

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

COUNTY COUNCIL

SAMUEL GREGORY, CHAIRMAN

LEROY BLACKSHEAR
THEODUS L. DRAYTON

HENRY ETHERIDGE
MARTIN SAULS, IV

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE MALPHRUS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012

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INTRODUCTORY SECTION



Jasper County Council

358 THIRD AVENUE • RIDGELAND, SC 29936

P.O. BOX 1149 • RIDGELAND, SC 29936

REV. SAMUEL GREGORY
Chairman

L. MARTIN SAULS IV
Vice Chairman

HENRY ETHERIDGE
Councilman

THEODUS L. DRAYTON
Councilman

LEROY BLACKSHEAR
Councilman

December 5, 2012

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, 2012.

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, 2012 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, 2012 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 was 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 25,195. 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 48-50 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 2013 assessable base is \$108,246,452, up less than 1% from the assessable base of \$108,221,976 in fiscal year 2012. The County's private sector average weekly wage increased 3% from the previous year and is currently \$610. The U.S. Census reports that the median family income for Jasper County is \$37,393.

The 2011 U.S. Census population estimate for Jasper County is 25,195. A 2006 study completed by Clemson University's Strom Thurmond Institute projected that Jasper County would grow in population to 177,000 residents by 2026. The U.S. Census reports a 21.8% growth rate from 2000-2011. This marks Jasper County as the 8th fastest growing county of 46 counties in the state.

Jasper County is the gateway to the Hilton Head Island and the Beaufort County tourism market because of Interstate 95 (I-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 in those areas. Over the past six 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 over the past several years, Jasper County has experienced a growth slow-down yet continues to grow at roughly 2% each year. The impact of a construction slowdown in Jasper County was hard felt as many private sector jobs in the County have traditionally been 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 7.4%. Jasper County is presently ranked 40th in unemployment in the state out of 46 counties. There are presently only 6 South Carolina counties with lower unemployment rates. Before the economic downturn, Jasper County also had one of the lowest unemployment rates in the state. The County has long suffered from an underemployment problem rather than an unemployment problem. Even before the economic downturn, Jasper County understood the need for creating sustainable jobs for its residents and diversifying its tax base.

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

In June of 2012, the County joined the Southern Carolina Regional Development Alliance (SCA). The SCA is a regional economic development organization representing Allendale, Bamberg, Barnwell, Colleton, Hampton and Jasper Counties in the southern part of South Carolina. The SCA was formed as a non-profit economic development organization to aggressively market the Southern Carolina area for industrial locations. The SCA's economic development team consists of site location professionals prepared to quickly assess site location needs and formulate sites and present existing buildings that will meet the clients' business needs. Working with the South Carolina Department of Commerce, the SCA prepares incentive packages that are the most competitive offered in the Southeastern United States.

The County has evaluated public and private sites within Jasper County that have been proposed for economic development projects. The County is currently focused on creating industrial sites along I-95. Efforts are underway to publicly and privately finance infrastructure improvements/extensions to and within these properties. RiverPort Business Park, a privately owned, 1,400 acre premier logistics center for warehousing, distribution, and light industrial use, is currently being developed in the City of Hardeeville. Jasper County is extending water, sewer and gas utilities in the County-owned Cypress Ridge Industrial Park. Jasper County and the Town of Ridgeland are currently working on the joint development of a new industrial park along I-95 between Exits 21 & 22 in Ridgeland. This park is known as the Ridgeland Industrial Park. Jasper County and the City of Hardeeville are working together to develop a new, City-owned industrial park named the Hardeeville Commerce Park which is located along I-95 at Exit 5.

Since 2007, the States of Georgia and South Carolina have been working together 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. This port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office to oversee the development of the new port. The new port will have a tremendous impact on the local economy and presents the potential for substantial financial benefit to Jasper County. It has been estimated that the new port will produce 450 direct jobs and as many as 98,000 new jobs in the region.

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

Long-term Financial Planning

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

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

Over the past few years, the County reacted to uncertain financial conditions by reducing its operating budgets, reducing its workforce, and controlling expenditures. Throughout this time period, the County maintained its bond rating of A+ with Standard Poor's. Again this year, the County is able to see the results of implementing these difficult financial management decisions. The uncertainty of the County's debt has been managed and resolved and the County ends the year with overall expenditures under budget by \$1,431,224, a fund balance increase of \$2,845,538, a combined ending fund balance of \$10,198,458, and an unassigned fund balance for the general fund of \$4,939,507 or 25% of the total fund expenditures.

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

Significant Financial Policies

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

1. Revenues were over budget by \$832,960.
2. Detention Center costs were under budget \$475,604.
3. Fire and Rescue costs were under budget \$207,181.
4. Interdepartmental costs were under budget \$178,922.
5. The implementation of GASB Statement No. 45 resulted in an accrual of \$812,881 to reflect the future liability of the County for retiree benefits.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. This was the fourteenth 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
Director of Administrative Services &
Finance Director

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, 2011

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.

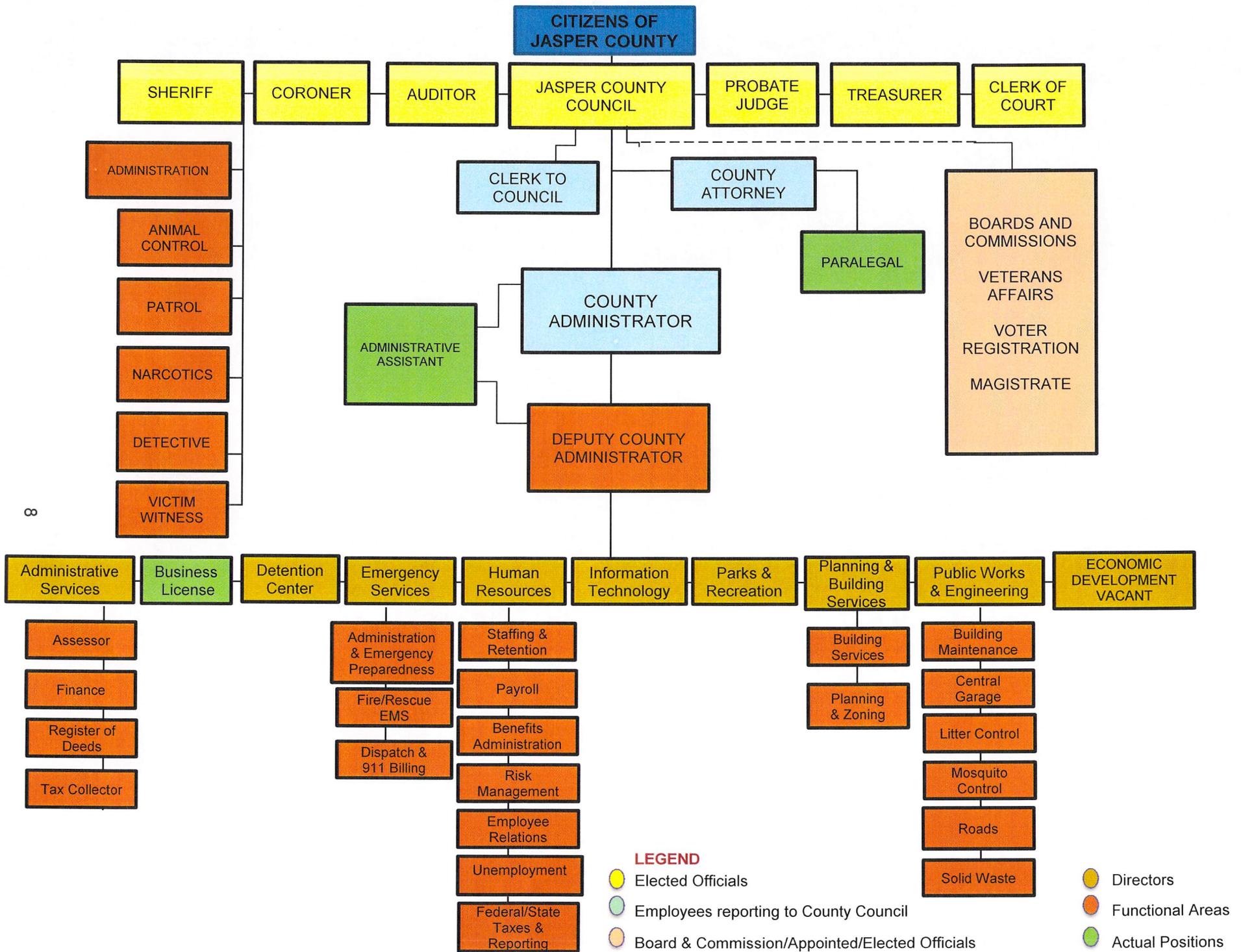


Christopher P. Moynell

President

Jeffrey R. Enew

Executive Director



**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2012**

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

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund and aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2012, 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, 2012, 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 5, 2012, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 19 and 48 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, 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, 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 5, 2012
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, 2012. 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 \$21,796,694 (net assets). Of this amount, \$7,218,705 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$932,574.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$10,198,458, an increase of \$2,845,538. This increase is mostly attributable to positive variances in the general fund revenues and expenditures.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,939,507 or 25 percent of the total fund expenditures.
- The County had \$19,763,435 in notes and leases outstanding versus \$19,656,384 last year. This increase was the result of restructuring the bonds.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets exceeded liabilities by \$21,796,694 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		
	2012	2011
Current and Other Assets		
Cash and Other Assets	\$ 17,101,302	\$ 26,398,603
Capital Assets	31,804,187	32,826,863
Total Assets	<u>48,905,489</u>	<u>59,225,466</u>
Long-term Liabilities Outstanding	24,019,984	23,098,543
Other Liabilities	3,088,811	15,262,803
Total Liabilities	<u>27,108,795</u>	<u>38,361,346</u>
Net Assets		
Investment in Capital Assets, Net of Related Debt	12,827,924	14,002,982
Restricted	1,750,065	4,539,212
Unrestricted	7,218,705	2,321,926
Total Net Assets	<u>\$ 21,796,694</u>	<u>\$ 20,864,120</u>

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

By far the largest portion of the County's net assets \$12,827,924 (59 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 \$1,750,065 (8 percent) represents the balance of net assets that have restricted resources and are not available to fund other commitments. The restricted net assets relate to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

The balance of unrestricted net assets, \$7,218,705 (33 percent), may be used to meet the County's ongoing obligations to citizens and creditors.

