,068	2,157,140	2,237,176	2,732,589	2,932,579	3,564,388	2,517,335	3,023,712	2,417,162	2,480,938
Treasurer	79,066	90,056	90,493	92,642	105,162	113,751	152,909	151,414	138,511	139,932
Auditor	108,325	113,671	144,620	120,624	151,384	152,328	222,501	244,309	199,504	191,176
Probate Judge	113,028	124,673	140,293	140,653	142,995	158,338	181,721	177,124	133,452	144,576
Clerk of Court	370,945	372,094	445,236	402,076	454,520	452,632	466,021	511,780	463,147	462,929
Sheriff	1,683,589	1,900,346	2,062,659	2,174,036	2,865,387	2,776,339	2,713,230	2,903,803	2,847,602	2,930,756
Magistrate	267,412	296,582	416,747	398,330	401,231	447,801	455,827	533,569	568,644	542,008
Veterans Affairs	53,462	68,190	73,520	78,046	89,650	105,931	111,219	96,270	109,379	110,624
Election Commission	85,001	325,636	150,397	146,863	452,178	163,790	212,003	209,343	191,239	150,756
Coroner	44,125	58,150	76,462	76,358	94,537	86,037	102,863	111,908	117,434	115,968
Interdepartmental	974,663	1,044,658	1,074,373	993,635	1,721,788	1,199,832	1,096,383	986,759	1,097,047	1,496,310
Health, Education, and Welfare	1,040,311	1,042,213	1,294,995	1,241,395	1,630,566	1,523,863	1,565,675	1,592,191	1,182,128	1,230,667
<b>Debt Service</b>										
Principal							9,178,376	1,260,178	2,456,355	166,467
Interest							288,165	399,799	446,071	497,773
<b>Capital Outlay</b>							5,540,295	5,613,195	4,294,413	1,713,813
Total Expenditures	<u>13,754,217</u>	<u>17,932,816</u>	<u>20,703,201</u>	<u>18,865,037</u>	<u>21,232,814</u>	<u>23,380,899</u>	<u>37,949,367</u>	<u>32,615,584</u>	<u>31,182,778</u>	<u>24,391,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,110,331</u>	<u>(2,179,428)</u>	<u>(4,530,880)</u>	<u>(854,819)</u>	<u>1,434,556</u>	<u>(1,005,959)</u>	<u>(14,086,510)</u>	<u>(10,611,851)</u>	<u>(7,531,645)</u>	<u>(1,873,788)</u>
<b>Other Financing Sources (Uses)</b>										
Issuance of Debt	-	1,462,424	103,326	2,266,811	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)
Transfers In	332,123	630,253	379,648	555,001	574,706	723,620	897,514	577,074	574,559	2,199,266
Transfers Out	(332,123)	(630,253)	(379,648)	(555,001)	(574,706)	(723,620)	(897,514)	(577,074)	(574,559)	(2,199,266)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,462,424</u>	<u>103,326</u>	<u>2,266,811</u>	<u>2,158,000</u>	<u>8,252,240</u>	<u>9,314,726</u>	<u>8,094,000</u>	<u>4,385,000</u>	<u>(271,298)</u>
Net Change in Fund Balances	<u>2,110,331</u>	<u>(717,004)</u>	<u>(4,427,554)</u>	<u>1,411,992</u>	<u>3,592,556</u>	<u>7,246,281</u>	<u>(4,771,784)</u>	<u>(2,517,851)</u>	<u>(3,146,645)</u>	<u>(2,145,086)</u>
Fund Balances, Beginning	<u>10,717,689</u>	<u>12,828,020</u>	<u>12,111,011</u>	<u>7,683,457</u>	<u>9,095,449</u>	<u>12,688,005</u>	<u>19,934,286</u>	<u>15,162,502</u>	<u>12,644,651</u>	<u>9,498,006</u>
Fund Balances, Ending	<u>\$ 12,828,020</u>	<u>\$ 12,111,016</u>	<u>\$ 7,683,457</u>	<u>\$ 9,095,449</u>	<u>\$ 12,688,005</u>	<u>\$ 19,934,286</u>	<u>\$ 15,162,502</u>	<u>\$ 12,644,651</u>	<u>\$ 9,498,006</u>	<u>\$ 7,352,920</u>
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	6.3%	4.7%	4.6%	5.7%	10.6%	2.9%

