

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009

COUNTY COUNCIL

GEORGE HOOD, CHAIRMAN

SAMUEL GREGORY
LEROY BLACKSHEAR

HENRY ETHERIDGE
HUBERT TYLER

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DEPUTY ADMINISTRATOR/FINANCE
RONNIE MALPHRUS

PREPARED BY:
DEPARTMENT OF FINANCE

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2009

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INTRODUCTORY SECTION



Jasper County Council

651 GRAYS HWY. • RIDGELAND, SC 29936
P.O. BOX 1149 • RIDGELAND, SC 29936

DR. GEORGE HOOD
Chairman

L.FROY BLACKSHEAR
Vice Chairman

HENRY ETHERIDGE
Councilman

REV. SAMUEL GREGORY
Councilman

HURBERT TYLER
Councilman

ANDREW FULGHUM
Administrator

December 2, 2009

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, 2009.

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 auditor 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, 2009 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

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

In addition to the fund-by-fund financial information currently presented in the County's financial statements, we are now including government-wide financial statements. The government-wide financial statements include a statement of net 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 21,809. 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 2010 assessable base is \$118,128,019, up 4% from the assessable base of \$112,955,457 in fiscal year 2009. The County's private sector average weekly wage increased 1.2% from the previous year and is currently \$651. This average weekly wage is higher than average weekly wage rates reported in any of our neighboring South Carolina counties. Jasper County's median family income is currently \$36,522. This median family income level is higher than median family income levels reported in two of the three neighboring counties.

The U.S. Census Bureau's 2008 population estimate for Jasper County is 22,330. 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, growth has slowed in the area. The impact of a construction slowdown in Jasper County is hard felt as over 35% of all private sector jobs in the County are 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 10.7%. It was 6.9% last year. Jasper County is presently ranked 34th highest in unemployment in the state out of 46 counties. Before the economic downturn, Jasper County had one of the lowest unemployment rates in the state. Then, the County 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 makes even more sense as local governments react to recent economic development and job creation challenges.

This past year, the Jasper County Council and the Beaufort County Council joined together to form 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. Since its formation, the Alliance has developed four focus areas for economic development- aeronautics, distribution and logistics, green, and knowledge intensive. The Alliance has developed an integrated website presence with a property search database and dedicated marketing and branding in print and web advertising. The Alliance has also been successful in obtaining \$600,000 in grant funds to further our joint marketing and economic development efforts. The Alliance is currently working over 30 active economic development prospects for the region.

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 last year and have 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 over the past five years 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 begun. The County has provided financial support for one of the projects and obtained grant funding for another.

The County is developing a government campus in the Town of Ridgeland. The County has also constructed a new County administrative building on the campus known as the Jasper County Government Building. Renovation of the County's historic courthouse has begun and is scheduled to be completed in the fall of 2010. The Jasper County Chamber of Commerce and the Jasper County Museum operated by the Jasper County Historical Society are moving on the campus into the Perry House which was purchased by the County several years ago. The County has committed to issuing new debt not to exceed \$18 million in developing the government campus.

This past year, the County was faced with revenue shortfalls from fines, fees, and permits as a result of the lack of economic activity. Additionally, state shared revenue was cut. The County was forced to reduce its operating budget by over \$4 million in FY 2010. The County also reduced its workforce by 21 employees. Just as the County had to react to the challenges it has faced in the local economy in developing the FY 2010 budget, the County is now forced to re-examine its long-term financial challenges.

Going forward, the County has many challenges. The stresses of shrinking revenue sources, new debt, accrued liabilities and the competition for limited grant funds will force the County to re-examine and re-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. The budget included a fund balance allocation into the current year of \$3,937,640. This allocation accounted for over 90 percent of the current year deficit in the General Fund.
2. The County pays medical insurance on behalf of retired employees who have met the eligibility requirements. GASB-45 "Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions" became effective for the current fiscal year. This resulted in an accrual of \$924,438 on the government wide financial statements.

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, 2008. This was the twelfth consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,



Andrew P. Fulghum
County Administrator



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, 2008

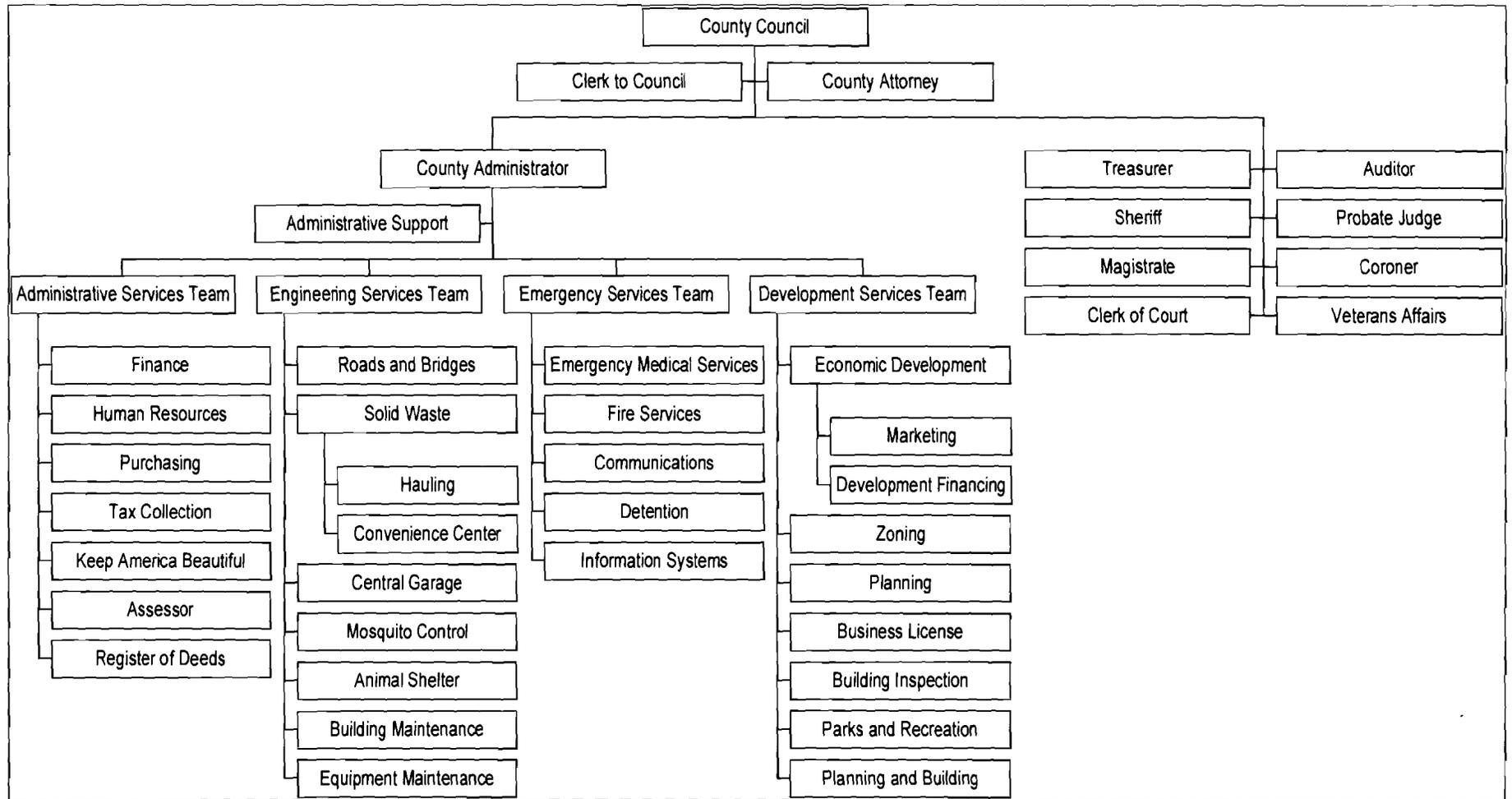
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

JASPER COUNTY, SOUTH CAROLINA
ORGANIZATIONAL CHART



**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2009**

TITLE	NAME
Chairman – County Council.....	George Hood
Vice Chairman – County Council.....	LeRoy Blackshear
Council Member.....	Hubert Tyler
Council Member.....	Henry Etheridge
Council Member.....	Leroy Blackshear
Administrator.....	Andrew P. Fulghum
Deputy Administrator/Finance.....	Ronnie Malphrus
Deputy Administrator/Planning & Development.....	Open
Deputy Administrator/Public Works.....	Dale Terry
Deputy Administrator/Emergency Services.....	Wilbur Daley
Treasurer.....	Verna Garvin
Sheriff.....	Gregory Jenkins

FINANCIAL SECTION

Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

Augusta, Georgia Office

Thomson, Georgia Office

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
J.T. Cosnahan, CPA, CFE, FCPA, DABFA, CICA, CGFM
Rep E. Whiddon, CPA, CVA
Brenda F. Carroll, CPA, CFE, CIA, CICA, FCPA

Benjamin B. Barmore, CPA, MCP, CITP
W. Lee Hammond, CPA

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, 2009, 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, 2009, 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 2, 2008, 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-

The management's discussion and analysis, budgetary comparison information and various other schedules reported on pages 12 through 19, pages 45 through 47 respectively are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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 2, 2009
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, 2009. 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 \$24,042,816 (net assets). Of this amount, \$935,975 (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 \$5,497,358.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$12,644,651, a decrease of \$2,517,851. This decrease is mostly attributable to the cash carryforward of \$3,937,640 in the general fund which caused a decrease of \$4,350,414.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,766,279 or 7.1 percent of the total fund expenditures.
- The County had \$18,165,504 in notes and leases outstanding versus \$11,331,682 last year, an increase of 60.3 percent. This increase was the result of the bond anticipation note of \$6,500,000 for the renovation of the court house and a lease of \$1,449,000 for vehicles.

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, economic development fund and the capital projects fund that are considered to be major funds. Data from the other six 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 27-44 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 48-50 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 \$24,042,816 at the close of the most recent fiscal year. The following table reflects the condensed governmental-wide statement of net assets.

	JASPER COUNTY, SOUTH CAROLINA NET ASSETS	
	Governmental Activities	
	2009	2008
Current and Other Assets		
Cash and Other Assets	\$ 17,340,054	\$ 19,518,858
Capital Assets	29,815,779	25,560,789
Total Assets	47,155,833	45,079,647
Long-term Liabilities Outstanding	19,836,521	11,864,501
Other Liabilities	3,276,496	3,654,972
Total Liabilities	23,113,017	15,539,473
Net Assets		
Investment in Capital Assets, Net of Related Debt	19,162,304	19,517,800
Restricted	3,944,537	685,741
Unrestricted	935,975	9,336,633
Total Net Assets	\$ 24,042,816	\$ 29,540,174

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 \$19,162,304 (80 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 \$3,944,537 represents the balance of net assets that have restricted resources and are not available to fund other commitments. The largest portion \$2,607,866 of the restricted assets represent assets that have been set aside for economic development. The remaining net assets of \$1,336,671 relate to capital projects underway and other revenue sources that are earmarked for specific County functions.