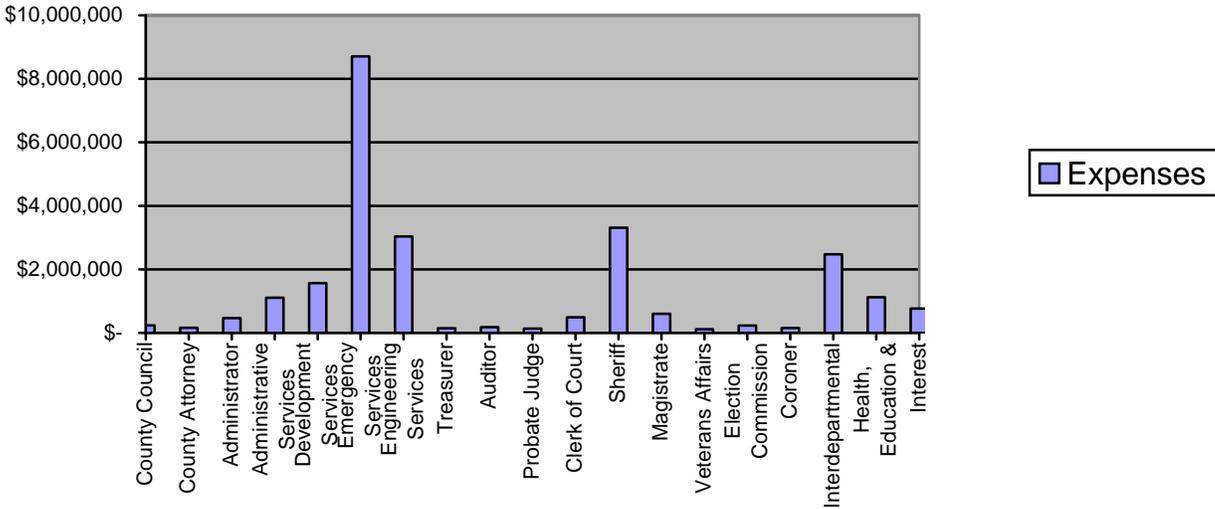
Governmental activities. The County's total net assets increased by \$932,574 in 2012 compared to a decrease of \$1,451,830 in 2011. Key elements of this increase are as shown in the following table.

	<u>2012</u>	<u>2011</u>
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,879,177	\$ 2,507,861
Operating Grants and Contributions	1,657,806	1,192,917
Capital Grants and Contributions	367,661	-
General Revenues:		
Property Taxes	16,720,295	14,543,433
Other Taxes	3,065,581	2,886,942
Grants and Contributions not restricted to specific programs	771,748	825,630
Other	472,703	505,856
Total Revenues	<u>25,934,971</u>	<u>22,462,639</u>
Expenses:		
County Council	234,265	208,343
County Attorney	158,007	152,084
Administrator	467,475	409,656
Administrative Services	1,106,474	1,202,744
Development Services	1,566,414	1,618,401
Emergency Services	8,705,536	8,932,496
Engineering Services	3,037,772	2,350,468
Treasurer	145,052	141,850
Auditor	180,416	182,117
Probate Judge	134,651	144,576
Clerk of Courts	492,783	467,179
Sheriff	3,313,855	3,075,109
Magistrate	601,129	537,170
Veterans Affairs	113,401	113,967
Election Commission	229,723	172,179
Coroner	153,135	116,246
Interdepartmental	2,473,011	2,523,716
Health, Education and Welfare	1,122,440	1,230,667
Interest Expense	766,858	335,501
Total Expenses	<u>25,002,397</u>	<u>23,914,469</u>
Change in net assets	932,574	(1,451,830)
Net assets - beginning	20,864,120	22,315,950
Net assets - ending	<u>\$ 21,796,694</u>	<u>\$ 20,864,120</u>

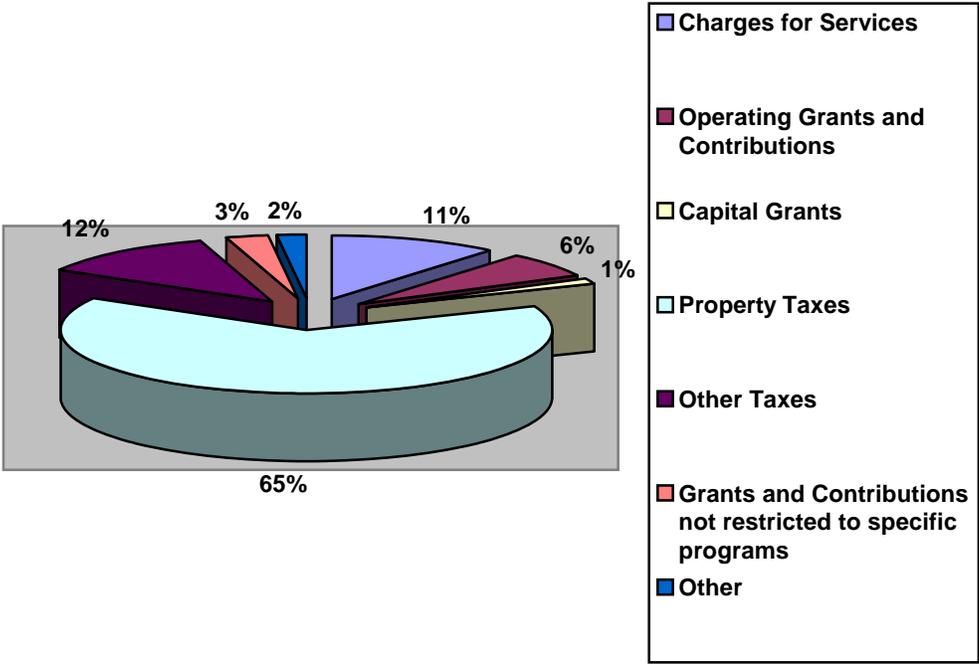
Total revenues were up \$3,472,332 of which \$2,176,862 related to property taxes. Taxes were up due to a property tax increase of 22 mills.

Expenses increased \$1,087,928. Expenditures were up \$926,050 in engineering service and the sheriffs department due to the expenditures of operating grants. Interest expense was up \$431,357 due to the payment of bonds. GASB Statement No. 45 resulted in an accrual of \$812,881 to reflect the future liability of the County for retiree benefits.

Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jasper County's financing requirements. In particular, 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 \$10,198,458, an increase of \$2,845,538 in comparison with a decrease of \$3,146,845 for the prior year.

The fund balance of the County's General Fund increased by \$2,201,973 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$832,960. This positive variance can be explained as follows:
 - Taxes were over budget \$636,483 due to a property tax increase of 22 mills.
- Overall expenditures were under budget by \$1,431,224. This positive variance can be explained as follows:
 - Detention Center costs were under budget \$475,604.
 - Fire and Rescue costs were under budget \$207,181.
 - Interdepartmental costs were under budget \$178,922.

The capital projects fund has a total fund balance of \$766,968 of which \$504,000 is committed for the renovation of the Health Department building. The increase of \$126,119 is attributable to the restructuring of the debt.

General Fund Budgetary Highlights

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

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2012 amounts to \$31,804,187 (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:

Knowles Island turn around	\$	281,833
Courthouse Renovation		48,101
Vehicles		109,228
Total Capital Outlay	<u>\$</u>	<u>439,162</u>

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

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$24,019,984. The County's total long-debt increased by \$921,441 (4.0 percent) during the current fiscal year. Bank loans were paid as scheduled. Post employment benefits increased by \$812,881. Changes in outstanding debt are summarized below. See Note 8 page 38 for additional information.

	<u>2012</u>	<u>2011</u>
Bank loans	\$ 1,119,824	\$ 1,292,682
General obligation bonds	4,500,000	-
Bond anticipation notes	1,200,000	6,735,000
Revenue bond	13,225,000	11,915,000
Compensated absences	836,369	834,860
Other post employment benefits	3,420,180	2,607,299
Sub-total	<u>24,301,373</u>	<u>23,384,841</u>
Less deferred amounts	(281,389)	(286,298)
Total	<u>\$ 24,019,984</u>	<u>\$ 23,098,543</u>

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the County is \$10,068,525. There is \$4,500,000 of general obligation debt issued on November 1, 2011 to offset this limit for a legal debt margin of \$5,568,525.