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA  
 ASSESSED VALUE AND ACTUAL 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	
	2002	\$ 40,810,850 *	\$ 21,342,435	\$ 62,153,285 *	\$ 803,554,263 *	\$ 203,261,286	
2003	42,204,320	20,727,677	62,931,997	826,844,654	189,053,719	1,015,898,373	133.00
2004	43,347,258	21,175,584	64,522,842	861,774,513	220,832,006	1,082,606,519	138.50
2005	44,745,667	24,677,657	69,423,324	893,911,467	233,471,186	1,127,382,653	163.00
2006	44,618,276 **	52,893,868	97,512,144	887,684,147	467,847,306	1,355,531,453	155.00
2007	60,899,190 *	56,232,882 *	117,132,072 *	1,343,006,038 *	505,275,090 *	1,848,281,128 *	109.50
2008	66,020,450	54,038,328	120,058,778	1,416,408,436	343,087,006	1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
2010	71,505,827	51,048,894	122,554,721	1,526,523,228	545,302,743	2,071,825,971	126.00
2011	73,864,445	49,329,208	123,193,653	1,553,137,000	396,765,531	1,949,902,536	123.00

\* Reassessment Year.

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

Data Source: County Auditor

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

**Schedule 6**

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
					OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2002	131.00	-	-	131.00	109.50	22.50	-	85.00	147.00
2003	133.00	-	-	133.00	118.30	22.30	30.00	85.00	147.00
2004	138.50	-	-	138.50	127.00	4.50	30.00	85.00	147.00
2005	163.00	-	-	163.00	129.00	7.00	35.00	85.00	147.00
2006	155.00	-	-	155.00	133.50	7.50	35.00	110.00	147.00
2007	109.50	-	-	109.50	112.50	-	31.00	110.00	153.00
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00

Source: County Finance Office

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



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

**Schedule 7**

<u>TAXPAYER</u>	<u>2011</u>			<u>2002</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>
South Carolina Electric & Gas	\$ 20,989,763	1	17.03 %	\$ 2,041,330	1	4.33 %
Palmetto Electric	2,921,750	2	2.37	1,152,310	2	2.44
Georgia DOT	1,941,620	3	1.57	354,010	7	0.75
CSX Transportation	1,289,659	4	1.05			
Carolina Gas Transmission Corporation	1,148,030	5	0.93			
Auston Chase	1,106,230	6	0.89			
Okeetee Club	1,036,170	7	0.84	644,270	5	1.30
Courtney Bend LLC	1,015,060	8	0.82			
Dell Webb Communities	981,220	9	0.80			
Walmart	622,090	10	0.50			
Southern Natural Gas	-		-	710,410	3	1.51
Carolina Atlanta & West	-		-	614,470	4	1.30
Hargray Telephone	-		-	490,630	6	1.04
Westvaco	-		-	335,100	8	0.71
Bell South	-		-	297,180	9	0.63
South Carolina RSA	-		-	271,230	10	0.57
 Total	 <u>\$ 33,051,592</u>		 <u>26.80 %</u>	 <u>\$ 6,910,940</u>		 <u>14.58 %</u>

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Source: Jasper County Auditor