The remaining balance of unrestricted net assets \$935,975 (3.8 percent) may be used to meet the County's ongoing obligations to citizen's and creditors.

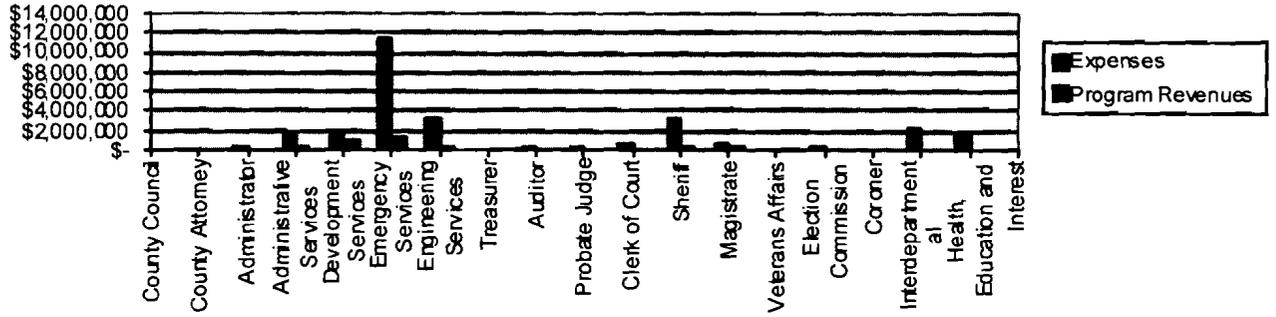
Governmental activities. The County's total net assets decreased by \$5,497,358 in 2009 compared to a decrease of \$926,169 in 2008. Key elements of this decrease are as shown in the following table.

JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET ASSETS		
	Governmental Activities	
	2009	2008
Revenues:		
Program Revenues:		
Charges for Services	\$ 3,058,211	\$ 3,584,338
Operating Grants and Contributions	525,791	658,006
Capital Grants and Contributions	394,806	787,331
General Revenues:		
Property Taxes	13,674,121	12,895,064
Other Taxes	3,026,805	3,333,737
Grants and Contributions not restricted to specific programs	1,153,872	1,174,418
Other	561,637	848,815
Total Revenues	<u>22,395,243</u>	<u>23,281,709</u>
Expenses		
County Council	222,077	186,952
County Attorney	160,460	-
Administrator	368,859	459,140
Administrative Services	1,527,501	1,363,203
Development Services	1,804,506	1,994,679
Emergency Services	11,462,011	9,575,753
Engineering Services	3,036,955	2,650,295
Treasurer	155,341	158,188
Auditor	246,090	225,344
Probate Judge	179,219	182,278
Clerk of Court	518,406	470,086
Sheriff	3,224,882	2,929,037
Magistrate	546,465	453,478
Veterans Affairs	99,590	111,421
Election Commission	236,943	238,603
Coroner	112,996	102,863
Interdepartmental	2,270,060	1,396,108
Health, Education and Welfare	1,587,493	1,566,812
Interest Expense	132,747	143,638
Total expenses	<u>27,892,601</u>	<u>24,207,878</u>
Change in net assets	(5,497,358)	(926,169)
Net assets – beginning	<u>29,540,174</u>	<u>30,466,343</u>
Net assets – ending	<u>\$ 24,042,816</u>	<u>\$ 29,540,174</u>

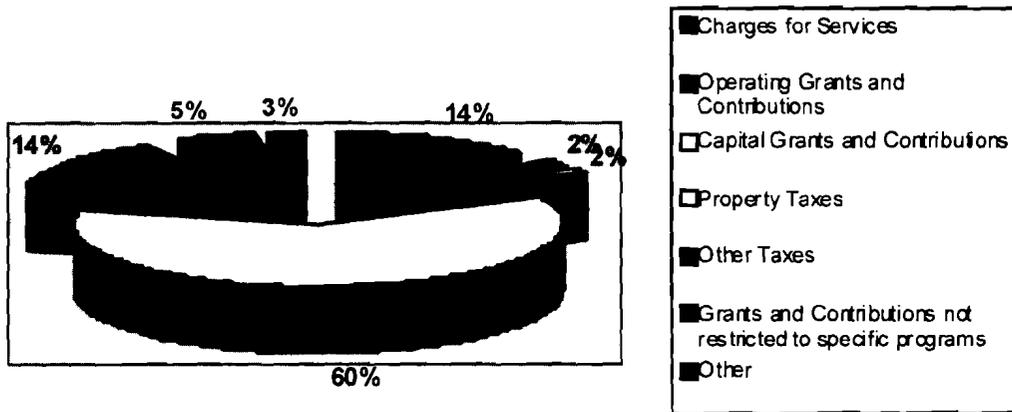
Overall revenues are down in areas that have been impacted by the condition of the economy. Charges for services are down due to revenues such as building permits and deeds that relate to the residential construction market. Other taxes are down because of reductions in revenues in local option sales taxes and accommodations and hospitality taxes that have been impacted by consumer spending habits.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. However, some noteworthy exceptions include the implementation of GASB Statement No. 45 resulted in an accrual of \$924,438 to reflect the future liability of the County for retiree benefits. Also, the expenses for inmate housing were over budget by \$550,000 due to the unexpected need for special medical treatment for prisoners.

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 \$12,644,651, a decrease of \$2,517,851 in comparison with a decrease of \$4,771,784 for the prior year.

The fund balance of the County's General Fund decreased by \$4,350,414 during the current fiscal year. Key factors of this decrease are as follows:

- Overall County revenues were under budget by \$6,262,919. This negative variance can be explained as follows:
 - A budgeted cash carryforward of \$3,937,640.
 - Revenues down due to poor economic conditions in building permits, deeds, local option sales taxes, accommodations and hospitality taxes. This trend resulted in an unfavorable variance of these revenues in the amount of \$913,139.
 - Court fines were under budget by \$176,243 due to reductions in state troopers because of State of South Carolina budget cuts.
 - Property taxes were under budget \$1,495,515 due to an increase in delinquent property taxes of \$500,000 for the current fiscal year. Also, the value of a mill used for budgeting was higher than actual value by about \$5,000.
- Overall expenditures were under budget by \$2,088,579 which helped to offset the negative variance from the revenues. This positive variance can be explained as follows:
 - Total salaries were under budget \$181,934.
 - The budget for the Hardeeville Fire Contract was \$525,000 with actual expenditures of \$643,885 resulting in an over budget of \$118,885. This variance was due to under estimating the taxes in the Cherry Point area.
 - Inmate housing was budgeted at \$150,000 with actual expenditures of \$699,224 resulting in an over budget of \$549,224. This variance was due to the special medical treatment which had to be performed at another facility.
 - A budget of \$687,000 was established to fund the other post employment benefits as per the actuary study. Due to unfavorable economic conditions, the decision was made to forego funding in the current fiscal year.

The economic development fund has a total fund balance of \$2,607,866. The net decrease in fund balance during the current year of \$297,262 was due to the following factor:

- Expenditures of \$250,000 for payment on principal of debt service.

The capital projects fund has a total fund balance of \$7,357,897 of which \$6,933,835 is designated for the renovation of the County Court House building and fire station. The increase of \$1,902,957 is attributable to the increase in restricted cash being held for the construction project.

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 reduced the budget by \$246,000 by amending the budgeted cash carryforward. Differences between the original budget and the final amended budget in the fiscal year ending June 30, 2009, can be briefly summarized as follows:

SUPPLEMENTAL REDUCTIONS TO BUDGET BY FUNCTION

County Council	\$	2,000
County Attorney		4,000
Administrator		12,000
Administrative Services		19,500
Development Services		51,000
Emergency Services		102,500
Engineering Services		30,500
Interdepartmental		18,000
Health, Education and Welfare		6,500
Total Supplemental Reductions	\$	<u>246,000</u>

This reduction was to help offset across the board decreases in revenues.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2009 amounts to \$29,815,779 (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 annex, Courthouse	\$	4,153,112
Vehicles-Sheriff cars, ambulances, and other vehicles		932,072
Radio system, telephone system		594,874
Cypress Ridge roads		22,540
Architect Fire Station		18,000
Park equipment, fencing, A/C, compactors, fire equipment		95,872
Total capital outlay	\$	<u>5,816,470</u>

JASPER COUNTY, SOUTH CAROLINA CAPITAL ASSETS - NET OF DEPRECIATION

	Governmental Activities	
	2009	2008
Land and Improvements	\$ 2,534,470	\$ 2,534,470
Construction in progress	292,435	4,711,713
Buildings and Improvements	18,003,958	10,425,592
Machinery and Equipment	2,613,248	2,315,769
Vehicles	2,529,471	2,313,131
Infrastructure	<u>3,842,197</u>	<u>3,260,114</u>
Total	<u>\$ 29,815,779</u>	<u>\$ 25,560,789</u>

Additional information on the County's capital assets can be found in note 5 on page 35 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$19,836,521. The County's total long-debt increased by \$7,952,020 (67 percent) during the current fiscal year. \$6,500,000 was borrowed for the renovation of the court house and \$1,449,000 was borrowed under a capital leasing arrangement for vehicles and equipment. \$8,505,000 was refinanced with a new bond anticipation note of \$8,650,000. Capital lease and bank loans were paid as scheduled. Implementation of GASB Statement No. 45 created a new liability of \$924,438 for other post employment benefits. The capital leases were paid off on July 1, 2009 and included in a bond anticipation note. Changes in outstanding debt are summarized below:

JASPER COUNTY, SOUTH CAROLINA OUTSTANDING DEBT

	Governmental Activities	
	2009	2008
Bank loans	\$ 703,404	\$ 820,647
Bond anticipation note	15,150,000	8,505,000
Capital leases	2,312,100	2,006,035
Compensated absences	746,579	552,819
Other post employment benefits	<u>924,438</u>	-
Total	<u>\$ 19,836,521</u>	<u>\$ 11,884,501</u>

State statutes limit the amount of general obligations 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 \$9,777,311. There is no general obligation debt outstanding.

Additional information on the County's long-term debt can be found in note 7 on page 36 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment now stands at 10.7 percent versus 6.9 percent a year ago. In comparison, the state's unemployment rate is 11.6 percent and the national rate is 9.8 percent as of September 2009. Jasper County is ranked 34th highest unemployment in state out of 46 counties.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2008 tax year increased from \$120,058,778 to \$127,866,386 due to growth and reassessment.
- The County reduced personnel by about 20 employees as of June 30, 2009.