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

Economic Factors and Next Year's Budgets and Rates

- Unemployment as of June stands at 9.2 percent versus 10.9 percent a year ago. In comparison, the state's unemployment rate is 9.4 percent and the national rate is 8.2 percent as of June 2012. Jasper County is ranked 37th out of 46.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2012 tax year increased from \$123,193,653 to \$125,856,571 due to growth.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$4,939,507. The County set millage for the 2013 budget year at 143, which is a decrease of 2 mills. Budgeted expenditures for 2013 are projected to increase 1.6 percent to \$21,838,592 from \$21,486,884 in 2012. Also, the County has budgeted 12 mills for the debt service fund to retire the bonds.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 6,839,403
Receivables	3,967,008
Lease Receivable	787,164
Restricted Cash	1,729,370
Notes Receivable	256,493
Property Held for Resale	1,704,340
Bond Issue Costs	1,817,524
Capital Assets not being depreciated	
Land	2,534,470
Construction in Progress	299,833
Capital Assets being depreciated	
Buildings and Improvements	21,688,394
Machinery and Equipment	2,005,138
Vehicles	1,489,247
Infrastructure	3,787,105
Total Assets	48,905,489
LIABILITIES	
Accounts Payable	1,353,035
Salaries and Benefits Payable	572,833
Unearned Revenue	918,361
Accrued Interest	244,582
Noncurrent Liabilities	
Due within one year	868,912
Due in more than one year	23,151,072
Total Liabilities	27,108,795
NET ASSETS	
Invested in Capital Assets, net of related debt	12,827,924
Restricted for:	
Courts Administration	560,768
Debt Service	440,650
Tourist related expenditures	410,729
E911 expenditures	337,918
Unrestricted	7,218,705
Total Net Assets	\$ 21,796,694

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, 2012**

<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	\$ 234,265	\$ -	\$ -	\$ -	\$ (234,265)
County Attorney	158,007	-	-	-	(158,007)
Administrator	467,475	-	-	-	(467,475)
Administrative Services	1,106,474	349,560	-	-	(756,914)
Development Services	1,566,414	570,657	468,934	258,433	(268,390)
Emergency Services	8,705,536	964,665	208,363	109,228	(7,423,280)
Engineering Services	3,037,772	436,596	527,022	-	(2,074,154)
Treasurer	145,052	-	-	-	(145,052)
Auditor	180,416	-	-	-	(180,416)
Probate Judge	134,651	28,245	-	-	(106,406)
Clerk of Court	492,783	92,519	81,598	-	(318,666)
Sheriff	3,313,855	135,386	353,458	-	(2,825,011)
Magistrate	601,129	298,404	-	-	(302,725)
Veterans Affairs	113,401	-	4,731	-	(108,670)
Election Commission	229,723	-	13,700	-	(216,023)
Coroner	153,135	-	-	-	(153,135)
Interdepartmental	2,473,011	-	-	-	(2,473,011)
Health, Education and Welfare	1,122,440	3,145	-	-	(1,119,295)
Interest	766,858	-	-	-	(766,858)
Total Governmental Activities	<u>\$ 25,002,397</u>	<u>\$ 2,879,177</u>	<u>\$ 1,657,806</u>	<u>\$ 367,661</u>	<u>(20,097,753)</u>
General Revenues					
Property Taxes					16,720,295
Local Option Sales Taxes					2,528,696
Franchise Taxes					34,362
Accommodation and Hospitality Taxes					502,523
Grants and contributions not restricted to specific programs					771,748
Earnings on investments					60,442
Miscellaneous					412,261
Total General Revenues, Special Items and Transfers					<u>21,030,327</u>
Change in net assets					932,574
Net assets, beginning					20,864,120
Net assets, ending					<u>\$ 21,796,694</u>

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

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS						
Cash	\$ 4,941,430	\$ -	\$ 1,026,043	\$ 768,593	\$ 103,337	\$ 6,839,403
Receivables - net	2,995,890	98,341	26,150	-	846,627	3,967,008
Restricted Cash	560,768	440,650	-	-	727,952	1,729,370
Interfund Receivables	39,553	-	696,643	-	40,240	776,436
Notes Receivable	-	-	256,493	-	-	256,493
Property Held for Resale	-	-	1,704,340	-	-	1,704,340
Total Assets	<u>\$ 8,537,641</u>	<u>\$ 538,991</u>	<u>\$ 3,709,669</u>	<u>\$ 768,593</u>	<u>\$ 1,718,156</u>	<u>\$ 15,273,050</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 1,068,708	\$ -	\$ 160,249	\$ 1,625	\$ 122,453	\$ 1,353,035
Salaries and Benefits Payable	572,833	-	-	-	-	572,833
Deferred Revenue	1,355,585	98,341	910,839	-	7,523	2,372,288
Interfund Payables	40,240	-	-	-	736,196	776,436
Total Liabilities	<u>3,037,366</u>	<u>98,341</u>	<u>1,071,088</u>	<u>1,625</u>	<u>866,172</u>	<u>5,074,592</u>
Fund Balances						
Assigned	-	-	677,748	-	103,337	781,085
Nonspendable	-	-	1,960,833	-	-	1,960,833
Restricted	560,768	440,650	-	-	748,647	1,750,065
Committed	-	-	-	766,968	-	766,968
Unassigned	4,939,507	-	-	-	-	4,939,507
Total Fund Balances	<u>5,500,275</u>	<u>440,650</u>	<u>2,638,581</u>	<u>766,968</u>	<u>851,984</u>	<u>10,198,458</u>
Total Liabilities and Fund Balances	<u>\$ 8,537,641</u>	<u>\$ 538,991</u>	<u>\$ 3,709,669</u>	<u>\$ 768,593</u>	<u>\$ 1,718,156</u>	<u>\$ 15,273,050</u>

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

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

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

Total fund balances for governmental funds	\$ 10,198,458
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	2,534,470	
Construction in Progress	299,833	
Buildings and Improvements, net of \$4,577,438 accumulated depreciation	21,688,394	
Machinery and Equipment, net of \$3,198,861 accumulated depreciation	2,005,138	
Vehicles, net of \$3,786,685 accumulated depreciation	1,489,247	
Infrastructure, net of \$1,125,206 accumulated depreciation	<u>3,787,105</u>	
Total Capital Assets		31,804,187

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.	1,453,927
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Receivables under a leasing arrangement that will be received over a period of years that are reported as revenue each year in the funds.	787,164
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The costs to issue long-term debt are due and payable at the issuance of debt and accordingly are reported as expenditures in the fund statements. In the statement of net assets bond issuance costs are amortized over the duration of the debt.	1,817,524
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Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities --both current and long-term--are reported in the statement of net assets. Balances at June 30, 2012 are:

Accrued Interest Payable	(244,582)	
Post Retirement Benefits Payable	(3,420,180)	
Bonds, Notes and Leases Payable	(19,763,435)	
Compensated Absences	<u>(836,369)</u>	
Total Long-Term Liabilities		<u>(24,264,566)</u>

Total net assets of governmental activities	<u>\$ 21,796,694</u>
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JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 18,125,042	\$ 1,094,747	\$ -	\$ -	\$ 375,448	\$ 19,595,237
Fines, Fees and Licenses	2,497,211	-	23,170	-	341,869	2,862,250
Intergovernmental	1,032,635	-	-	-	1,411,041	2,443,676
Miscellaneous	341,956	35	575,080	7,620	114,696	1,039,387
Total Revenue	<u>21,996,844</u>	<u>1,094,782</u>	<u>598,250</u>	<u>7,620</u>	<u>2,243,054</u>	<u>25,940,550</u>
EXPENDITURES						
Current:						
County Council	234,706	-	-	-	-	234,706
County Attorney	154,652	-	-	-	-	154,652
Administrator	462,518	-	-	-	-	462,518
Administrative Services	1,100,949	-	-	-	-	1,100,949
Development Services	783,090	-	544,956	-	199,958	1,528,004
Emergency Services	8,100,562	-	-	20,467	203,760	8,324,789
Engineering Services	2,014,616	-	-	292,114	528,848	2,835,578
Treasurer	144,769	-	-	-	-	144,769
Auditor	178,350	-	-	-	-	178,350
Probate Judge	134,651	-	-	-	-	134,651
Clerk of Court	488,949	-	-	-	-	488,949
Sheriff	2,693,040	-	-	-	497,876	3,190,916
Magistrate	591,428	-	-	-	-	591,428
Veterans Affairs	121,033	-	-	-	-	121,033
Election Commission	203,226	-	-	-	-	203,226
Coroner	152,138	-	-	-	-	152,138
Interdepartmental	1,090,215	-	-	-	-	1,090,215
Health, Education and Welfare	1,122,440	-	-	-	-	1,122,440
Debt Service:						
Principal	127,519	490,000	-	-	-	617,519
Interest	26,809	572,502	38,890	101,025	-	739,226
Capital Outlay:						
Development Services	-	-	-	-	281,833	281,833
Emergency Services	-	-	-	-	109,228	109,228
Engineering Services	-	-	-	48,101	-	48,101
Total Expenditures	<u>19,925,660</u>	<u>1,062,502</u>	<u>583,846</u>	<u>461,707</u>	<u>1,821,503</u>	<u>23,855,218</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,071,184</u>	<u>32,280</u>	<u>14,404</u>	<u>(454,087)</u>	<u>421,551</u>	<u>2,085,332</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	7,500,000	-	7,500,000
Premium on Issuance of Debt	-	-	-	17,706	-	17,706
Discount on Issuance of Debt	-	-	-	(22,500)	-	(22,500)
Refunding of BANs	-	-	-	(6,735,000)	-	(6,735,000)
Transfers In	268,000	180,000	-	-	137,211	585,211
Transfers Out	(137,211)	-	-	(180,000)	(268,000)	(585,211)
Total Other Financing Sources (Uses)	<u>130,789</u>	<u>180,000</u>	<u>-</u>	<u>580,206</u>	<u>(130,789)</u>	<u>760,206</u>
Net change in fund balances	2,201,973	212,280	14,404	126,119	290,762	2,845,538
Fund balances, beginning	3,298,302	228,370	2,624,177	640,849	561,222	7,352,920
Fund balances, ending	<u>\$ 5,500,275</u>	<u>\$ 440,650</u>	<u>\$ 2,638,581</u>	<u>\$ 766,968</u>	<u>\$ 851,984</u>	<u>\$ 10,198,458</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, 2012**