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

**Schedule 8**

<b>FISCAL YEAR ENDED JUNE 30,</b>	<b>TAXES LEVIED FOR THE FISCAL YEAR</b>	<b>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</b>		<b>COLLECTIONS IN SUBSEQUENT YEARS</b>	<b>TOTAL COLLECTIONS TO DATE</b>	
		<b>AMOUNT</b>	<b>PERCENTAGE OF LEVY</b>		<b>AMOUNT</b>	<b>PERCENTAGE OF LEVY</b>
2002	\$ 5,908,528	\$ 5,016,674	84.9	\$ 791,596	\$ 5,808,270	98.3
2003	5,946,114	4,914,106	82.6	924,953	5,839,059	98.2
2004	6,748,721	5,766,554	85.5	832,469	6,599,023	97.8
2005	8,744,021	7,551,518	87.0	922,399	8,473,917	96.9
2006	12,265,278	10,866,037	89.0	1,209,831	12,075,868	98.5
2007	11,783,083	10,814,100	91.8	781,813	11,595,913	98.4
2008	13,483,864	12,695,728	94.1	601,523	13,297,251	98.6
2009	14,024,397	12,599,271	89.8	891,541	13,490,812	96.2
2010	14,432,970	13,075,617	90.6	1,237,403	14,313,020	99.2
2011	14,327,464	13,008,749	90.8	-	13,008,749	90.8

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer

**JASPER COUNTY, SOUTH CAROLINA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**Schedule 9**

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION			
2002	\$ 25,411	\$ 662,141	\$ -	\$ -	\$ 687,552	0.20 %	\$ 36.55
2003	-	1,927,227	-	-	1,927,227	0.50	95.17
2004	-	1,646,911	-	-	1,646,911	0.40	75.43
2005	1,146,778	1,531,076	-	785,000	3,462,854	0.70	161.83
2006	1,041,580	2,876,969	-	785,000	4,703,549	0.80	215.67
2007	932,866	2,092,466	-	8,170,000	11,195,332	1.90	509.97
2008	820,647	2,006,035	-	8,505,000	11,331,682	1.84	498.19
2009	703,404	2,312,100	-	15,150,000	18,165,504	N/A	N/A
2010	1,459,149	-	-	18,635,000	20,094,149	N/A	N/A
2011	1,292,682	-	11,915,000	6,735,000 (2)	19,942,682	-	-

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Source: County Audit Report, US Census Bureau

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

See schedule 14 for personal income and population.

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

N/A Information is not available.

(1) \$12,185,000 of the Bond Anticipation Notes were paid on July 1, 2011 from the proceeds of the Revenue Bond not included in total.

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

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

**Schedule 10**

NONE

**JASPER COUNTY, SOUTH CAROLINA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF JUNE 30, 2011**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
<b>Debt repaid with property taxes</b>			
Jasper County School District	\$ 43,838,499	100.00%	\$ 43,838,499
City of Hardeeville	4,376,561	11.80%	516,434
Town of Ridgeland	-	0.00%	-
Subtotal overlapping debt	<u>48,215,060</u>		<u>44,354,933</u>
<b>County direct debt</b>	<u>19,942,682</u>	100.00%	<u>19,942,682</u>
Total direct and overlapping debt	<u><u>\$ 68,157,742</u></u>		<u><u>\$ 64,297,615</u></u>

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Sources: Assessed value data used to estimated 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 2011**

Assessed Value	\$ 123,193,653
Debt limit (8% of assessed value)	9,855,492
Debt applicable to limit:	
None	-
Total net debt applicable to limit	-
Legal Debt Margin	<u><u>\$ 9,855,492</u></u>

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 4,972,263	\$ 5,034,560	\$ 5,161,827	\$ 5,553,865	\$ 7,800,971	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311	9,804,378	\$ 9,855,492
Total net debt applicable to limit	<u>(25,411)</u>	-	-	-	-	-	-	-	-	-
Legal debt margin	<u><u>\$ 4,946,852</u></u>	<u><u>\$ 5,034,560</u></u>	<u><u>\$ 5,161,827</u></u>	<u><u>\$ 5,553,865</u></u>	<u><u>\$ 7,800,971</u></u>	<u><u>\$ 9,370,565</u></u>	<u><u>\$ 9,604,702</u></u>	<u><u>\$ 9,777,311</u></u>	<u><u>9,804,378</u></u>	<u><u>\$ 9,855,492</u></u>
Total net debt applicable to the limit as a percentage of debt limi %	<u><u>0.51</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %	<u><u>-</u></u> %