All of these factors were considered in preparing the County's budget for the 2010 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$1,766,279. The County has appropriated \$115,753 of this amount for spending in the 2010 fiscal year budget. The County set millage for the 2010 budget year at 127, which is an increase of 8 mills. Budgeted expenditures for 2010 are projected to decrease 16 percent to \$23,109,778 from \$27,430,637 in 2010.

Requests for Information

This financial report is designed to provide a general overview of Jasper County's finances for all those with as 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, 2009**

		<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS		
Cash	\$	3,891,899
Receivables		3,378,468
Restricted Cash		7,421,177
Notes Receivable		365,976
Property Held for Resale		1,704,340
Bond Issue Costs		578,194
Capital Assets not being depreciated		
Land		2,534,470
Construction in Progress		292,435
Capital Assets being depreciated		
Buildings and Improvements		18,003,958
Machinery and Equipment		2,613,248
Vehicles		2,529,471
Infrastructure		3,842,197
Total Assets		<u>47,155,833</u>
LIABILITIES		
Accounts Payable		1,360,977
Salaries and Benefits Payable		815,980
Unearned Revenue		777,944
Accrued Interest		321,595
Noncurrent Liabilities		
Due within one year		17,731,480
Due in more than one year		2,105,041
Total Liabilities		<u>23,113,017</u>
NET ASSETS		
Invested in Capital Assets, net of related debt		19,162,304
Restricted for:		
Economic Development		2,607,866
Capital Projects		424,062
Tourism and Recreation		531,935
Drug Seizures		256,774
Other Purposes		123,900
Unrestricted		935,975
Total Net Assets	\$	<u>24,042,816</u>

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, 2009**

<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>
Governmental Activities					
County Council	\$ 222,077	\$ -	\$ -	\$ -	\$ (222,077)
County Attorney	160,460	-	-	-	(160,460)
Administrator	368,859	-	-	-	(368,859)
Administrative Services	1,527,501	278,460	-	-	(1,249,041)
Development Services	1,804,506	854,280	96,323	7,643	(846,260)
Emergency Services	11,462,011	1,006,615	31,684	387,163	(10,036,549)
Engineering Services	3,036,955	68,873	229,315	-	(2,738,767)
Treasurer	155,341	-	2,138	-	(153,203)
Auditor	246,090	-	1,575	-	(244,515)
Probate Judge	179,219	65,490	1,575	-	(112,154)
Clerk of Court	518,406	110,814	9,182	-	(398,410)
Sheriff	3,224,882	310,055	96,668	-	(2,818,159)
Magistrate	546,465	357,153	-	-	(189,312)
Veterans Affairs	99,590	-	4,326	-	(95,264)
Election Commission	236,943	-	53,005	-	(183,938)
Coroner	112,996	-	-	-	(112,996)
Interdepartmental	2,270,060	-	-	-	(2,270,060)
Health, Education and Welfare	1,587,493	6,471	-	-	(1,581,022)
Interest	132,747	-	-	-	(132,747)
Total Governmental Activities	<u>\$ 27,892,601</u>	<u>\$ 3,058,211</u>	<u>\$ 525,791</u>	<u>\$ 394,806</u>	<u>(23,913,793)</u>
General Revenues					
Property Taxes					13,674,121
Local Option Sales Taxes					2,523,030
Franchise Taxes					70,062
Accommodation and Hospitality Taxes					433,713
Grants and contributions not restricted to specific programs					1,153,872
Earnings on investments					88,067
Miscellaneous					422,579
Gain on Disposal of Capital Assets					50,991
Total General Revenues, Special Items and Transfers					<u>18,416,435</u>
Change in net assets					(5,497,358)
Net assets, beginning					29,540,174
Net assets, ending					<u>\$ 24,042,816</u>

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

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

ASSETS	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash	\$ 1,912,396	\$ 581,122	\$ 454,076	\$ 944,305	\$ 3,891,899
Receivables - net	2,666,709	22,884	-	688,875	3,378,468
Restricted Cash	-	-	7,421,177	-	7,421,177
Interfund Receivables	-	686,248	-	-	686,248
Notes Receivable	-	365,976	-	-	365,976
Property Held for Resale	-	1,704,340	-	-	1,704,340
Total Assets	<u>\$ 4,579,105</u>	<u>\$ 3,360,570</u>	<u>\$ 7,875,253</u>	<u>\$ 1,633,180</u>	<u>\$ 17,448,108</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 834,538	\$ 7,996	\$ 517,356	\$ 1,087	\$ 1,360,977
Salaries and Benefits Payable	815,980	-	-	-	815,980
Deferred Revenue	1,162,308	744,708	-	33,236	1,940,252
Interfund Payables	-	-	-	686,248	686,248
Total Liabilities	<u>2,812,826</u>	<u>752,704</u>	<u>517,356</u>	<u>720,571</u>	<u>4,803,457</u>
Fund Balances					
Reserved					
Noncurrent Assets	-	2,070,316	-	-	2,070,316
Bond Proceeds held for office building	-	-	6,933,835	-	6,933,835
Unreserved					
Undesignated	1,650,526	537,550	424,062	-	2,612,138
Designated	115,753	-	-	-	115,753
Unreserved, reported in nonmajor					
Special Revenue Funds	-	-	-	912,609	912,609
Total Fund Balances	<u>1,766,279</u>	<u>2,607,866</u>	<u>7,357,897</u>	<u>912,609</u>	<u>12,644,651</u>
Total Liabilities and Fund Balances	<u>\$ 4,579,105</u>	<u>\$ 3,360,570</u>	<u>\$ 7,875,253</u>	<u>\$ 1,633,180</u>	<u>\$ 17,448,108</u>

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, 2009**

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

Total fund balances for governmental funds \$ 12,644,651

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	292,435	
Buildings and Improvements, net of \$3,056,182 accumulated depreciation	18,003,958	
Machinery and Equipment, net of \$2,228,460 accumulated depreciation	2,613,248	
Vehicles, net of \$2,827,738 accumulated depreciation	2,529,471	
Infrastructure, net of \$741,158 accumulated depreciation	<u>3,842,197</u>	
Total Capital Assets		29,815,779

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. 1,162,308

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. 578,194

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, 2009 are:

Accrued Interest Payable	(321,595)	
Post Retirement Benefits Payable	(924,438)	
Bonds, Notes and Leases Payable	(18,165,504)	
Compensated Absences	<u>(746,579)</u>	
Total Long-Term Liabilities		<u>(20,158,116)</u>

Total net assets of governmental activities \$ 24,042,816

JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	<u>GENERAL</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES					
Taxes	\$ 16,060,736	\$ -	\$ -	\$ 294,920	\$ 16,355,656
Fines, Fees and Licenses	2,436,415	55,307	-	403,778	2,895,500
Intergovernmental	1,436,745	-	-	754,195	2,190,940
Miscellaneous	347,822	73,257	68,710	71,848	561,637
Total Revenue	<u>20,281,718</u>	<u>128,564</u>	<u>68,710</u>	<u>1,524,741</u>	<u>22,003,733</u>
EXPENDITURES					
Current:					
County Council	222,538	-	-	-	222,538
County Attorney	153,288	-	-	-	153,288
Administrator	356,342	-	-	-	356,342
Administrative Services	1,456,237	-	-	-	1,456,237
Development Services	1,219,626	153,286	-	375,076	1,747,988
Emergency Services	10,773,517	-	59,743	30,577	10,863,837
Engineering Services	2,233,543	-	554,397	235,772	3,023,712
Treasurer	151,414	-	-	-	151,414
Auditor	244,309	-	-	-	244,309
Probate Judge	177,124	-	-	-	177,124
Clerk of Court	511,780	-	-	-	511,780
Sheriff	2,712,516	-	78,571	112,716	2,903,803
Magistrate	533,569	-	-	-	533,569
Veterans Affairs	96,270	-	-	-	96,270
Election Commission	209,343	-	-	-	209,343
Coroner	111,908	-	-	-	111,908
Interdepartmental	986,759	-	-	-	986,759
Health, Education and Welfare	1,592,191	-	-	-	1,592,191
Debt Service:					
Principal	1,010,178	250,000	8,505,000	-	9,765,178
Interest	91,863	-	307,936	-	399,799
Capital Outlay:					
Administrator	-	-	42,467	-	42,467
Development Services	7,971	22,540	-	7,643	38,154
Emergency Services	78,115	-	364,000	387,163	829,278
Engineering Services	40,657	-	4,218,693	-	4,259,350
Sheriff	-	-	443,946	-	443,946
Total Expenditures	<u>24,971,058</u>	<u>425,826</u>	<u>14,574,753</u>	<u>1,148,947</u>	<u>41,120,584</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,689,340)</u>	<u>(297,262)</u>	<u>(14,506,043)</u>	<u>375,794</u>	<u>(19,116,851)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of Debt	-	-	16,599,000	-	16,599,000
Transfers In	458,000	-	-	119,074	577,074
Transfers Out	(119,074)	-	(190,000)	(268,000)	(577,074)
Total Other Financing Sources (Uses)	<u>338,926</u>	<u>-</u>	<u>16,409,000</u>	<u>(148,926)</u>	<u>16,599,000</u>
Net change in fund balances	(4,350,414)	(297,262)	1,902,957	226,868	(2,517,851)
Fund balances, beginning	6,116,693	2,905,128	5,454,940	685,741	15,162,502
Fund balances, ending	<u>\$ 1,766,279</u>	<u>\$ 2,607,866</u>	<u>\$ 7,357,897</u>	<u>\$ 912,609</u>	<u>\$ 12,644,651</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, 2009**

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	\$ (2,517,851)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$5,816,470) exceeded depreciation (\$1,561,480) in the current period.	4,254,990
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.	(16,599,000)
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	9,765,178
Revenues that were reported in the statement of activities that are not reported in the funds.	391,510
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	262,236
Other Post Employment Benefits	(924,438)
Compensated Absences	(193,760)
Accrued Interest	63,777
Total change in net assets of governmental activities	\$ (5,497,358)

**JASPER COUNTY, SOUTH CAROLINA
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2009**

	Agency Funds
ASSETS	
Cash	\$ 8,936,631
Total Assets	8,936,631
 LIABILITIES	
Due to Others	8,936,631
Total Liabilities	8,936,631
 NET ASSETS	\$ -

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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 as separate columns in the fund financial statements.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

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 been eliminated from the government-wide financial statements.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

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, 2009**

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 15th with penalties assessed of 3% if paid after January 15th, 10% if paid after January 31st, and 15% if paid after March 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for fiscal year 2009 is 119 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, 2009**

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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.

Restrictions may be imposed on a portion of a government's net assets by parties outside the government (such as creditors, grantors, contributors). In some cases, such restricted assets are directly associated with particular liabilities (for instance, restricted assets associated with revenue bonds). An amount equal to these restricted assets, less any related liabilities, is reported as restricted net assets.