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	\$ 2,845,538
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 (\$439,162) was less than depreciation (\$1,361,838) in the current period.	(922,676)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net assets.	(100,000)
Proceeds of debt are reported as a revenue in governmental funds. However, in the government wide statements proceeds of debt are treated as a liability. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
Issuance of bonds	(7,500,000)
Premiums on bonds issued	(17,706)
Discounts on bonds issued	22,500
Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.	7,352,519
Revenues that were reported in the funds that are not reported in the statement of activities	94,421
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	157,155
Other Post Employment Benefits	(812,881)
Compensated Absences	(1,509)
Accrued Interest	(184,787)
	(943,812)
Total change in net assets of governmental activities	\$ 932,574

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

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012**

	Agency Funds
ASSETS	
Cash	\$ 6,691,473
Total Assets	6,691,473
 LIABILITIES	
Due to Others	6,691,473
Total Liabilities	\$ 6,691,473

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, certain intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

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

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

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

Additionally, the government reports the following fund types:

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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, 2012**

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 2012 is 145 mills with an additional 33 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, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets, Liabilities, and Net Assets or Equity - Continued

Long-Term Obligations

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

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

Fund Equity

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

Nonspendable Fund Balance

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

Restricted Fund Balance

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

Committed Fund Balance

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

Assigned Fund Balance

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Assets, Liabilities, and Net Assets or Equity - Continued

Unassigned Fund Balance

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

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

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

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

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

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

Comparative Data

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Expenses/Expenditures

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

In accordance with the State of South Carolina General Statute, the County prepares an annual balanced budget ordinance. The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the general fund using the modified accrual basis. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the capital projects fund is not adopted as its revenues and expenditures are adopted on a project basis. Appropriations lapse at the end of the budget year.

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

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 3 DEPOSITS AND INVESTMENTS

As of June 30, 2012, the County had the following cash and investments that are included in cash governmental funds of \$8,568,473 and the agency fund cash of \$6,691,473.

	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
<u>Investment</u>			
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 645,638	\$ 894,820
Certificates of Deposit	12 months or less	6,500,000	6,500,000
US Government Securities (First American Treasury Obligation)	Daily	504,931	504,931
<u>Cash</u>			
Checking Accounts		7,608,977	7,739,586
Change Funds		400	-
Total Deposits and Investments		<u>\$ 15,259,946</u>	<u>\$ 15,639,337</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, 2012 is \$774,820.

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

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2012, \$2,974,283 of the County's bank balance was insured by the FDIC's Transaction Guarantee Program. Under that program, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the Transaction Guarantee Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

Uninsured and collateral held by third party bank trust department not in the County's name	<u>\$ 6,989,586</u>
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**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 RECEIVABLES

Receivables at June 30, 2012, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Debt Service</u>	<u>Economic Dev</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property taxes and assessments	\$ 4,537,362	\$ 140,487	\$ -	\$ -	\$ 4,677,849
Fines and Fees	3,034,793	-	2,000	-	3,036,793
Intergovernmental	207,058	-	22,500	839,684	1,069,242
Other	72,076	-	1,650	6,943	80,669
Gross receivables	7,851,289	140,487	26,150	846,627	8,864,553
Allowance for uncollectible accounts	(4,855,399)	(42,146)	-	-	(4,897,545)
Net total receivables	<u>\$ 2,995,890</u>	<u>\$ 98,341</u>	<u>\$ 26,150</u>	<u>\$ 846,627</u>	<u>\$ 3,967,008</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 1,212,881	\$ -
Emergency medical service fees	241,046	-
Grant drawdowns prior to meeting all eligibility requirements	7,523	7,523
Special purpose drawdown not yet spent	910,838	910,838
Total	<u>\$ 2,372,288</u>	<u>\$ 918,361</u>

Notes Receivable

The County has a note receivable from a local manufacturer for \$400,000. The terms of the note call for forty quarterly payments of \$11,895 including interest at 3.5% beginning September 2008. The balance at June 30, 2012 is \$256,493.

Receivables

The County entered into an agreement with the Lowcountry Council of Governments (LCOG) to borrow \$900,000 on behalf of LCOG. LCOG leased their facilities to the County who in turn leased it back to LCOG for an amount equal to the payments on the bank loan. The balance of the lease at June 30, 2012 is \$787,164. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 47,559	\$ 36,670	\$ 84,229
2014	49,888	34,341	84,229
2015	52,330	31,899	84,229
2016	54,893	29,336	84,229
2017	57,581	26,648	84,229
2018 - 2022	333,061	88,084	421,145
2023 - 2026	191,852	11,701	203,553
Total	<u>\$ 787,164</u>	<u>\$ 258,679</u>	<u>\$ 1,045,843</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,534,470	\$ -	\$ -	\$ 2,534,470
Construction in progress	18,000	281,833	-	299,833
Total capital assets, not being depreciated	<u>2,552,470</u>	<u>281,833</u>	<u>-</u>	<u>2,834,303</u>
Capital assets being depreciated				
Buildings and improvements	26,217,731	48,101	-	26,265,832
Machinery and equipment	5,509,872	-	305,873	5,203,999
Vehicles	5,370,106	109,228	203,402	5,275,932
Infrastructure	4,912,311	-	-	4,912,311
Total capital assets being depreciated	<u>42,010,020</u>	<u>157,329</u>	<u>509,275</u>	<u>41,658,074</u>
Less accumulated depreciation for:				
Buildings and improvements	4,052,744	524,694	-	4,577,438
Machinery and equipment	3,049,951	354,783	205,873	3,198,861
Vehicles	3,638,223	351,864	203,402	3,786,685
Infrastructure	994,709	130,497	-	1,125,206
Total accumulated depreciation	<u>11,735,627</u>	<u>1,361,838</u>	<u>409,275</u>	<u>12,688,190</u>
Total capital assets being depreciated, net	<u>30,274,393</u>	<u>(1,204,509)</u>	<u>100,000</u>	<u>28,969,884</u>
Governmental activities capital assets, net	<u>\$ 32,826,863</u>	<u>\$ (922,676)</u>	<u>\$ 100,000</u>	<u>\$ 31,804,187</u>

Construction in progress consists of work on a proposed fire station and Knowles Island turnaround.

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

<u>Governmental Activities</u>	
Administrator	\$ 2,402
Administrative Services	4,072
Development Services	45,448
Emergency Services	393,484
Engineering Services	208,823
Clerk of Court	344
Sheriff	100,967
Parks, Recreation, and Tourism	9,879
Election Commission	26,504
Interdepartmental	569,915
Total depreciation expense - governmental activities	<u>\$ 1,361,838</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 6 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2012 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Nonmajor Governmental Funds	\$ 696,643
General Fund	Nonmajor Governmental Funds	39,553
Nonmajor Governmental Funds	General Fund	40,240
Total		<u>\$ 776,436</u>

The \$696,643 due to the economic fund from the nonmajor governmental funds represents shortfalls of cash in the nonmajor governmental funds.

Interfund Transfers

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

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund / Nonmajor E-911 Reimburse E-911 expenses	\$ 125,000	\$ 125,000
General Fund / Nonmajor A-Tax, H-Tax For payment on road construction note	143,000	143,000
Nonmajor Waste Tire Fund / General Fund Cover deficit in fund	40,240	40,240
Nonmajor State A-Tax / General fund State A-Tax receipts	96,971	96,971
Debt service / Capital projects Portion of BAN designated for Debt Service Reserve	180,000	180,000
	<u>\$ 585,211</u>	<u>\$ 585,211</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 7 SHORT-TERM OBLIGATIONS

An analysis of the short-term debt activity for the County for the year ended June 30, 2012 follows:

	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>
Bond Anticipation Note	\$ 12,185,000	\$ -	\$ 12,185,000	\$ -
Tax Anticipation Note	-	1,500,000	1,500,000	-
	<u>\$ 12,185,000</u>	<u>\$ 1,500,000</u>	<u>\$ 13,685,000</u>	<u>\$ -</u>

NOTE 8 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2012.

	<u>June 30, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2012</u>	<u>Due Within One Year</u>
Bank loans	\$ 1,292,682	\$ -	\$ 172,858	\$ 1,119,824	\$ 178,912
Bond anticipation notes	6,735,000	-	6,735,000	-	-
General obligation bond	-	4,500,000	-	4,500,000	-
Revenue bonds	-	1,800,000	490,000	1,310,000	390,000
Revenue bonds	11,915,000	-	-	11,915,000	-
Plus: deferred amounts for issuance premiums	83,951	17,706	3,389	98,268	-
Less: deferred amounts for issuance costs	(370,249)	(22,500)	(13,092)	(379,657)	-
Bond anticipation notes	-	1,200,000	-	1,200,000	-
Sub-total debt	19,656,384	7,495,206	7,388,155	19,763,435	568,912
Compensated absences	834,860	296,420	294,911	836,369	300,000
Other post-employment benefits	2,607,299	1,063,381	250,500	3,420,180	-
Total	<u>\$ 23,098,543</u>	<u>\$ 8,855,007</u>	<u>\$ 7,933,566</u>	<u>\$ 24,019,984</u>	<u>\$ 868,912</u>

Long-term debt payable at June 30, 2012 is comprised of the following issues:

<u>Bank Loans Payable</u>	<u>Balance</u>
\$1,200,000 loan for construction of the Greenway Park Road payable in twenty semi-annual payments of \$70,555 including interest at 3.19%.	\$ 332,660
\$900,000 loan for Lowcountry Council of Governments in a lease-leaseback arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%	787,164
	<u>\$ 1,119,824</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize the debt at June 30, 2012 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 178,912	\$ 46,427	\$ 225,339
2014	185,493	39,845	225,338
2015	118,032	34,260	152,292
2016	54,893	29,336	84,229
2017	57,581	26,648	84,229
2018 - 2022	333,061	88,084	421,145
2023 - 2025	191,852	11,704	203,556
Total	<u>\$ 1,119,824</u>	<u>\$ 276,304</u>	<u>\$ 1,396,128</u>

General Obligation Bond

\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.