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

Source: County Audit Report  
County Auditor

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

**Schedule 13**

NONE

**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
2000	20,678	\$ 336,581	\$ 17,693	33.8	N/A	3.40 %
2001	20,818	378,125	18,129	33.8	N/A	3.90
2002	20,969	393,828	18,813	34.5	N/A	4.50
2003	20,998	424,890	20,250	33.8	N/A	5.20
2004	21,193	464,437	21,833	34.0	N/A	5.20
2005	21,398	542,161	23,696	34.8	3,905	5.00
2006	21,809	577,982	26,247	33.8	4,005	5.10
2007	21,900	596,274	26,415	33.8	3,960	5.70
2008	22,746	613,335	26,965	32.7	4,307	6.00
2009	23,221	618,260	26,625	N/A	4,090	10.4
2010	24,777	N/A	N/A	34.8	4,136	9.9
2011	25,000	N/A	N/A	35.4	N/A	10.9

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Data Source:

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

N/A Information is not available.



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

Schedule 15

EMPLOYER	2011			2002		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Malphrus Construction	150	7	1.58 %	N/A		N/A %
Jasper County School District	450	1	4.75	N/A		N/A
Wal-Mart	350	2	3.70	N/A		N/A
Jasper County	217	4	2.29	N/A		N/A
Beaufort-Jasper Comprehensive Health	250	3	2.64	N/A		N/A
Coastal Carolina Medical Center	203	5	2.14	N/A		N/A
Ridgeland Correctional Institution	196	6	2.07	N/A		N/A
Ridgeland Nursing Center	102	9	1.08	N/A		N/A
Cleland Construction Company	100	10	1.06	N/A		N/A
J.C. Board of Disabilities & Special Needs	120	8	1.27	N/A		N/A
Thoroughbred Industries	-		-	N/A		N/A
Kwalu, Inc.	-		-	N/A		N/A
Lowcountry General Hospital	-		-	N/A		N/A
Best Western	-		-	N/A		N/A
South Carolina Highway Department	-		-	N/A		N/A
Razor Component Systems, Inc.	-		-	N/A		N/A
Days Inn	-		-	N/A		N/A
Total	<u>2,138</u>		<u>22.58 %</u>	<u>-</u>		<u>- %</u>

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Source: County Economic Development Department

**JASPER COUNTY, SOUTH CAROLINA**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Schedule 16

FUNCTION/PROGRAM	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
County Council	5	5	5	5	5	5	5	6	6	6
Administrator	3	4	4	4	4	4	4	3	3	2
Finance	11	11	11	11	17	18	24	22	19	17
Development Services	3	3	3	3	6	11	14	10	5	4
Emergency Services	53	54	56	76 a	90 a	94	82	7	6	4
Engineering Services	45	45	45	46	49	43	48	45	40	39
Treasurer	3	3	3	2	3	3	3	3	3	3
Auditor	4	4	4	4	4	4	5	5	4	4
Probate Judge	3	3	3	3	3	3	3	3	2	2
Clerk of Court	7	7	7	7	8	8	8	10	8	9
Sheriff	34	32	30	29	35	37	34	38	39	39
Magistrate	11	11	11	12	10	8	9	11	11	11
Veterans Affairs	1	1	2	2	2	2	2	2	2	2
Election Commission	2	2	2	2	3	3	3	2	2	2
Coroner	1	1	1	1	1	1	1	2	3	2
Recreation	4	2	2	2	2	2	2	6	5	5
Fire & Rescue	N/A	N/A	N/A	N/A	N/A	N/A	N/A	42	39	38
Emergency Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13	12	11
Information Technology	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1
Detention	N/A	N/A	N/A	N/A	N/A	N/A	N/A	41	39	39
Human Resources	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Tax Collector	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
Assessor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
County Attorney	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2
<b>Total</b>	<b>190</b>	<b>188</b>	<b>189</b>	<b>209</b>	<b>242</b>	<b>246</b>	<b>247</b>	<b>272</b>	<b>249</b>	<b>242</b>