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, 2009**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Expenses/Expenditures

Consistent with the current financial resources measurement focus, the governmental fund statement of activities report 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. During the year, the County Council adopted a reduction of the original budget in the amount of \$246,000.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 3 DEPOSITS AND INVESTMENTS

As of June 30, 2009, the County had the following cash and investments that are included in cash governmental funds of \$11,313,076 and the agency fund cash of \$8,936,631.

<u>Investment</u>	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 71,452	\$ 153,698
<u>Cash</u>			
Checking Accounts		7,893,022	7,873,228
Certificates of Deposit		5,105,717	5,105,717
US Government Securities		7,179,118	7,179,118
Change Funds		400	-
Total Deposits and Investments		<u>\$ 20,249,709</u>	<u>\$ 20,311,761</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, 2009 is \$33,698.

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 securities and construction funds invested in short-term government securities.

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.

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, 2009, \$12,382,643 of the County's bank balance was exposed to custodial credit risk as follows:

Uninsured and collateral held by third party bank trust department not in the County's name	<u>\$ 12,382,643</u>
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**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 4 RECEIVABLES

Receivables at June 30, 2009, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements, respectively.

<u>Receivables</u>	<u>General</u>	<u>Economic Dev</u>	<u>Other</u>	<u>Total</u>
			<u>Governmental Funds</u>	
Property taxes and assessments	\$ 2,965,148	\$ -	\$ -	\$ 2,965,148
Fines and Fees	2,423,895	-	-	2,423,895
Intergovernmental	1,096,614	-	680,407	1,777,021
Other	79,175	22,884	8,468	110,527
Gross receivables	6,564,832	22,884	688,875	7,276,591
Allowance for uncollectible accounts	(3,898,123)	-	-	(3,898,123)
Net total receivables	\$ 2,666,709	\$ 22,884	\$ 688,875	\$ 3,378,468

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	\$ 963,786	\$ -
Emergency medical service fees	198,522	-
Grant drawdowns prior to meeting all eligibility requirements	33,236	33,236
Special purpose drawdown not yet spent	744,708	744,708
Total	\$ 1,940,252	\$ 777,944

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, 2009 is \$365,976.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2009 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,534,470	\$ -	\$ -	\$ 2,534,470
Construction in progress	<u>4,711,713</u>	<u>4,164,902</u>	<u>8,584,180</u>	<u>292,435</u>
Total capital assets, not being depreciated	<u>7,246,183</u>	<u>4,164,902</u>	<u>8,584,180</u>	<u>2,826,905</u>
<i>Capital assets being depreciated</i>				
Buildings and improvements	13,133,533	7,926,607	-	21,060,140
Machinery and equipment	4,158,605	683,103	-	4,841,708
Vehicles	4,861,352	932,072	436,215	5,357,209
Infrastructure	<u>3,889,389</u>	<u>693,966</u>	<u>-</u>	<u>4,583,355</u>
Total capital assets being depreciated	<u>26,042,879</u>	<u>10,235,748</u>	<u>436,215</u>	<u>35,842,412</u>
Less accumulated depreciation for:				
Buildings and improvements	2,707,941	348,241	-	3,056,182
Machinery and equipment	1,842,836	385,624	-	2,228,460
Vehicles	2,548,221	715,732	436,215	2,827,738
Infrastructure	<u>629,275</u>	<u>111,883</u>	<u>-</u>	<u>741,158</u>
Total accumulated depreciation	<u>7,728,273</u>	<u>1,561,480</u>	<u>436,215</u>	<u>8,853,538</u>
Total capital assets being depreciated, net	<u>18,314,606</u>	<u>8,674,268</u>	<u>-</u>	<u>26,988,874</u>
Governmental activity capital assets, net	<u>\$ 25,560,789</u>	<u>\$ 12,839,170</u>	<u>\$ 8,584,180</u>	<u>\$ 29,815,779</u>

Construction in progress consists of work on the courthouse.

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

<u>Governmental Activities</u>	
Administrator	\$ 8,925
Administrative Services	63,401
Development Services	54,196
Emergency Services	512,921
Engineering Services	268,224
Clerk of Court	2,252
Sheriff	256,636
Parks, Recreation and Tourism	9,558
Election Commission	26,504
Interdepartmental	<u>358,863</u>
Total depreciation expense - governmental activities	<u>\$ 1,561,480</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2009 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Nonmajor Governmental Funds	<u>\$ 686,248</u>

The \$686,248 due to the economic fund from the nonmajor governmental funds represents shortfalls of cash in the nonmajor governmental funds.

Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>		<u>Nonmajor Governmental</u>	<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>		
General Fund	\$ -	\$ 190,000	\$ 268,000	\$ 458,000
Nonmajor Governmental Funds	<u>119,074</u>	-	-	<u>119,074</u>
Total transfers out	<u>\$ 119,074</u>	<u>\$ 190,000</u>	<u>\$ 268,000</u>	<u>\$ 577,074</u>

The transfer of \$119,074 from the general fund to the nonmajor fund was a transfer of accommodations tax receipts restricted by state law of \$114,614 and a transfer from the general fund of \$4,460 was to cover expenses of Sgt. Jasper Park. The transfer of \$268,000 from the nonmajor fund to the general fund was to reimburse expenses paid by the general fund for E-911 of \$125,000 and \$143,000 to make the payment on a note for road construction. The transfer of \$190,000 to the general fund was cash transferred from the capital projects fund.

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.

NOTE 7 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2009.

<u>Governmental Activities</u>	<u>June 30, 2008</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2009</u>	<u>Due Within A Year</u>
Bank loans	\$ 820,647	\$ -	\$ 117,243	\$ 703,404	\$ 119,380
Bond anticipation notes	8,505,000	15,150,000	8,505,000	15,150,000	15,150,000
Capital leases	2,006,035	1,449,000	1,142,935	2,312,100	2,312,100
Compensated absences	552,819	343,760	150,000	746,579	150,000
Other post employment benefits	-	1,086,193	161,755	924,438	-
Total	<u>\$ 11,884,501</u>	<u>\$ 18,028,953</u>	<u>\$ 10,076,933</u>	<u>\$ 19,836,521</u>	<u>\$ 17,731,480</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 LONG-TERM OBLIGATIONS – CONTINUED

Long-term debt payable at June 30, 2009 is comprised of the following issues:

Leases Payable	Balance
\$1,449,000 lease on ambulances and equipment payable July 1, 2009	\$ 822,679
\$610,000 lease on emergency equipment payable in seven annual installments of \$99,190 including interest at 3.25% beginning January 2004.	97,341
\$570,000 lease on E-911 equipment payable in seven annual installments of \$91,860 including interest at 3.25% beginning February 2004.	86,978
\$82,240 lease on slope mower payable in seven annual installments of \$13,701 including interest at 4.72% beginning February 2008.	60,997
\$809,726 lease on heavy equipment payable in five annual installments of \$111,016 including interest at 5.25% with balloon payment of \$436,000 beginning August 2007.	702,399
\$1,167,000 lease on fire truck and other equipment payable in seven annual installments of \$193,708 including interest at 4.55% beginning April 2006.	541,706
Total Leases Payable	\$ 2,312,100
<u>Bank Loans Payable</u>	
\$1,200,000 loan for construction of the Greenway Business Park Road payable in twenty semi-annual payments of \$70,555 including interest at 3.19% beginning April 2005.	\$ 703,404
<u>Bond Anticipation Notes</u>	
\$8,650,000 for the construction of an office building due July 15, 2009.	\$ 8,650,000
\$6,500,000 for the renovation of the courthouse due February 1, 2010 with interest rate of 2.0%	6,500,000
Total Bonds Payable	\$ 15,150,000

Debt Service Requirements –All leases were payable from the general fund except for the principal portion of \$250,000 paid from the economic development fund. The bond anticipation notes are being paid off with new financing in the capital projects fund. Once construction on the courthouse has concluded, a long-term bond will be paid from the general fund. Interest paid for the year was \$399,799. On July 1, 2009, all of the leases and the bond anticipation note of \$8,650,000 were paid plus accrued interest of \$315,985 from the proceeds of a new bond anticipation note in the amount of \$11,900,000.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED

Bank Loan and Bond Anticipation Note – The bond anticipation note of \$8,650,000 will be paid by issuing another bond anticipation note on July 1, 2009. The annual requirements to amortize the debt as of June 30, 2009 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 15,269,380	\$ 355,004	\$ 15,624,384
2011	123,245	17,865	141,110
2012	127,234	13,876	141,110
2013	131,353	9,757	141,110
2014	135,605	5,504	141,109
2015	66,587	2,362	68,949
Total	<u>\$ 15,853,404</u>	<u>\$ 404,368</u>	<u>\$ 16,257,772</u>

Equipment Under Capitalized Leases – The County has entered into various lease agreements for financing the acquisition of vehicles and equipment with a historical cost of \$4,541,528 and accumulated amortization of \$2,174,024. Future minimum lease payments as of June 30, 2009 are as follows.

<u>Fiscal Year Ending June 30,</u>	
2010	<u>\$ 2,424,710</u>
Total minimum lease payments	2,424,710
Less amount representing interest	<u>(112,710)</u>
Present value minimum lease payments	<u>\$ 2,312,000</u>

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, 2009 are \$746,579 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED

Other Post Employment Benefits

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, 2009, the County contributed \$161,755 to the plan, including \$161,755 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. 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	\$ 1,086,193
Interest on net OPEB obligation	<u>-</u>
Annual OPEB cost (expense)	1,086,193
Contributions made	<u>(161,755)</u>
Increase in net OPEB obligation	924,438
Net OPEB obligation-beginning of year	<u>-</u>
Net OPEB obligation-end of year	<u>\$ 924,438</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 and the two preceding years were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2007	\$ -	0.0%	\$ -
2008	-	0.0%	-
2009	1,086,193	14.9%	924,438

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 7 LONG-TERM OBLIGATIONS - CONTINUED

Other Post Employment Benefits – Continued

Funded Status and Funding Progress - As of June 30, 2007, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$7,239,895, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$7,239,895. The covered payroll (annual payroll of active employees covered by the plan) was \$10,685,795, 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, 2007 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 as a level percentage of projected payroll (assumed to increase at 3 percent) required to fully amortize the UAAL over a thirty year period.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
6/30/2008	-	-	-	0.0%	-	0.0%
6/30/2009	-	924,438	924,438	0.0%	10,685,795	8.7%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 8 FUND BALANCES -GOVERNMENTAL FUNDS

Fund balance designations are established to reflect management's plans for financial resources allocation in a future period. Such plans or intents are subject to change and may never result in expenditures. Reserved fund balances include noncurrent assets. The following details designations and reservations of fund balances.