<u>Balance</u>
<u>\$ 4,500,000</u>
<u>\$ 4,500,000</u>

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 225,063	\$ 225,063
2014	-	225,063	225,063
2015	-	225,063	225,063
2016	-	225,063	225,063
2017	30,000	225,063	255,063
2018 - 2022	175,000	1,094,865	1,269,865
2023 - 2027	210,000	1,052,440	1,262,440
2028 - 2032	255,000	985,290	1,240,290
2033 - 2037	865,000	888,690	1,753,690
2038 - 2041	2,965,000	361,952	3,326,952
Total	<u>\$ 4,500,000</u>	<u>\$ 5,508,552</u>	<u>\$ 10,008,552</u>

Revenue Bond

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

<u>Balance</u>
<u>\$ 11,915,000</u>
<u>\$ 11,915,000</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ -	\$ 588,931	\$ 588,931
2014	-	588,931	588,931
2015	-	588,931	588,931
2016	55,000	588,931	643,931
2017	240,000	587,694	827,694
2018 - 2022	1,455,000	2,778,469	4,233,469
2023 - 2027	1,825,000	2,442,338	4,267,338
2028 - 2032	2,350,000	1,943,875	4,293,875
2033 - 2037	2,515,000	1,266,037	3,781,037
2038 - 2042	1,370,000	861,000	2,231,000
2043 - 2044	2,105,000	167,212	2,272,212
Total	<u>\$ 11,915,000</u>	<u>\$ 12,402,349</u>	<u>\$ 24,317,349</u>

Revenue Bond

Balance

The County issued installment purchase revenue bonds Series 2011B in the amount of \$1,800,000. The proceeds were used to pay off equipment leases.

\$ 1,310,000

\$ 1,310,000

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 390,000	\$ 26,200	\$ 416,200
2014	410,000	18,400	428,400
2015	510,000	10,200	520,200
Total	<u>\$ 1,310,000</u>	<u>\$ 54,800</u>	<u>\$ 1,364,800</u>

Bond Anticipation Notes

The County issued a Bond Anticipation Note dated November 1, 2011 to pay a portion of the old bonds outstanding and to provide funds for capital projects. The bonds will be payable interest only until 2014 and then be amortized as follows at 1.875%:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ -	\$ 36,000	\$ 36,000
2016	270,000	33,274	303,274
2017	80,000	26,649	106,649
2018	36,000	23,474	59,474
2019	31,000	22,514	53,514
2020 - 2024	180,000	105,311	285,311
2025 - 2029	200,000	60,967	260,967
2030 - 2034	180,000	39,569	219,569
2035 - 2039	100,000	26,240	126,240
2040 - 2041	123,000	9,240	132,240
Total	<u>\$ 1,200,000</u>	<u>\$ 383,238</u>	<u>\$ 1,583,238</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 LONG-TERM OBLIGATIONS - CONTINUED

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2012 there was \$180,000 in a debt service reserve account. Also, \$252,805 is on hand toward the interest and principal on the bonds. The current budget for 2012-2013 includes 12 mills for the payment of debt service.

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

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County enacted a new policy regarding compensated vacation days in 1993. At that time, all unused vacation hours were “banked.” Each employee is to receive appropriate vacation hours based on tenure at the beginning of the year. The only hours the employees will be allowed to carry over each calendar year are the “banked” hours until they are used up. No accumulation of paid days off will be allowed in the future. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2012 are \$836,369 and include 17% for employee benefits and are included in long-term liabilities.

Other Post Employment Benefits

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

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, 2012, the County contributed \$250,500 to the plan, including \$250,500 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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 LONG-TERM OBLIGATIONS - CONTINUED

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	\$ 1,011,235
Interest on net OPEB obligation	52,146
Annual OPEB cost (expense)	1,063,381
Contributions made	(250,500)
Increase in net OPEB obligation	812,881
Net OPEB obligation - beginning of year	2,607,299
Net OPEB obligation - end of year	\$ 3,420,180

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012 and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 1,086,193	14.9%	\$ 924,438
2010	1,086,193	20.5%	1,788,053
2011	1,046,996	21.7%	2,607,299
2012	1,063,381	23.5%	3,420,180

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

The covered payroll (annual payroll of active employees covered by the plan) was \$9,224,832, 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.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 8 LONG-TERM OBLIGATIONS - CONTINUED

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

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)
6/30/2008	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
6/30/2009	-	7,239,895	7,239,895	0.0%	10,685,795	67.8%
6/30/2010	-	7,239,895	7,239,895	0.0%	9,169,334	79.0%
6/30/2011	-	7,342,670	7,342,670	0.0%	9,146,450	80.3%
6/30/2012	-	7,342,670	7,342,670	0.0%	9,224,832	79.7%

NOTE 9 FUND BALANCES

	General Fund	Economic Development	Capital Projects	Debt Service	Non- Major
Nonspendable					
Property held for resale	\$ -	\$ 1,704,340	\$ -	\$ -	\$ -
Notes receivable	-	256,493	-	-	-
	<u>-</u>	<u>1,960,833</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted					
Clerk of Court incentive	546,096	-	-	-	-
Sheriff child support	10,101	-	-	-	-
E-911 funds	-	-	-	-	337,918
Accom/Hospitality Tax	-	-	-	-	410,729
Victims Service	4,571	-	-	-	-
Debt payments	-	-	-	440,650	-
	<u>560,768</u>	<u>-</u>	<u>-</u>	<u>440,650</u>	<u>748,647</u>
Committed					
Capital projects	-	-	766,968	-	-
	<u>-</u>	<u>-</u>	<u>766,968</u>	<u>-</u>	<u>-</u>
Assigned					
Sheriff Funds	-	-	-	-	103,327
Development Projects	-	643,033	-	-	-
Joint Planning Fund	-	34,715	-	-	-
	<u>-</u>	<u>677,748</u>	<u>-</u>	<u>-</u>	<u>103,327</u>
Unassigned					
	<u>4,939,507</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,500,275</u>	<u>\$ 2,638,581</u>	<u>\$ 766,968</u>	<u>\$ 440,650</u>	<u>\$ 851,974</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 9 FUND BALANCES - CONTINUED

Nonmajor Funds

The nonmajor restricted fund balance of \$748,647 included a deficit fund balance of \$11,162 in the Statewide Accommodations Tax Fund as indicated in the supplementary information section Combining Balance Sheet for Nonmajor Governmental Funds.

NOTE 10 RETIREMENT PLAN

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

Basic Provisions - Benefit provisions are established under the authority of Title 9 of the South Carolina Code of Laws. Under current statutes pertaining to the SCRS, member employees who retire at age 65 or after 28 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 1.82 percent of the average final compensation (average compensation over the last three years of credited service) times years of credited service. A member with at least 25 years of credited service who terminates employment may continue to pay employee and employer contributions until 28 years of credited service credit is reached. The contributions will be made through the most recent employer on a regular basis and remitted to the South Carolina Retirement System.

Under current statutes pertaining to the SCPORS, member employees who retire at age 55 or after 25 years of credited service are entitled to an annual full service retirement benefit, payable monthly for life, equal to 2.14 percent of average final compensation times years of credited service.

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

Funding Policy

South Carolina Retirement System (SCRS)

The County is required to contribute 9.39 percent which includes 0.15 percent towards group life insurance. The County's contributions for the years ending June 30, 2012, 2011, and 2010 were \$374,148, \$421,831, and \$456,087, respectively, and were equal to the required contributions for each year.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 10 RETIREMENT PLAN - CONTINUED

Police Officers Retirement System (PORS)

The County is required to contribute 11.13 percent which includes 0.40 percent towards group life insurance and survivor and disability benefits. The County's contributions for the years ending June 30, 2012, 2011, and 2010 were \$569,616, \$475,891, and \$481,234, respectively, for SCPORS members and were equal to the required contributions for each year.

NOTE 11 EMPLOYEE BENEFIT PLANS

401(K) Plan

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

NOTE 12 LANDFILL

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

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

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

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40 percent of the fee-in-lieu tax received from the businesses in the park. The County has no financial liability beyond this amount. At June 30, 2012, \$6,350,000 and \$5,400,000 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, 2012, \$6,185,000 was outstanding.

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

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 14 RISK MANAGEMENT

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

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

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

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

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

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

The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments.

In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

There have not been any reductions in insurance coverage from the prior year.

The amounts of settlements have not exceeded coverage in each of the past three fiscal years.