Source: County Human Resources

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

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

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

**Schedule 17**

	FISCAL YEAR										
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>REGISTER OF DEEDS</b>											
Documents Recorded	N/A	N/A	N/A	N/A	*	3,841	7,728	6,882	5,606	5,429	4,737
<b>SOLID WASTE</b>											
Tons of Solid Waste Handled	N/A	N/A	N/A	N/A	8,631	11,153	9,866	9,866	9,956	9,956	5,353
<b>BUILDING DEPARTMENT</b>											
Residential Permits Issued	73	79	63	111	562	495	303	224	169	14	
Value of Residential Permits	\$ 7,721,642	\$ 16,011,284	\$ 6,033,664	\$ 11,199,465	\$ 26,751,560	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	
Commercial Permits Issued	25	33	39	33	77	78	61	127	44	4	
Value of Commercial Permits	\$ 10,719,526	\$ 15,438,632	\$ 13,617,564	\$ 11,875,439	\$ 46,995,504	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	
Mobile Home Permits Issued	N/A	N/A	N/A	N/A	219	228	132	116	92	82	
<b>PARKS &amp; RECREATION</b>											
Park Attendance	N/A	N/A	N/A	N/A	36,206	46,987	49,054	63,323	65,372	57,400	
<b>DETENTION CENTER</b>											
Confinements	N/A	N/A	N/A	N/A	2,039	2,373	2,655	2,578	2,283	2,587	
<b>BUSINESS LICENSES &amp; BILLBOARDS</b>											
Business Licenses Issued	N/A	N/A	N/A	N/A	673	N/A	642	977	849	753	
Gross Sales Within County	\$ 392,864,533	\$ 425,507,974	\$ 725,954,671	\$ 1,184,771,836	\$ 886,051,537	\$ 923,657,760	\$ 939,769,745	\$ 845,973,337	\$ 750,636,025	N/A	
<b>EMERGENCY SERVICES</b>											
Calls Dispatched	N/A	N/A	N/A	N/A	23,660	22,446	21,877	40,061	47,359	50,811	

N/A Information is not available.

\* Department opened in November 2005.

Source: Various County Departments

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

**Schedule 18**

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>DEVELOPMENT SERVICES:</b>										
COMMUNITY CENTERS	7	7	6	6	6	6	6	6	6	6
PARKS	10	10	11	11	11	11	11	11	11	11
PARKS ACREAGE	66	66	422	422	422	422	422	422	422	422
BOAT LANDINGS	6	6	6	6	6	6	6	6	6	6
<b>EMERGENCY SERVICES:</b>										
NUMBER OF FIRE STATIONS	8	8	9	9	9	9	9	8	8	8
NUMBER OF FIRE TRUCKS	N/A	N/A	N/A	N/A	19	19	19	19	19	19
NUMBER OF AMBULANCES	N/A	N/A	N/A	N/A	6	7	7	7	7	7
<b>ENGINEERING SERVICES:</b>										
MILES OF ROADS	N/A	N/A	N/A	N/A	124	124	124	124	124	124
RECYCLING CENTERS	6	6	6	6	6	6	6	6	6	6
<b>SHERIFF:</b>										
PATROL UNITS	15	15	15	15	15	18	18	18	18	18
<b>HEALTH, EDUCATION &amp; WELFARE</b>										
COUNTY LIBRARIES	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

# COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u><i>US Department of Health &amp; Human Services</i></u>		
Passed through the SC Department of Social Services Child Enforcement Block Grant	93.563	\$ 123,506
<u><i>US Department of Transportation</i></u>		
Airport Improvements	20.106	13,733
<u><i>US Department of Homeland Security</i></u>		
Trauma Grant	97.004	7,994
LEMPG Grant	97.042	54,291
Assistance to Firefighters Grant	97.044	334,531
<u><i>US Department of Justice</i></u>		
Justice Assistance Grant Program	16.804	23,982
Cops	16.710	121,348
Edward Byrne Memorial Justice Assistance Grant	16.738	135,297
<u><i>US Department of Commerce</i></u>		
Passed through the SC Department of Commerce Public Safety Interoperable Communication Grant	11.555	<u>1,800</u>
Total Federal Financial Assistance		<u>\$ 816,482</u>

**NOTE 1 BASIS OF PRESENTATION**

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

**NOTE 2 NON-CASH AWARDS**

Jasper County, South Carolina, did not receive any non-cash federal awards during the year ended June 30, 2011.

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

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

We have audited 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, 2011, which collectively comprise the Jasper County, South Carolina's basic financial statements and have issued our report thereon dated December 15, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Jasper County, South Carolina's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Jasper County, South Carolina's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting, 2011-1 through 2011-5. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, South Carolina's financial statements are free of 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*.

Jasper County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of finding and questioned costs. We did not audit Jasper County, South Carolina's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, County Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

December 15, 2011  
Augusta, Georgia



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

**Compliance**

We have audited the compliance of Jasper County, South Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. Jasper County, South Carolina's major programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jasper County, South Carolina's management. Our responsibility is to express an opinion on Jasper County, South Carolina's compliance based on our audit.

We conducted our audit of compliance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of State, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about Jasper County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides reasonable basis for our opinion. Our audit does not provide a legal determination of Jasper County, South Carolina's compliance with those requirements.

In our opinion, Jasper County, South Carolina, complied, in all material aspects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

### **Internal Control Over Compliance**

Management of Jasper County, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jasper County, South Carolina's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control over compliance.

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

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

This report is intended solely for the information and use of the County Council, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Baird & Company, CPAs, LLC*

BAIRD & COMPANY, CPAs, LLC  
Certified Public Accountants

December 15, 2011  
Augusta, Georgia

**JASPER COUNTY, SOUTH CAROLINA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**I. Summary of Auditors' Results**

- A. The auditors' report expresses an unqualified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed five significant deficiencies in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of the 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 Jasper County, South Carolina expresses an unqualified opinion on all major federal programs.
- F. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.
- G. Major federal programs for Jasper County, South Carolina for the fiscal year ended June 30, 2011 are:

<u>Program Name</u>	<u>CFDA#</u>
<b>U. S. Department of Homeland Security</b>	
Assistance to Firefighters Grant	97.044
<b>U. S. Department of Justice</b>	
Public Safety Partnership and Community Policing Grant	16.710

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$300,000.
- I. Jasper County, South Carolina did not qualify as a low risk auditee.

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

**Finding 2011-1**

**Criteria:**

The Treasurer's "Collection Report" should accurately reconcile to the related deposit slips and bank statements each month. Adjustments should be made to correct errors when discovered.

**Condition:**

The Treasurer's "Collection Report" was not accurately reconciled to the January 10, 11, 12, and 13 deposit slips and the January bank statement.

We selected January, 2011, for testing of revenues received for property taxes. We traced the amount recorded on the "Collection Report" to the corresponding deposit slip and reconciled the amounts shown on the deposit slips to the amount reported on the January bank statement as follows:

<u>Date</u>	<u>Amount on Collection Report</u>	<u>Amount on Deposit Slip</u>	<u>Amount on Bank Statement</u>	<u>Collection Report Bank Statement</u>	<u>Deposit Slip Bank Statement</u>
1/10/2011	\$ 1,037,128.15	\$ 1,037,098.86	\$ 1,037,099.56	\$ 28.59	\$ (0.70)
1/11/2011	557,596.30	557,978.43	557,978.43	(382.13)	-
1/12/2011	735,450.79	735,422.33	735,422.33	28.46	-
1/13/2011	754,425.43	754,444.21	754,444.21	(18.78)	-

**Cause:**

No adjustments were made to correct the incorrect posting of information.