Designated

	<u>General Fund</u>
Budgeted cash carryforward in 09-10 operating budget	115,753
Total Designated Fund Balances	<u>\$ 115,753</u>

Reserved

	<u>Economic Development</u>	<u>Capital Projects</u>
Bond proceeds held for courthouse and fire station	\$ -	\$ 6,933,835
Notes receivable	365,976	-
Property held for resale	<u>1,704,340</u>	<u>-</u>
Total	<u>\$ 2,070,316</u>	<u>\$ 6,933,835</u>

NOTE 9 RETIREMENT PLAN

All of the County's full-time employees participate in the South Carolina Retirement System. The County's full-time police officers participate in the South Carolina Police Officers Retirement System. Each system is a cost-sharing multi-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board.

Both employees and employers are required to contribute to the plan under authority of Title 9 of the South Carolina Code of Laws. All employers contribute at the actuarially required contribution rates. A summary of the required contribution rates and the amounts contributed to the plan follows:

SOUTH CAROLINA RETIREMENT SYSTEM

<u>CONTRIBUTION INFORMATION</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Payroll	\$ 6,383,941	\$ 5,119,213	\$ 4,413,705
Covered Payroll	5,124,950	4,270,559	3,679,414
Retiree Payroll	236,793	152,114	121,794
Employee Contributions	347,979	287,474	247,099
Employee Contribution Rate	6.50%	6.50%	6.50%
Employer Contributions	496,293	406,770	309,114
Employer Contribution Rate	9.24%	9.06%	8.40%
Group Life Contributions	8,057	6,735	5,760
Group Life Contribution Rate	0.15%	0.15%	0.15%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 9 RETIREMENT PLAN - CONTINUED

**POLICE OFFICERS RETIREMENT SYSTEM
CONTRIBUTION INFORMATION**

<u>CONTRIBUTION INFORMATION</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Total Payroll	\$ 4,301,854	\$ 3,947,137	\$ 3,572,394
Covered Payroll	4,192,700	3,947,137	3,572,394
Retiree Payroll	109,154	47,600	65,332
Employee Contributions	274,516	259,657	236,452
Employee Contribution Rate	6.50%	6.50%	6.50%
Employer Contributions	458,147	411,458	374,685
Employer Contribution Rate	10.65%	10.30%	10.30%
Group Life Contributions	14,757	7,990	7,336
Group Life Contribution Rate	0.40%	0.20%	0.20%

The South Carolina Retirement System offers retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance benefits, and survivor benefits. The plan's provisions are established under Title 9 of the South Carolina Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11970, Columbia, South Carolina 29211-1970.

NOTE 10 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 11 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, 2009**

NOTE 12 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 bonds are to be paid by the County Treasurer paying the bondholders 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, 2009, \$6,600,000 and \$5,700,000 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, 2009, \$8,820,000 was outstanding.

The County has committed to renovate the courthouse. Preliminary estimates of the cost are \$6.5 million. At June 30, 2009, \$274,435 has been paid on the project and \$6,382,931 is available in the Capital Projects Fund.

The County has designated \$115,753 of the fund balance for expenditures in the fiscal year 2009-2010 budget.

NOTE 13 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).

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

NOTE 13 RISK MANAGEMENT - CONTINUED

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.

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 14 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	<u>June 30,</u> <u>2008</u>	<u>Additions</u>	<u>Cost of</u> <u>Land Sold</u>	<u>June 30,</u> <u>2009</u>
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 15 CAPITAL ASSETS NET

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

Capital Assets	\$ 29,815,779
Cash proceeds of bonds issued on hand	6,933,835
Bond Issue Costs	578,194
Debt on Capital Assets:	
Bond Anticipation Note	(15,150,000)
Notes Payable	(703,404)
Capital Leases	<u>(2,312,100)</u>
Invested in Capital Assets, net of related debt	<u>\$ 19,162,304</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 17,818,272	\$ 17,818,272	\$ 16,060,736	\$ (1,757,536)
Fines, Fees and Licenses	3,230,300	3,230,300	2,436,415	(793,885)
Intergovernmental	1,358,925	1,358,925	1,436,745	77,820
Miscellaneous	4,383,140	4,137,140	347,822	(3,789,318)
Total Revenues	<u>26,790,637</u>	<u>26,544,637</u>	<u>20,281,718</u>	<u>(6,262,919)</u>
EXPENDITURES				
Current:				
County Council	<u>224,500</u>	<u>222,500</u>	<u>222,538</u>	<u>(38)</u>
County Attorney	<u>175,200</u>	<u>171,200</u>	<u>153,288</u>	<u>17,912</u>
Administrator	<u>414,200</u>	<u>402,200</u>	<u>356,342</u>	<u>45,858</u>
Administrative Services				
Tax Collector	171,879	169,879	175,832	(5,953)
Assessor	652,300	645,800	584,642	61,158
Finance Department	450,000	501,000	480,935	20,065
Register of Deeds	176,865	175,365	153,402	21,963
Keep America Beautiful	61,950	61,350	61,426	(76)
Total Administrative Services	<u>1,512,994</u>	<u>1,553,394</u>	<u>1,456,237</u>	<u>97,157</u>
Development Services				
Economic Development Department	255,800	233,800	174,563	59,237
Business Licenses	67,600	64,650	60,904	3,746
Planning Commission	212,160	202,010	137,877	64,133
Recreation Department	381,000	375,000	370,463	4,537
Sgt Jasper Park	215,200	208,900	198,599	10,301
Building Permits	294,540	291,540	277,220	14,320
Total Development Services	<u>1,426,300</u>	<u>1,375,900</u>	<u>1,219,626</u>	<u>156,274</u>
Emergency Services				
Emergency Management	84,100	13,000	13,018	(18)
Emergency Telecommunications	1,045,500	1,039,500	923,650	115,850
Fire and Rescue	3,774,500	3,705,500	3,470,285	235,215
Information Technology	328,500	326,000	269,043	56,957
Emergency Services Department	2,171,600	2,240,200	2,126,032	114,168
Detention Center	3,243,000	3,251,000	3,536,156	(285,156)
Cherry Point Fire Station	473,500	487,000	415,333	71,667
Capital Improvements	20,000	20,000	20,000	-
Total Emergency Services	<u>11,140,700</u>	<u>11,082,200</u>	<u>10,773,517</u>	<u>308,683</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, 2009

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Engineering Services				
Administrative	\$ 292,200	\$ 292,500	\$ 261,454	\$ 31,046
Central Garage	192,600	186,400	149,029	37,371
Mosquito Control	34,700	24,700	11,703	12,997
Litter Control	65,700	62,700	61,246	1,454
Roads and Bridges	659,000	664,000	582,363	81,637
Building Maintenance	513,200	510,200	453,558	56,642
Solid Waste	828,500	823,500	714,190	109,310
Total Engineering Services	<u>2,585,900</u>	<u>2,564,000</u>	<u>2,233,543</u>	<u>330,457</u>
Treasurer	<u>167,400</u>	<u>168,300</u>	<u>151,414</u>	<u>16,886</u>
Auditor	<u>237,000</u>	<u>238,500</u>	<u>244,309</u>	<u>(5,809)</u>
Probate Judge	<u>192,400</u>	<u>193,600</u>	<u>177,124</u>	<u>16,476</u>
Clerk of Court				
Clerk of Court	529,200	529,200	511,780	17,420
Total Clerk of Court	<u>529,200</u>	<u>529,200</u>	<u>511,780</u>	<u>17,420</u>
Sheriff				
Sheriff	2,565,700	2,579,700	2,604,152	(24,452)
Victims Witness Program	107,850	108,550	102,678	5,872
Sheriff Child Support	-	-	5,686	(5,686)
Total Sheriff	<u>2,673,550</u>	<u>2,688,250</u>	<u>2,712,516</u>	<u>(24,266)</u>
Magistrate				
Central Traffic	189,500	189,500	128,260	61,240
Magistrate Lynah	120,800	120,800	103,705	17,095
Hardeeville	113,400	114,000	102,403	11,597
Central Bond	107,200	107,900	103,022	4,878
Magistrate McDonald	95,700	96,650	99,070	(2,420)
Magistrate Badgett	40,800	40,800	(2,891)	43,691
Total Magistrate	<u>667,400</u>	<u>669,650</u>	<u>533,569</u>	<u>136,081</u>
Veterans Affairs	<u>119,145</u>	<u>119,875</u>	<u>96,270</u>	<u>23,605</u>
Election Commission	<u>220,725</u>	<u>220,725</u>	<u>209,343</u>	<u>11,382</u>
Coroner	<u>122,550</u>	<u>122,850</u>	<u>111,908</u>	<u>10,942</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, 2009

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Interdepartmental				
Interdepartmental	\$ 1,487,140	\$ 1,384,460	\$ 698,535	\$ 685,925
Data Processing	285,000	285,000	237,563	47,437
Capital Improvements	114,000	64,000	50,661	13,339
Total Interdepartmental	<u>1,886,140</u>	<u>1,733,460</u>	<u>986,759</u>	<u>746,701</u>
Health, Education and Welfare				
Agency Appropriations	1,482,898	1,482,898	1,481,610	1,288
County Libraries	28,885	27,385	22,950	4,435
Health Department	25,000	25,000	22,165	2,835
Department of Social Services	34,100	34,100	34,247	(147)
Miscellaneous County Accounts	75,950	70,950	31,219	39,731
Total Health, Education and Welfare	<u>1,646,833</u>	<u>1,640,333</u>	<u>1,592,191</u>	<u>48,142</u>
Debt Service:				
Principal	1,110,150	1,110,150	1,010,178	99,972
Interest	123,350	123,350	91,863	31,487
Total Debt Service	<u>1,233,500</u>	<u>1,233,500</u>	<u>1,102,041</u>	<u>131,459</u>
Capital Outlay:				
Development Services	8,000	8,000	7,971	29
Emergency Services	80,000	80,000	78,115	1,885
Engineering Services	42,000	42,000	40,657	1,343
Total Capital Outlay	<u>130,000</u>	<u>130,000</u>	<u>126,743</u>	<u>3,257</u>
Total Expenditures	<u>27,305,637</u>	<u>27,059,637</u>	<u>24,971,058</u>	<u>2,088,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(515,000)</u>	<u>(515,000)</u>	<u>(4,689,340)</u>	<u>(4,174,340)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	640,000	640,000	458,000	(182,000)
Transfers Out	(125,000)	(125,000)	(119,074)	5,926
Total Other Financing Sources (Uses)	<u>515,000</u>	<u>515,000</u>	<u>338,926</u>	<u>(176,074)</u>
Net change in fund balances	-	-	(4,350,414)	(4,350,414)
Fund balances, beginning	6,116,693	6,116,693	6,116,693	-
Fund balances, ending	<u>\$ 6,116,693</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ (4,350,414)</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.