NOTE 15 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	June 30, 2011	Additions	Cost of Land Sold	June 30, 2012
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	\$ 1,704,340	\$ -	\$ -	\$ 1,704,340

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 16 NET ASSETS

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

Capital Assets	\$ 31,804,195
Debt on Capital Assets:	
Revenue Bond	(11,915,000)
Bond Payable	(7,010,000)
Notes Payable and deferred amounts	(51,271)
Invested in Capital Assets, net of related debt	<u>\$ 12,827,924</u>

The long-term debt includes \$787,164 that offsets the lease receivable from LCOG and is not included in debt on capital assets.

NOTE 17 SUBSEQUENT EVENTS

The County entered into two leases for the purchase of heavy equipment in the amounts of \$685,520 and \$237,501. The leases are for five years.

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, 2012

	<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	\$ 17,488,559	\$ 17,488,559	\$ 18,125,042	\$ 636,483
Fines, Fees and Licenses	2,464,000	2,464,000	2,497,211	33,211
Intergovernmental	954,925	954,925	1,032,635	77,710
Miscellaneous	256,400	256,400	341,956	85,556
Total Revenues	<u>21,163,884</u>	<u>21,163,884</u>	<u>21,996,844</u>	<u>832,960</u>
EXPENDITURES				
Current:				
County Council	<u>227,650</u>	<u>227,650</u>	<u>234,706</u>	<u>(7,056)</u>
County Attorney	<u>157,350</u>	<u>157,350</u>	<u>154,652</u>	<u>2,698</u>
Administrator	<u>501,150</u>	<u>501,150</u>	<u>462,518</u>	<u>38,632</u>
Administrative Services				
Tax Collector	188,305	188,305	216,690	(28,385)
Assessor	459,800	459,800	420,600	39,200
Finance Department	168,400	168,400	166,888	1,512
Register of Deeds	128,550	128,550	125,331	3,219
Keep America Beautiful	2,200	2,200	1,272	928
Human Resources	202,500	202,500	170,168	32,332
Total Administrative Services	<u>1,149,755</u>	<u>1,149,755</u>	<u>1,100,949</u>	<u>48,806</u>
Development Services				
Economic Development Department	33,000	33,000	7,275	25,725
Business Licenses	64,550	64,550	62,506	2,044
Planning Commission	194,870	194,870	138,477	56,393
Recreation Department	294,450	294,450	275,553	18,897
Sgt Jasper Park	177,300	177,300	164,926	12,374
Building Permits	151,940	151,940	134,353	17,587
Total Development Services	<u>916,110</u>	<u>916,110</u>	<u>783,090</u>	<u>133,020</u>
Emergency Services				
Emergency Management	152,200	82,100	12,837	69,263
Emergency Telecommunications	846,000	846,000	886,503	(40,503)
Fire and Rescue	2,739,500	2,739,500	2,532,319	207,181
Information Technology	373,100	373,100	380,321	(7,221)
Emergency Services Department	1,370,600	1,440,700	1,388,294	52,406
Detention Center	2,945,900	2,945,900	2,470,296	475,604
Cherry Point Fire Station	422,750	422,750	377,992	44,758
Capital Improvements	52,000	52,000	52,000	-
Total Emergency Services	<u>8,902,050</u>	<u>8,902,050</u>	<u>8,100,562</u>	<u>801,488</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, 2012

	<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>
Engineering Services				
Administrative	\$ 229,450	\$ 229,450	\$ 223,077	\$ 6,373
Central Garage	166,800	166,800	152,515	14,285
Mosquito Control	17,200	17,200	12,469	4,731
Litter Control	63,300	63,300	58,852	4,448
Roads and Bridges	552,008	548,500	495,527	52,973
Building Maintenance	325,692	329,200	308,812	20,388
Solid Waste	839,900	839,900	763,364	76,536
Total Engineering Services	<u>2,194,350</u>	<u>2,194,350</u>	<u>2,014,616</u>	<u>179,734</u>
Treasurer	<u>149,200</u>	<u>149,200</u>	<u>144,769</u>	<u>4,431</u>
Auditor	<u>189,400</u>	<u>189,400</u>	<u>178,350</u>	<u>11,050</u>
Probate Judge	<u>138,300</u>	<u>138,300</u>	<u>134,651</u>	<u>3,649</u>
Clerk of Court				
Clerk of Court	566,000	566,000	488,904	77,096
Clerk of Court Incentive	-	-	45	(45)
Total Clerk of Court	<u>566,000</u>	<u>566,000</u>	<u>488,949</u>	<u>77,051</u>
Sheriff				
Sheriff	2,484,000	2,484,000	2,581,602	(97,602)
Victims Witness Program	79,450	79,450	100,053	(20,603)
Sheriff Child Support	-	-	11,385	(11,385)
Total Sheriff	<u>2,563,450</u>	<u>2,563,450</u>	<u>2,693,040</u>	<u>(129,590)</u>
Magistrate				
Central Traffic	160,200	160,200	147,594	12,606
Magistrate Lynah	111,000	111,000	108,868	2,132
Hardeeville	105,400	105,400	111,171	(5,771)
Central Bond	104,900	104,900	82,705	22,195
Magistrate McDonald	95,950	95,950	106,908	(10,958)
Magistrate Badgett	36,100	36,100	34,182	1,918
Total Magistrate	<u>613,550</u>	<u>613,550</u>	<u>591,428</u>	<u>22,122</u>
Veterans Affairs	<u>115,450</u>	<u>115,450</u>	<u>121,033</u>	<u>(5,583)</u>
Election Commission	<u>238,000</u>	<u>238,000</u>	<u>203,226</u>	<u>34,774</u>
Coroner	<u>126,850</u>	<u>126,850</u>	<u>152,138</u>	<u>(25,288)</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, 2012

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Interdepartmental				
Interdepartmental	\$ 911,500	\$ 911,500	\$ 732,578	\$ 178,922
Data Processing	305,000	305,000	356,859	(51,859)
Capital Improvements	89,500	89,500	778	88,722
Total Interdepartmental	<u>1,306,000</u>	<u>1,306,000</u>	<u>1,090,215</u>	<u>215,785</u>
Health, Education and Welfare				
Agency Appropriations	993,709	993,709	995,709	(2,000)
County Libraries	24,360	24,360	24,475	(115)
Health Department	25,800	25,800	23,450	2,350
Department of Social Services	36,450	36,450	37,435	(985)
Miscellaneous County Accounts	64,950	64,950	26,941	38,009
Hardeeville Annex	8,500	8,500	7,501	999
Farmers Market	5,500	5,500	6,929	(1,429)
Total Health, Education and Welfare	<u>1,159,269</u>	<u>1,159,269</u>	<u>1,122,440</u>	<u>36,829</u>
Debt Service:				
Principal	143,000	143,000	127,519	15,481
Interest	-	-	26,809	(26,809)
Total Debt Service	<u>143,000</u>	<u>143,000</u>	<u>154,328</u>	<u>(11,328)</u>
Total Expenditures	<u>21,356,884</u>	<u>21,356,884</u>	<u>19,925,660</u>	<u>1,431,224</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(193,000)</u>	<u>(193,000)</u>	<u>2,071,184</u>	<u>2,264,184</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	323,000	323,000	268,000	(55,000)
Transfers Out	<u>(130,000)</u>	<u>(130,000)</u>	<u>(137,211)</u>	<u>(7,211)</u>
Total Other Financing Sources (Uses)	<u>193,000</u>	<u>193,000</u>	<u>130,789</u>	<u>(62,211)</u>
Net change in fund balances	-	-	2,201,973	2,201,973
Fund balances, beginning	<u>3,526,672</u>	<u>3,526,672</u>	<u>3,298,302</u>	<u>(228,370)</u>
Fund balances, ending	<u>\$ 3,526,672</u>	<u>\$ 3,526,672</u>	<u>\$ 5,500,275</u>	<u>\$ 1,973,603</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

	SPECIAL REVENUE					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	GRANTS	
ASSETS						
Cash	\$ -	\$ -	\$ 103,337	\$ -	\$ -	\$ 103,337
Receivables	-	2,823	-	23,457	820,347	846,627
Restricted Cash	413,491	-	-	314,461	-	727,952
Interfund Receivables	-	40,240	-	-	-	40,240
Total Assets	<u>\$ 413,491</u>	<u>\$ 43,063</u>	<u>\$ 103,337</u>	<u>\$ 337,918</u>	<u>\$ 820,347</u>	<u>\$ 1,718,156</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 2,762	\$ 3,510	\$ -	\$ -	\$ 116,181	\$ 122,453
Deferred Revenue	-	-	-	-	7,523	7,523
Interfund Payables	-	39,553	-	-	696,643	736,196
Total Liabilities	<u>2,762</u>	<u>43,063</u>	<u>-</u>	<u>-</u>	<u>820,347</u>	<u>866,172</u>
Fund Balances						
Assigned	-	-	103,337	-	-	103,337
Restricted	410,729	-	-	337,918	-	748,647
Total Fund Balances	<u>410,729</u>	<u>-</u>	<u>103,337</u>	<u>337,918</u>	<u>-</u>	<u>851,984</u>
Total Liabilities and Fund Balances	<u>\$ 413,491</u>	<u>\$ 43,063</u>	<u>\$ 103,337</u>	<u>\$ 337,918</u>	<u>\$ 820,347</u>	<u>\$ 1,718,156</u>