**Effect:**

The books of record do not accurately reflect the property and vehicle tax receipts for January 10, 11, 12, and 13.

**Recommendation:**

*To improve internal control and operating efficiency, management should establish policies and procedures to accurately reconcile the "Collection Reports" to the related deposit slips and bank statements. Errors should be corrected and adjusted in a timely manner.*

**Management's Response:**

*I take responsibility for the issues or concerns that has been addressed, and can assure you that the necessary measures will be taken to correct these issues.*

*As long as I've been here our internal auditors reconciled the tax and general fund account.*

*I balance my monthly collection and apportion funds and disburse accordingly along with maintaining a daily activity of the general fund.*

*During our busy time of the year cash is deposited within one or two days, checks may differ depending on report balancing for that day.*

**Auditors' Conclusion:**

*The "Collection Reports" should be accurately reconciled to the deposit slips and bank statements. Errors should be corrected and adjusted in a timely manner.*

**Finding 2011-2**

**Criteria:**

Bank reconciliations should be prepared for all of the County's bank accounts in a timely manner.

**Condition:**

As of the date of our reports, the most current bank reconciliation for Treasurer's tax account was June 30, 2011.

**Cause:**

No policies and procedures are in place to have all of the bank accounts of the County reconciled in a timely manner.

**Effect:**

Posting errors or bank errors are not discovered in a timely manner.

**Recommendation:**

*To improve internal control and operating efficiency, management should establish policies and procedures to reconcile all of its bank accounts in a timely manner..*

**Management's Response:**

**Auditors' Conclusion:**

*Management did not respond to the finding.*

**Finding 2011-3**

**Criteria:**

Bank deposits should be made in a timely manner. When possible receipts should be made on the day of collection..

**Condition:**

When testing revenues receipts in the Treasurer's office and making management inquiry, we found that certain deposits were not made in a timely manner..

**Cause:**

No policies and procedures have been established to make timely deposits of property tax receipts.

**Effect:**

The cash assets are not adequately protected from loss.

**Recommendation:**

*To improve internal control and operating efficiency, management should establish policies and procedures that require timely deposit of tax receipts.*

**Management's Response:**

*Management response was included in finding 2011-1.*

**Auditors' Conclusion:**

*Bank deposits should be made on the day of receipt.*

**Finding 2011-4**

**Criteria:**

The Treasurer's office should have adequate separation of duties.

**Condition:**

The Treasurer's office does not have adequate separation of duties. We found that the same person that prepares the bank deposits also is taking the deposits to the bank.

**Cause:**

No policies and procedures have been established to adequately separate the duties in the Treasurer's office.

**Effect:**

Internal controls are weakened and County assets are not adequately protected.

**Recommendation:**

*To improve internal control and operating efficiency, management should establish policies and procedures to adequately separate duties or install additional management procedures to reduce the internal control risk to an acceptable level..*

**Management's Response:**

**Auditors' Conclusion:**

*Management did not respond to the finding.*

**Finding 2011-5**

**Criteria:**

Over and under drawer reconciliations should be properly recorded and polices and procedures should be in place to mitigate the risk of over and short drawer counts.

**Condition:**

When making inquiry and observations in the Treasurer's office, we found that the Treasurer requires that shortages be made up by employees. The collection of these shortages is not consistently applies.

**Cause:**

Adequate internal controls have not been established to consistently handle overages and shortages in the Treasurer's office.

**Effect:**

A weakness in internal control exists in recording overages and shortages in the Treasurer's office.

**Recommendation:**

*To improve internal control and operating efficiency, management should establish policies and procedures to adequately record overages and shortages in the Treasurer's office.*

**Management's Response:**

**Auditors' Conclusion:**

*Management did not respond to the finding.*

**III Findings and Questioned Costs Related to the Audit of Federal Awards**

There were no findings noted for the year ended June 30, 2011, that are required to be reported in accordance with OMB Circular A-133 criteria.

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

The 2009 and 2010 findings have been resolved as of June 30, 2011.