Sergeant Jasper Park This fund is used to account for the funds related to the operation and maintenance of the Sergeant Jasper Park facility.

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

SPECIAL REVENUE

	<u>ACCOM TAX</u>	<u>WASTE TIRE</u>	<u>SHERIFF</u>	<u>E911</u>	<u>GRANTS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 533,022	\$ -	\$ 256,774	\$ 149,409	\$ 5,100	\$ 944,305
Receivables	-	2,370	-	8,468	678,037	688,875
Total Assets	<u>\$ 533,022</u>	<u>\$ 2,370</u>	<u>\$ 256,774</u>	<u>\$ 157,877</u>	<u>\$ 683,137</u>	<u>\$ 1,633,180</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,087	\$ -	\$ -	\$ -	\$ -	\$ 1,087
Deferred Revenue	-	-	-	-	33,236	33,236
Interfund Payables	-	36,347	-	-	649,901	686,248
Total Liabilities	<u>1,087</u>	<u>36,347</u>	<u>-</u>	<u>-</u>	<u>683,137</u>	<u>720,571</u>
Fund Balances						
Unreserved						
Net Assets	531,935	(33,977)	256,774	157,877	-	912,609
Total Fund Balances	<u>531,935</u>	<u>(33,977)</u>	<u>256,774</u>	<u>157,877</u>	<u>-</u>	<u>912,609</u>
Total Liabilities and Fund Balances	<u>\$ 533,022</u>	<u>\$ 2,370</u>	<u>\$ 256,774</u>	<u>\$ 157,877</u>	<u>\$ 683,137</u>	<u>\$ 1,633,180</u>

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

SPECIAL REVENUE

	ACCOM TAX	WASTE TIRE	SHERIFF	E911	GRANTS	SGT JASPER PARK	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Taxes	\$ 294,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,920
Fines, Fees and Licenses	-	-	247,319	156,459	-	-	403,778
Intergovernmental	-	9,822	-	-	744,373	-	754,195
Miscellaneous	102	-	71,746	-	-	-	71,848
Total Revenue	<u>295,022</u>	<u>9,822</u>	<u>319,065</u>	<u>156,459</u>	<u>744,373</u>	<u>-</u>	<u>1,524,741</u>
EXPENDITURES							
Current:							
Development Services	278,753	-	-	-	96,323	-	375,076
Emergency Services	-	-	-	-	30,577	-	30,577
Engineering Services	-	16,279	-	-	219,493	-	235,772
Sheriff	-	-	109,541	-	3,175	-	112,716
Capital Outlay:							
Development Services	-	-	-	-	7,643	-	7,643
Emergency Services	-	-	-	-	387,163	-	387,163
Total Expenditures	<u>278,753</u>	<u>16,279</u>	<u>109,541</u>	<u>-</u>	<u>744,374</u>	<u>-</u>	<u>1,148,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,269</u>	<u>(6,457)</u>	<u>209,524</u>	<u>156,459</u>	<u>(1)</u>	<u>-</u>	<u>375,794</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	114,614	-	-	-	-	4,460	119,074
Transfers Out	(143,000)	-	-	(125,000)	-	-	(268,000)
Total Other Financing Sources (Uses)	<u>(28,386)</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>4,460</u>	<u>(148,926)</u>
Net change in fund balances	(12,117)	(6,457)	209,524	31,459	(1)	4,460	226,868
Fund balances, beginning	544,052	(27,520)	47,250	126,418	1	(4,460)	685,741
Fund balances, ending	<u>\$ 531,935</u>	<u>\$ (33,977)</u>	<u>\$ 256,774</u>	<u>\$ 157,877</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 912,609</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.

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2009**

	<u>Balance June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
School	\$ 14,189,636	\$ 38,998,101	\$ 47,290,281	\$ 5,897,456
Clerk of Court	11,755,253	2,254,334	12,386,282	1,623,305
Delinquent Tax Collector	500,025	3,778,078	3,625,433	652,670
1% Fire Fund	131,288	149,418	131,057	149,649
Nickle Plate Road Dev	39,612	908,917	509,050	439,479
Treasurers Tax Account	39,629	1,082,496	1,041,419	80,706
Town of Ridgeland	1,836	28,902	28,374	2,364
City of Hardeeville	6,851	1,772,694	1,767,734	11,811
Magistrates Court	79,731	461,337	476,019	65,049
Register of Deeds	<u>40,386</u>	<u>234,781</u>	<u>261,025</u>	<u>14,142</u>
Total	<u>\$ 26,784,247</u>	<u>\$ 49,669,058</u>	<u>\$ 67,516,674</u>	<u>\$ 8,936,631</u>

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
FOR YEAR ENDED JUNE 30, 2009**

Court Fines:	
Court Fines Collected	\$ 624,751
Court Fines Retained by County	<u>(328,212)</u>
Court Fines Remitted to the State Treasurer	<u>296,539</u>
Court Assessments:	
Court Assessments Collected	354,523
Court Assessments Retained by County	<u>(138,306)</u>
Court Assessments Remitted to State Treasurer	<u>216,217</u>
Court Assessments/Surcharges/Pullout	
Court Assessments/Surcharges/Pullout Collected	145,906
Court Assessments/Surcharges/Pullout Collected Retained by County	<u>-</u>
Court Assessments/Surcharges/Pullout Remitted to State Treasurer	<u>145,906</u>
Victims Services:	
Court Assessments Allocated to Victim Services	36,041
Court Surcharges Allocated to Victim Services	<u>18,705</u>
Total Funds Allocated to Victim Services	54,746
Victims Services Expenditures	<u>(103,027)</u>
Fund Available for Carryforward	(48,281)
Beginning of Year	<u>40,280</u>
End of Year	<u>\$ (8,001)</u>

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

**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

**JASPER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
COMPARATIVE SCHEDULES BY SOURCE
JUNE 30, 2009 AND 2008**

	2009	2008
GOVERNMENTAL FUNDS CAPITAL ASSETS:		
Land and Improvements	\$ 2,534,470	\$ 2,534,470
Construction in Progress	292,435	4,711,713
Buildings and Improvements	21,060,140	13,133,533
Machinery and Equipment	4,841,708	4,158,605
Vehicles	5,357,209	4,861,352
Infrastructure	4,583,355	3,889,389
Total Governmental Funds Capital Assets	\$ 38,669,317	\$ 33,289,062
 INVESTMENT IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
Governmental Revenues	\$ 22,525,500	\$ 21,095,079
Notes and Leases	9,808,257	6,108,423
Special Purpose Tax	5,363,171	5,363,171
Donations	972,389	722,389
Total Governmental Funds Capital Assets	\$ 38,669,317	\$ 33,289,062

JASPER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENT FUNDS
SCHEDULE BY FUNCTION
JUNE 30, 2009

FUNCTION	LAND AND IMPROVEMENTS	CONSTRUCTION IN PROGRESS	BUILDINGS AND IMPROVEMENTS	MACHINERY AND EQUIPMENT	VEHICLES	INFRASTRUCTURE	TOTAL
Administrator	\$ -	\$ -	\$ -	\$ 66,602	\$ 86,686	\$ -	\$ 153,288
Administrative Services	-	-	-	368,697	65,468	-	434,165
Development Services	-	-	-	52,431	64,758	1,532,679	1,649,868
Emergency Services	-	-	-	1,731,570	3,148,251	-	4,879,821
Engineering Services	714,400	-	-	1,848,465	660,853	2,911,928	6,135,646
Treasurer	-	-	-	10,000	-	-	10,000
Clerk of Court	-	-	-	51,684	-	-	51,684
⌘ Sheriff	-	-	-	137,343	1,288,677	-	1,426,020
Parks, Recreation, and Tourism	-	-	7,643	17,877	42,516	-	68,036
Veterans Affairs	-	-	-	5,914	-	-	5,914
Election Commission	-	-	-	275,643	-	-	275,643
Interdepartmental	1,820,070	292,435	21,052,497	275,482	-	138,748	23,579,232
Total	\$ 2,534,470	\$ 292,435	\$ 21,060,140	\$ 4,841,708	\$ 5,357,209	\$ 4,583,355	\$ 38,669,317

**JASPER COUNTY, SOUTH CAROLINA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2009**

<u>FUNCTION</u>	<u>JULY 1, 2008</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>TRANSFERS</u>	<u>TOTAL</u>
Administrator	\$ 153,288	\$ -	\$ -	\$ -	\$ 153,288
Administrative Services	413,805	20,360	-	-	434,165
Development Services	955,902	693,966	-	-	1,649,868
Emergency Services	4,369,993	811,278	301,450	-	4,879,821
Engineering Services	6,750,934	78,678	693,966	-	6,135,646
Treasurer	10,000	-	-	-	10,000
Clerk of Court	51,684	-	-	-	51,684
Sheriff	1,116,839	443,946	134,765	-	1,426,020
Parks, Recreation, and Tourism	52,422	15,614	-	-	68,036
Veterans Affairs	5,914	-	-	-	5,914
Election Commission	275,643	-	-	-	275,643
Interdepartmental	19,132,638	12,336,808	7,890,214	-	23,579,232
Total	<u>\$ 33,289,062</u>	<u>\$ 14,400,650</u>	<u>\$ 9,020,395</u>	<u>\$ -</u>	<u>\$ 38,669,317</u>

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. The County implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that year.

**JASPER COUNTY, SOUTH CAROLINA
NET ASSETS BY COMPONENTS
LAST EIGHT FISCAL YEARS**

Schedule 1

	FISCAL YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES								
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
Restricted	6,236,002	6,785,581	-	-	-	-	685,741	3,944,537
Unrestricted	7,006,827	8,453,306	8,523,876	8,682,699	12,011,585	11,890,660	9,336,633	935,975
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>

Source: County Audit Reports
County implemented GASB Statement No. 34 in year 2002.