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	SPECIAL REVENUE					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	GRANTS	
REVENUES						
Taxes	\$ 375,448	\$ -	\$ -	\$ -	\$ -	\$ 375,448
Fines, Fees and Licenses	-	-	80,286	261,583	-	341,869
Intergovernmental	-	9,401	-	-	1,401,640	1,411,041
Miscellaneous	333	10,000	104,363	-	-	114,696
Total Revenue	<u>375,781</u>	<u>19,401</u>	<u>184,649</u>	<u>261,583</u>	<u>1,401,640</u>	<u>2,243,054</u>
EXPENDITURES						
Current:						
Development Services	221,108	-	-	-	(21,150)	199,958
Emergency Services	-	-	-	1,093	202,667	203,760
Engineering Services	-	11,228	-	-	517,620	528,848
Sheriff	-	-	186,434	-	311,442	497,876
Capital Outlay:						
Development Services	-	-	-	-	281,833	281,833
Emergency Services	-	-	-	-	109,228	109,228
	<u>221,108</u>	<u>11,228</u>	<u>186,434</u>	<u>1,093</u>	<u>1,401,640</u>	<u>1,821,503</u>
Excess (deficiency) of revenues over (under) expenditures	<u>154,673</u>	<u>8,173</u>	<u>(1,785)</u>	<u>260,490</u>	<u>-</u>	<u>421,551</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	96,971	40,240	-	-	-	137,211
Transfers Out	(143,000)	-	-	(125,000)	-	(268,000)
Total Other Financing Sources (Uses)	<u>(46,029)</u>	<u>40,240</u>	<u>-</u>	<u>(125,000)</u>	<u>-</u>	<u>(130,789)</u>
Net change in fund balances	108,644	48,413	(1,785)	135,490	-	290,762
Fund balances, beginning	302,085	(48,413)	105,122	202,428	-	561,222
Fund balances, ending	<u>\$ 410,729</u>	<u>\$ -</u>	<u>\$ 103,337</u>	<u>\$ 337,918</u>	<u>\$ -</u>	<u>\$ 851,984</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 taxes due to the Town of Ridgeland.
City of Hardeeville	This fund represents the taxes due to the City of Hardeeville.
Magistrates Court	This fund represents fines collected that have not been disposed of by the court.
Register of Deeds	This fund represents the portion of the fee to be paid to the state.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
School				
Asset - Cash	\$ 3,207,044	\$ 44,848,714	\$ 43,374,403	\$ 4,681,355
Liabilities - Due to Others	\$ 3,207,044	\$ 44,848,714	\$ 43,374,403	\$ 4,681,355
Clerk of Court				
Asset - Cash	\$ 631,635	\$ 3,083,861	\$ 3,043,350	\$ 672,146
Liabilities - Due to Others	\$ 631,635	\$ 3,083,861	\$ 3,043,350	\$ 672,146
Delinquent Tax Collector				
Asset - Cash	\$ 314,975	\$ 6,740,572	\$ 6,304,333	\$ 751,214
Liabilities - Due to Others	\$ 314,975	\$ 6,740,572	\$ 6,304,333	\$ 751,214
1% Fire Fund				
Asset - Cash	\$ 154,558	\$ 83,121	\$ 73,988	\$ 163,691
Liabilities - Due to Others	\$ 154,558	\$ 83,121	\$ 73,988	\$ 163,691
Nickle Plate Road Dev				
Asset - Cash	\$ 26,508	\$ 953,986	\$ 821,736	\$ 158,758
Liabilities - Due to Others	\$ 26,508	\$ 953,986	\$ 821,736	\$ 158,758
Treasurers Tax Account				
Asset - Cash	\$ 60,896	\$ 1,999,276	\$ 1,927,879	\$ 132,293
Liabilities - Due to Others	\$ 60,896	\$ 1,999,276	\$ 1,927,879	\$ 132,293
Town of Ridgeland				
Asset - Cash	\$ 2,839	\$ 70,991	\$ 68,188	\$ 5,642
Liabilities - Due to Others	\$ 2,839	\$ 70,991	\$ 68,188	\$ 5,642
City of Hardeeville				
Asset - Cash	\$ (20,903)	\$ 4,265,083	\$ 4,220,848	\$ 23,332
Liabilities - Due to Others	\$ (20,903)	\$ 4,265,083	\$ 4,220,848	\$ 23,332
Magistrates Court				
Asset - Cash	\$ 37,790	\$ 567,717	\$ 559,538	\$ 45,969
Liabilities - Due to Others	\$ 37,790	\$ 567,717	\$ 559,538	\$ 45,969
Register of Deeds				
Asset - Cash	\$ 12,119	\$ 279,588	\$ 273,376	\$ 18,331
Liabilities - Due to Others	\$ 12,119	\$ 279,588	\$ 273,376	\$ 18,331
Forfeit Land Commission				
Asset - Cash	\$ 8,219	-	-	\$ 8,219
Liabilities - Due to Others	\$ 8,219	-	-	\$ 8,219
Installment Tax Account				
Asset - Cash	\$ 21,457	\$ 46,198	\$ 37,132	\$ 30,523
Liabilities - Due to Others	\$ 21,457	\$ 46,198	\$ 37,132	\$ 30,523
Total Assets - Cash	\$ 4,457,137	\$ 62,939,107	\$ 60,704,771	\$ 6,691,473
Total Liabilities - Due to Others	\$ 4,457,137	\$ 62,939,107	\$ 60,704,771	\$ 6,691,473

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES AND ASSESSMENTS
FOR THE YEAR ENDED JUNE 30, 2012**

COURT FINES

Court fines collected	\$ 537,685
Court fines retained by the County	<u>(282,679)</u>
Court Fines remitted to the State Treasurer	<u>255,006</u>

COURT ASSESSMENTS

Court assessments collected	298,213
Court assessments retained by County	<u>(116,561)</u>
Court assessments remitted to the State Treasurer	<u>181,652</u>

COURT SURCHARGES

Court surcharges collected	142,153
Court surcharges retained by the County	<u>-</u>
Court surcharges remitted to the State Treasurer	<u>142,153</u>

VICTIMS ASSISTANCE

Court assessments allocated to Victims Assistance	31,783
Court surcharges allocated to Victims Assistance	<u>16,187</u>
Funds allocated to Victims Assistance	<u>47,970</u>
Interest income	-
Victim Services expenditures	<u>(45,000)</u>
Funds available (deficit) for carryforward	2,970
Beginning balance	<u>2,191</u>
Ending balance	<u><u>\$ 5,161</u></u>

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

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	58-61
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	62-64
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	65-70
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	70-71
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	73-75

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

Schedule 1

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES										
Invested in Capital Assets, Net of Related Debt	\$ 11,179,151	\$ 16,750,785	\$ 17,707,633	\$ 18,033,457	\$ 18,575,683	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924
Restricted	6,785,581	-	-	-	-	685,741	3,944,537	4,205,198	4,539,212	1,750,065
Unrestricted	8,453,306	8,523,876	8,682,699	12,011,585	11,890,660	9,336,633	935,975	1,019,459	2,321,926	7,218,705
Total Governmental Activities Net Assets	<u>\$ 26,418,038</u>	<u>\$ 25,274,661</u>	<u>\$ 26,390,332</u>	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>

Source: County Audit Reports

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

Schedule 2

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities:										
County Council	\$ 114,081	\$ 128,310	\$ 114,582	\$ 118,761	\$ 134,382	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265
County Attorney	-	-	-	-	-	-	160,460	158,494	152,084	158,007
Administrator	385,883	324,993	277,686	289,214	339,998	459,140	368,859	410,059	409,656	467,475
Administrative Services	587,985	604,881	627,279	817,788	1,001,209	1,363,203	1,527,501	1,280,754	1,202,744	1,106,474
Development Services	2,231,784	1,465,253	1,372,668	1,526,043	1,762,212	1,994,679	1,804,506	1,959,726	1,618,401	1,566,414
Emergency Services	3,877,208	4,665,458	6,276,143	6,677,353	8,084,096	9,575,753	11,462,011	10,160,230	8,932,496	8,705,536
Engineering Services	2,184,588	2,254,202	1,901,778	2,615,122	2,615,436	2,650,295	3,036,955	2,418,172	2,350,468	3,037,772
Treasurer	90,056	90,493	93,102	107,206	114,184	158,188	155,341	137,095	141,852	145,052
Auditor	113,671	144,620	120,062	156,905	154,042	225,344	246,090	195,511	182,117	180,416
Probate Judge	124,673	140,293	142,204	147,803	166,147	182,278	179,219	128,959	144,576	134,651
Clerk of Court	395,991	476,808	408,538	463,747	461,035	470,086	518,406	465,361	467,179	492,783
Sheriff	1,891,437	2,055,863	2,107,222	2,515,271	2,661,891	2,929,037	3,224,882	3,053,203	3,075,109	3,313,855
Magistrate	296,582	416,747	398,272	409,063	449,539	453,478	546,465	571,238	537,170	601,129
Veterans Affairs	67,959	73,656	78,624	92,216	107,730	111,421	99,590	108,363	113,967	113,401
Election Commission	136,557	153,737	123,269	223,951	183,191	238,603	236,943	218,932	172,179	229,723
Coroner	58,150	76,462	76,358	94,537	86,037	102,863	112,996	118,522	116,246	153,135
Interdepartmental	899,748	652,423	1,048,190	1,525,679	1,323,023	1,396,108	2,270,060	2,458,932	2,523,716	2,473,011
Health, Education, and Welfare	1,072,680	1,167,414	1,241,342	1,632,521	1,524,959	1,566,812	1,587,493	1,182,128	1,230,667	1,122,440
Interest Expense	69,468	67,353	100,908	166,443	142,168	143,638	132,747	329,636	335,501	766,858
Total Expenses	<u>14,598,501</u>	<u>14,958,966</u>	<u>16,508,227</u>	<u>19,579,623</u>	<u>21,311,279</u>	<u>24,207,878</u>	<u>27,892,601</u>	<u>25,562,919</u>	<u>23,914,471</u>	<u>25,002,397</u>
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:	2,247,696	2,306,837	2,651,582	2,842,211	3,165,475					
EMS Fees						680,157	722,390	1,089,184	973,303	964,665
Business Licenses						496,556	398,283	230,094	327,619	290,980
Fines						582,516	522,713	676,356	617,023	554,554
Development Fees and Permits						686,292	353,709	412,584	202,182	279,677
Other						1,138,817	1,061,116	344,399	387,734	789,301
Operating Grants and Contributions	148,545	187,478	181,931	533,441	292,110	658,006	525,791	1,070,983	1,192,917	1,657,806
Capital Grants and Contributions	1,145,586	2,491,393	900,060	1,630,037	802,986	787,331	394,806	909,934	-	367,661
General Revenues										
Taxes	11,050,142	10,306,794	12,723,096	16,719,860	15,601,779	12,895,064	16,700,926	17,660,252	17,430,375	19,785,876
Grants and Contributions not restricted to specific programs	997,459	1,003,984	924,297	977,874	1,077,754	3,333,737	1,153,872	896,719	825,630	771,748
Earnings on investments	169,073	37,037	133,513	277,933	514,250	1,174,418	88,067	68,728	62,185	60,442
Other	17,346	31,708	137,123	225,271	278,226	848,815	473,570	476,820	443,673	412,261
Total Revenues	<u>15,775,847</u>	<u>16,365,231</u>	<u>17,651,602</u>	<u>23,206,627</u>	<u>21,732,580</u>	<u>23,281,709</u>	<u>22,395,243</u>	<u>23,836,053</u>	<u>22,462,641</u>	<u>25,934,971</u>
Increase in Net Assets	1,177,346	1,406,265	1,143,375	3,627,004	421,301	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)	932,574
Net Assets-Beginning	<u>22,691,050</u>	<u>23,868,396</u>	<u>25,274,661</u>	<u>26,418,038</u>	<u>30,045,042</u>	<u>30,466,343</u>	<u>29,540,174</u>	<u>24,042,816</u>	<u>22,315,950</u>	<u>20,864,120</u>
Net Assets-Ending	<u>\$ 23,868,396</u>	<u>\$ 25,274,661</u>	<u>\$ 26,418,036</u>	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>