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

Schedule 2

	FISCAL YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
Governmental Activities:								
County Council	\$ 102,520	\$ 114,081	\$ 128,310	\$ 114,582	\$ 118,761	\$ 134,382	\$ 186,952	\$ 222,077
County Attorney	-	-	-	-	-	-	-	160,460
Administrator	334,615	385,883	324,993	277,686	289,214	339,998	459,140	368,859
Administrative Services	569,860	587,985	604,881	627,279	817,788	1,001,209	1,363,203	1,527,501
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
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
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
Treasurer	79,643	90,056	90,493	93,102	107,206	114,184	158,188	155,341
Auditor	107,872	113,671	144,620	120,062	156,905	154,042	225,344	246,090
Probate Judge	112,901	124,673	140,293	142,204	147,803	166,147	182,278	179,219
Clerk of Court	395,932	395,991	476,808	408,538	463,747	461,035	470,086	518,406
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
Magistrate	266,499	296,582	416,747	398,272	409,063	449,539	453,478	546,465
Veterans Affairs	82,914	67,959	73,656	78,624	92,216	107,730	111,421	99,590
Election Commission	84,683	136,557	153,737	123,269	223,951	183,191	238,603	236,943
Coroner	44,125	58,150	76,462	76,358	94,537	86,037	102,863	112,996
Interdepartmental	974,663	899,748	652,423	1,048,190	1,525,679	1,323,023	1,396,108	2,270,060
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
Interest Expense	22,098	69,468	67,353	100,908	166,443	142,168	143,638	132,747
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>
Revenues								
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
Business Licenses							496,556	398,283
Fines							582,516	522,713
Development Fees and Permits							686,292	353,709
Other							1,138,817	1,061,116
Operating Grants and Contributions	177,024	148,545	187,478	181,931	533,441	292,110	658,006	525,791
Capital Grants and Contributions	1,158,128	1,145,586	2,491,393	900,060	1,630,037	802,986	787,331	394,806
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
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
Earnings on investments	242,086	169,073	37,037	133,513	277,933	514,250	1,174,418	88,067
Other	87,100	17,346	31,708	137,123	225,271	278,226	848,815	473,570
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>
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)
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
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>

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County implemented GASB Statement No. 34 in year 2002.

Source: County Audit Reports

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

Schedule 3

	FISCAL YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
GENERAL FUND								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,719,361	4,389,521	3,841,621	4,586,817	7,172,865	7,917,460	6,116,693	1,766,279
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>
ECONOMIC DEVELOPMENT FUND								
Reserved	\$ 1,838,062	\$ 1,645,062	\$ 1,605,942	\$ 1,556,260	\$ 2,107,420	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316
Unreserved	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>
CAPITAL PROJECTS FUND								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835
Unreserved	4,425,327	4,467,114	1,150,703	1,118,657	1,702,205	898,606	482,205	424,062
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>
ALL OTHER GOVERNMENTAL FUNDS								
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	817,189	879,757	564,062	640,846	763,803	764,894	685,741	912,609
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>

Source: County Audit Reports

The County reorganized the functional areas and information prior to year 2002 would not be comparable.

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

Schedule 4

	FISCAL YEAR							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
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
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
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
Miscellaneous	988,317	577,845	1,107,295	828,800	1,343,091	940,811	1,601,576	561,637
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>
Expenditures								
Current:								
County Council	70,271	114,081	128,310	114,582	118,761	134,382	173,655	222,538
County Attorney	-	-	-	-	-	-	-	153,288
Administrator	333,253	386,742	322,947	293,589	304,841	349,197	462,763	356,342
Administrative Services	546,540	571,057	573,985	603,499	809,461	996,441	1,278,477	1,456,237
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
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
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
Treasurer	79,066	90,056	90,493	92,642	105,162	113,751	152,909	151,414
Auditor	108,325	113,671	144,620	120,624	151,384	152,328	222,501	244,309
Probate Judge	113,028	124,673	140,293	140,653	142,995	158,338	181,721	177,124
Clerk of Court	370,945	372,094	445,236	402,076	454,520	452,632	466,021	511,780
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
Magistrate	267,412	296,582	416,747	398,330	401,231	447,801	455,827	533,569
Veterans Affairs	53,462	68,190	73,520	78,046	89,650	105,931	111,219	96,270
Election Commission	85,001	325,636	150,397	146,863	452,178	163,790	212,003	209,343
Coroner	44,125	58,150	76,462	76,358	94,537	86,037	102,863	111,908
Interdepartmental	974,663	1,044,658	1,074,373	993,635	1,721,788	1,199,832	1,096,383	986,759
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
Debt Service								
Principal							9,178,376	9,765,178
Interest							288,165	399,799
Capital Outlay							5,540,295	5,613,195
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>41,120,584</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>(19,116,851)</u>
Other Financing Sources (Uses)								
Issuance of Debt	-	1,462,424	103,326	2,266,811	2,158,000	8,252,240	9,314,726	16,599,000
Transfers In	332,123	630,253	379,648	555,001	574,706	723,620	897,514	577,074
Transfers Out	(332,123)	(630,253)	(379,648)	(555,001)	(574,706)	(723,620)	(897,514)	(577,074)
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>16,599,000</u>
Net Change in Fund Balances	2,110,331	(717,004)	(4,427,554)	1,411,992	3,592,556	7,246,281	(4,771,784)	(2,517,851)
Fund Balances, Beginning	10,717,689	12,828,020	12,111,011	7,683,457	9,095,449	12,688,005	19,934,286	15,162,502
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>
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	N/A	6.3%	4.7%	4.6%	5.7%

Source: County Audit Reports

The County reorganized the functional areas and information prior to year 2002 would not be comparable.

Statements were reformatted in 2008. Information is (N/A) not available for prior years.

Debt of \$ 8,650,000 was issued to pay bond anticipation notes and is excluded from percentage calculations.

**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	
2000	\$ 27,013,700	\$ 18,043,979	\$ 45,057,679	\$ 562,780,839	\$ 171,818,251	\$ 734,599,090	153.33
2001	27,864,990	19,327,643	47,192,633	580,520,625	184,072,790	764,593,415	156.60
2002	40,810,850 *	21,342,435	62,153,285 *	803,554,263 *	203,261,286	1,006,815,549 *	131.00
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	78,885,493	48,980,893	127,866,386	1,490,608,443	579,135,539	2,069,743,982	119.00

* 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**

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES		OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
			OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2000	153.33	-	113.92	16.00	-	90.00	128.00
2001	156.60	-	108.87	17.53	-	85.00	147.00
2002	131.00	-	109.50	22.50	-	85.00	147.00
2003	133.00	-	118.30	22.30	30.00	85.00	147.00
2004	138.50	-	127.00	4.50	30.00	85.00	147.00
2005	163.00	-	129.00	7.00	35.00	85.00	147.00
2006	155.00	-	133.50	7.50	35.00	110.00	147.00
2007	109.50	-	112.50	-	31.00	110.00	153.00
2008	115.00	-	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	122.00	8.00	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

TAXPAYER	2009			2000		
	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE
South Carolina Electric & Gas	\$ 21,351,860	1	16.69 %	\$ 2,058,970	1	6.3 %
Malphrus Construction	2,915,170	2	2.28	-		-
Palmetto Electric	2,699,530	3	2.11	1,180,190	2	3.6
Georgia DOT	2,260,350	4	1.77	354,010	7	1.0
Carolina Gas Transmission Corporation	1,347,990	5	1.05	-	-	-
OC Welch III	921,570	6	0.72	-	-	-
CSX Transportation	899,026	7	0.70	615,570	4	1.9
Okeetee Club	720,950	8	0.56	644,270	3	1.9
Toll SC III LP	705,500	9	0.55	-	-	-
Walmart Real Estate Business	686,390	10	0.54	-	-	-
Southern Natural Gas	-		-	490,630	6	1.6
Westvaco	-		-	293,430	9	0.8
Hargray Telephone	-		-	581,060	5	1.8
Waste Management of South Carolina	-		-	-	-	-
United Telephone	-		-	270,160	10	0.8
Cypress Woods	-		-	292,800	8	0.9
Total	\$ 34,508,336		26.97 %	\$ 6,781,090		20.60 %

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Source: Jasper County Auditor

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

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE		AMOUNT	PERCENTAGE
			OF LEVY			OF LEVY
2000	\$ 4,886,813	\$ 4,160,527	85.2 %	\$ 658,712	\$ 4,819,239	98.6 %
2001	5,121,835	4,483,836	87.5	557,591	5,041,427	98.4
2002	5,908,528	5,016,674	84.9	791,131	5,807,805	98.3
2003	5,946,114	4,914,106	82.6	923,909	5,838,015	98.2
2004	6,748,721	5,766,554	85.5	831,200	6,597,754	97.8
2005	8,744,021	7,551,518	87.0	919,249	8,470,767	96.9
2006	12,265,278	10,866,037	89.0	1,202,605	12,068,642	98.4
2007	11,783,083	10,814,100	91.8	772,347	11,586,447	98.3
2008	13,483,864	12,695,728	94.1	574,793	13,270,521	98.4
2009	14,024,397	12,599,271	89.8	-	12,599,271	89.8

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,	<u>GOVERNMENTAL ACTIVITIES</u>				TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	NOTES PAYABLE	LEASES PAYABLE	BOND ANTICIPATION				
2000	\$ 174,985	\$ 681,235	\$ -		\$ 856,220	0.30 %	48.39
2001	101,588	954,947	-		1,056,535	0.30	58.28
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	N/A	507.46
2009	703,404	2,312,100	15,150,000		18,165,504	N/A	N/A

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.

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

NONE

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2009**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Jasper County School District	\$ 45,416,448	100.00%	\$ 45,416,448
City of Hardeeville	5,258,260	11.80%	620,475
Town of Ridgeland	-	0.00%	-
Subtotal overlapping debt	<u>50,674,708</u>		<u>46,036,923</u>
County direct debt	<u>18,165,504</u>	100.00%	<u>18,165,504</u>
Total direct and overlapping debt	<u><u>\$ 68,840,212</u></u>		<u><u>\$ 64,202,427</u></u>

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 2009

Assessed Value	\$ 122,216,386
Debt limit (8% of assessed value)	9,777,311
Debt applicable to limit:	
None	-
Total net debt applicable to limit	-
Legal Debt Margin	<u>\$ 9,777,311</u>

	<u>2000</u>	<u>2001</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>
Debt Limit	\$ 3,604,614	\$ 3,775,410	\$ 4,972,263	\$ 5,034,560	\$ 5,161,827	\$ 5,553,865	\$ 7,800,971	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311
Total net debt applicable to limit	<u>(155,432)</u>	<u>(93,017)</u>	<u>(25,411)</u>	<u>-</u>						
Legal debt margin	<u>\$ 3,449,182</u>	<u>\$ 3,682,393</u>	<u>\$ 4,946,852</u>	<u>\$ 5,034,560</u>	<u>\$ 5,161,827</u>	<u>\$ 5,553,865</u>	<u>\$ 7,800,971</u>	<u>\$ 9,370,565</u>	<u>\$ 9,604,702</u>	<u>\$ 9,777,311</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>4.31 %</u>	<u>2.46 %</u>	<u>0.51 %</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

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

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	507,301	23,696	34.8	3,905	5.00
2006	21,809	566,085	26,247	33.8	4,005	5.10
2007	21,900	578,489	26,415	33.8	3,960	5.70
2008	22,330	N/A	N/A	32.7	4,307	6.00
2009	N/A	N/A	N/A	N/A	N/A	N/A

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Data Source:

- (1) US Bureau of the Census
 - (2) US Department of Commerce, Bureau of Economic Analysis
 - (3) US Department of Commerce, Bureau of Economic Analysis
 - (4) Lowcountry Council of Governments
 - (5) South Carolina Department of Education
 - (6) 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

<u>EMPLOYER</u>	<u>2009</u>			<u>2000</u>		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY EMPLOYMENT</u>
Malphrus Construction	558	1	5.91 %	-		- %
Jasper County School District	450	2	4.77	450	1	5.91
Wal-Mart	341	3	3.61	-		-
Jasper County	300	4	3.18	168	3	2.20
Beaufort-Jasper Comprehensive Health	250	5	2.65	-		-
Coastal Carolina Medical Center	226	6	2.39	-		-
Ridgeland Correctional Institution	211	7	2.24	377	2	4.94
Ridgeland Nursing Center	104	8	1.10	-		-
Cleland Construction Company	93	9	0.99	-		-
J.C. Board of Disabilities & Special Needs	74	10	0.78	-		-
Thoroughbred Industries	-		-	100	4	1.31
Kwalu, Inc.	-		-	100	4	1.31
Lowcountry General Hospital	-		-	95	6	1.24
Best Western	-		-	88	7	1.15
South Carolina Highway Department	-		-	86	8	1.15
Razor Component Systems, Inc.	-		-	85	9	1.15
Days Inn	-		-	78	10	1.02
Total	2,607		27.62 %	1,627		21.38 %

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
County Council	N/A	N/A	5	5	5	5	5	5	5	6
Administrator	N/A	N/A	3	4	4	4	4	4	4	3
Administrative Services	N/A	N/A	11	11	11	11	17	18	24	20
Development Services	N/A	N/A	3	3	3	3	6	11	14	6
Emergency Services	N/A	N/A	53	54	56	76 a	90 a	94	82	93
Engineering Services	N/A	N/A	45	45	45	46	49	43	48	49
Treasurer	N/A	N/A	3	3	3	2	3	3	3	3
Auditor	N/A	N/A	4	4	4	4	4	4	5	4
Probate Judge	N/A	N/A	3	3	3	3	3	3	3	3
Clerk of Court	N/A	N/A	7	7	7	7	8	8	8	4
Sheriff	N/A	N/A	34	32	30	29	35	37	34	39
Magistrate	N/A	N/A	11	11	11	12	10	8	9	9
Veterans Affairs	N/A	N/A	1	1	2	2	2	2	2	2
Election Commission	N/A	N/A	2	2	2	2	3	3	3	2
Coroner	N/A	N/A	1	1	1	1	1	1	1	1
Recreation	N/A	N/A	4	2	2	2	2	2	2	5
Total	N/A	N/A	190	188	189	209	242	246	247	249

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										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
REGISTER OF DEEDS											
Documents Recorded	N/A	N/A	N/A	N/A	N/A	N/A	*	3,841	7,728	6,882	5,606
SOLID WASTE											
Tons of Solid Waste Handled	N/A	N/A	N/A	N/A	N/A	N/A		8,631	11,153	9,866	9,866
BUILDING DEPARTMENT											
Residential Permits Issued	65	63	73	79	63	111		562	495	303	224
Value of Residential Permits	\$ 6,451,978	\$ 6,590,611	\$ 7,721,642	\$ 16,011,284	\$ 6,033,664	\$ 11,199,465	\$ 26,751,560	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	
Commercial Permits Issued	20	31	25	33	39	33		77	78	61	127
Value of Commercial Permits	\$ 9,279,110	\$ 16,403,272	\$ 10,719,526	\$ 15,438,632	\$ 13,617,564	\$ 11,875,439	\$ 46,995,504	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	
Mobile Home Permits Issued	N/A	N/A	N/A	N/A	N/A	N/A		219	228	132	116
PARKS & RECREATION											
Park Attendance	N/A	N/A	N/A	N/A	N/A	N/A		36,206	46,987	49,054	63,323
DETENTION CENTER											
Confinements	N/A	N/A	N/A	N/A	N/A	N/A		2,039	2,373	2,655	2,578
BUSINESS LICENSES & BILLBOARDS											
Business Licenses Issued	N/A	N/A	N/A	N/A	N/A	N/A		673	N/A	642	977
Gross Sales Within County	\$ 307,993,662	\$ 376,177,328	\$ 392,864,533	\$ 425,507,974	\$ 725,954,671	\$ 1,184,771,836	\$ 886,051,537	\$ 923,657,760	N/A	N/A	
EMERGENCY SERVICES											
Calls Dispatched	N/A	N/A	N/A	N/A	N/A	N/A		23,660	22,446	21,877	40,061

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

FUNCTION/PROGRAM	FISCAL YEAR									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
DEVELOPMENT SERVICES:										
COMMUNITY CENTERS	7	7	7	7	6	6	6	6	6	6
PARKS	10	10	10	10	11	11	11	11	11	11
PARKS ACREAGE	66	66	66	66	422	422	422	422	422	422
BOAT LANDINGS	6	6	6	6	6	6	6	6	6	6
EMERGENCY SERVICES:										
NUMBER OF FIRE STATIONS	8	8	8	8	9	9	9	9	9	8
NUMBER OF FIRE TRUCKS	N/A	N/A	N/A	N/A	N/A	N/A	19	19	19	19
NUMBER OF AMBULANCES	N/A	N/A	N/A	N/A	N/A	N/A	6	7	7	7
ENGINEERING SERVICES:										
MILES OF ROADS	N/A	N/A	N/A	N/A	N/A	N/A	124	124	124	124
RECYCLING CENTERS	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
PATROL UNITS	15	15	15	15	15	15	15	18	18	18
HEALTH, EDUCATION & WELFARE										
COUNTY LIBRARIES	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2009**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u><i>US Department of Housing & Urban Development</i></u>		
Passed through the SC Department of Commerce Community Development Block Grant 4H07003	14.228	\$ 46,296
<u><i>US Department of Health & Human Services</i></u>		
Passed through the SC Department of Social Services Child Enforcement Block Grant	93.563	75,881
<u><i>US Department of Transportation</i></u>		
Airport Improvements	20.106	27,896
<u><i>US Department of Homeland Security</i></u>		
Passed through the SC Department of Commerce Public Safety Interoperable Communication Grant	11.555	326,018
Communications Tower Grant	11.555	40,302
LEMPG Grant	97.042	21,142
<u><i>US Department of Justice</i></u>		
Justice Assistance Grant Program	16.738	<u>3,175</u>
Total Federal Financial Assistance		<u>\$ 540,710</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, 2009.

Baird & Company CPAs, LLC

CERTIFIED PUBLIC ACCOUNTANTS & FINANCIAL ADVISORS

Augusta, Georgia Office

Thomson, Georgia Office

John P. Gillion, Jr., CPA, PFS, CFS, CVA, CFP®
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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, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 2, 2009. 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 the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, 2009-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Jasper County, South Carolina's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-1, 2009-02 and 2009-03.

Jasper County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County'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 2, 2009
Augusta, Georgia

Baird & Company CPAs, LLC

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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, 2009. 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, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2009-02 and 2009-03.

Internal Control Over Compliance

The 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, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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

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 2, 2009
Augusta, Georgia

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009**

I. Summary of Auditors' Results

- A. An unqualified opinion was issued on the financial statements of Jasper County, South Carolina.
- B. Three significant deficiencies disclosed during the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.
- C. Our audit of the financial statements disclosed no instances of noncompliance that are material to the financial statements.
- D. Our audit of compliance with requirements applicable to the County's major programs disclosed no significant deficiencies in internal controls over compliance.
- E. An unqualified opinion was issued on Jasper County, South Carolina's compliance with the types of compliance requirements applicable to its major federal programs.
- F. Our audit disclosed two 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, 2009 are:

<u>Program Name</u>	<u>CFDA#</u>
Jasper Radio Interoperable Communications Grant	11.555
Jasper County Communications Tower	11.555

- 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

2009-01
Clerk of Court

Criteria:

South Carolina state law requires that the County Treasurer make monthly remittance payments on "*The South Carolina State Treasurer's Revenue Remittance Form*" before the 15th day of each month, even if there are no collections.

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

II. Findings Related to the audit of the Financial Statements of Jasper County, South Carolina - Continued

Condition:

The County Treasurer filed the monthly remittance payments using "South Carolina State Treasurer's Revenue Remittance Form". The remittances using the "South Carolina State Treasurer's Form" were made in a single payment at the end of the year instead of each month.

Effect:

The remittance payments were not made in a timely manner.

Cause:

The Clerk of Court did not make remittance payments to the County Treasurer in a manner that allowed monthly remittances.

Recommendation:

To improve operating efficiency and internal control, the Clerk of Court should make monthly remittances to the County Treasurer.

Management's Response:

We agree with the finding. The Clerk of Court will implement policies and procedures to make state remittance payments in a timely manner and meet the monthly state requirements.

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

The following were findings noted for the year ended June 30, 2009, which are required to be reported under OMB Circular A-133 criteria.

2009-02

Criteria:

State Administrative Agencies, which apply for and administer the funds under the Public Safety Interoperable Communications Grant Program are required to match funding in the aggregated state level with the overall acquisition, deployment and management and administrative cost categories to have a minimum twenty percent (20%) match.

Condition:

The County received reimbursements where the state match was not correctly calculated.

Effect:

The State Law Enforcement Division of the State of South Carolina may not be in compliance with the matching requirement of the Public Safety Interoperable Communications Grant Program.

Cause:

The State Law Enforcement Division of State of South Carolina reimbursed amounts in excess of the amounts stipulated in the grant agreements.

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

Recommendation:

To improve operating efficiency and internal control, management should establish policies and procedures that adequately monitor grant funding.

Management's Response:

We agree with the finding. Jasper County does not have control of the reimbursement of the pass through funding from the State Law Enforcement Division of the State of South Carolina and did not receive information in a sufficient manner to allow it to monitor the reimbursements for compliance. The State Law Enforcement Division has been notified of this deficiency and has implemented policies and procedures to cure the deficiency.

2009-03

Criteria:

The Jasper County Communications Tower grant requires SF-269, Financial Status Reports to be filed quarterly.

Condition:

On June 11, 2009, Jasper County wrote check #19875 in the amount of \$39,601 to pay expenditures related to the Jasper County Communications Tower grant. Form SF-269, Financial Status Reports had not been filed at November 20, 2009, a period in excess of three months.

Effect:

The County will not receive timely reimbursement of expenditures related to the Jasper County Communications Tower.

Cause:

Reimbursement requests were not been filed in a timely manner.

Recommendation:

Management should establish policies and procedures to file for grant reimbursement expenditures in a timely manner and in compliance with the grant agreements.

Management's Response:

We agree with the finding. The information received from the State Law Enforcement Division of South Carolina, did not adequately explain the reimbursement request requirements of the Jasper County Communications Tower grant. Management will implement policies and procedures that will allow it to comply with grant reimbursement requirements.