Source: County Audit Reports

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

Schedule 3

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
GENERAL FUND										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,648	\$ 484,594	\$ 560,768
Unassigned	4,389,521	3,841,621	4,586,817	7,172,865	7,917,460	6,116,693	1,766,279	2,070,925	2,813,708	4,939,507
Total General Fund	<u>\$ 4,389,521</u>	<u>\$ 3,841,621</u>	<u>\$ 4,586,817</u>	<u>\$ 7,172,865</u>	<u>\$ 7,917,460</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 5,500,275</u>
ECONOMIC DEVELOPMENT FUND										
Nonspendable	\$ 1,645,062	\$ 1,605,942	\$ 1,556,260	\$ 2,107,420	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 1,998,606	\$ 1,960,833
Restricted	-	-	-	-	-	-	-	484,356	-	-
Assigned	-	-	-	-	-	-	-	-	625,571	677,748
Unassigned	729,562	521,129	1,192,869	941,712	1,126,316	800,788	537,550	-	-	-
Total Economic Development Fund	<u>\$ 2,374,624</u>	<u>\$ 2,127,071</u>	<u>\$ 2,749,129</u>	<u>\$ 3,049,132</u>	<u>\$ 3,208,736</u>	<u>\$ 2,905,128</u>	<u>\$ 2,607,866</u>	<u>\$ 2,519,442</u>	<u>\$ 2,624,177</u>	<u>\$ 2,638,581</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 4,467,114	\$ 1,150,703	\$ 1,118,657	\$ 1,702,205	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -
Committed	-	-	-	-	-	-	-	-	-	766,968
Assigned	-	-	-	-	898,606	482,205	424,062	377,670	551,872	-
Total Capital Projects Fund	<u>\$ 4,467,114</u>	<u>\$ 1,150,703</u>	<u>\$ 1,118,657</u>	<u>\$ 1,702,205</u>	<u>\$ 8,043,196</u>	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>	<u>\$ 766,968</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,370	\$ 440,650
Assigned	-	-	-	-	-	-	-	-	-	-
Total Debt Service Fund	<u>\$ -</u>	<u>\$ 228,370</u>	<u>\$ 440,650</u>							
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,091	\$ 241,051	\$ 748,647
Assigned	-	-	-	-	-	-	-	-	-	103,337
Committed	879,757	564,062	640,846	763,803	764,894	685,741	912,609	454,792	320,171	-
Total All Other Governmental Funds	<u>\$ 879,757</u>	<u>\$ 564,062</u>	<u>\$ 640,846</u>	<u>\$ 763,803</u>	<u>\$ 764,894</u>	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>	<u>\$ 851,984</u>

Source: County Audit Reports

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

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 10,958,175	\$ 10,335,317	\$ 12,671,321	\$ 16,112,621	\$ 16,310,981	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566	\$ 19,595,237
Fines, Fees, and Licenses	2,090,800	2,286,895	2,468,870	2,879,721	3,076,550	3,453,864	2,895,500	2,534,153	2,390,591	2,862,250
Intergovernmental	2,126,568	2,442,814	2,041,227	2,331,937	2,046,598	2,598,454	2,190,940	2,989,546	2,080,292	2,443,676
Miscellaneous	577,845	1,107,295	828,800	1,343,091	940,811	1,601,576	561,637	574,828	567,411	1,039,387
Total Revenues	15,753,388	16,172,321	18,010,218	22,667,370	22,374,940	23,862,857	22,003,733	23,651,133	22,517,860	25,940,550
Expenditures										
Current:										
County Council	114,081	128,310	114,582	118,761	134,382	173,655	222,538	204,853	213,154	234,706
County Attorney	-	-	-	-	-	-	153,288	149,779	151,057	154,652
Administrator	386,742	322,947	293,589	304,841	349,197	462,763	356,342	395,149	402,354	462,518
Administrative Services	571,057	573,985	603,499	809,461	996,441	1,278,477	1,456,237	1,221,345	1,171,607	1,100,949
Development Services	2,290,165	3,724,718	1,619,090	1,734,568	2,157,475	1,951,846	1,747,988	2,810,939	1,530,359	1,528,004
Emergency Services	6,977,362	7,746,270	7,637,030	7,223,206	8,998,374	9,278,103	10,863,837	9,738,625	8,548,424	8,324,789
Engineering Services	2,157,140	2,237,176	2,732,589	2,932,579	3,564,388	2,517,335	3,023,712	2,417,162	2,480,938	2,835,578
Treasurer	90,056	90,493	92,642	105,162	113,751	152,909	151,414	138,511	139,932	144,769
Auditor	113,671	144,620	120,624	151,384	152,328	222,501	244,309	199,504	191,176	178,350
Probate Judge	124,673	140,293	140,653	142,995	158,338	181,721	177,124	133,452	144,576	134,651
Clerk of Court	372,094	445,236	402,076	454,520	452,632	466,021	511,780	463,147	462,929	488,949
Sheriff	1,900,346	2,062,659	2,174,036	2,865,387	2,776,339	2,713,230	2,903,803	2,847,602	2,930,756	3,190,916
Magistrate	296,582	416,747	398,330	401,231	447,801	455,827	533,569	568,644	542,008	591,428
Veterans Affairs	68,190	73,520	78,046	89,650	105,931	111,219	96,270	109,379	110,624	121,033
Election Commission	325,636	150,397	146,863	452,178	163,790	212,003	209,343	191,239	150,756	203,226
Coroner	58,150	76,462	76,358	94,537	86,037	102,863	111,908	117,434	115,968	152,138
Interdepartmental	1,044,658	1,074,373	993,635	1,721,788	1,199,832	1,096,383	986,759	1,097,047	1,496,310	1,090,215
Health, Education, and Welfare	1,042,213	1,294,995	1,241,395	1,630,566	1,523,863	1,565,675	1,592,191	1,182,128	1,230,667	1,122,440
Debt Service										
Principal						9,178,376	1,260,178	2,456,355	166,467	617,519
Interest						288,165	399,799	446,071	497,773	739,226
Capital Outlay						5,540,295	5,613,195	4,294,413	1,713,813	439,162
Total Expenditures	17,932,816	20,703,201	18,865,037	21,232,814	23,380,899	37,949,367	32,615,584	31,182,778	24,391,648	23,855,218
Excess (deficiency) of revenues over (under) expenditures	(2,179,428)	(4,530,880)	(854,819)	1,434,556	(1,005,959)	(14,086,510)	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332
Other Financing Sources (Uses)										
Issuance of Debt	1,462,424	103,326	2,266,811	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206
Transfers In	630,253	379,648	555,001	574,706	723,620	897,514	577,074	574,559	2,199,266	585,211
Transfers Out	(630,253)	(379,648)	(555,001)	(574,706)	(723,620)	(897,514)	(577,074)	(574,559)	(2,199,266)	(585,211)
Total Other Financing Sources (Uses)	1,462,424	103,326	2,266,811	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206
Net Change in Fund Balances	(717,004)	(4,427,554)	1,411,992	3,592,556	7,246,281	(4,771,784)	(2,517,851)	(3,146,645)	(2,145,086)	2,845,538
Fund Balances, Beginning	12,828,020	12,111,011	7,683,457	9,095,449	12,688,005	19,934,286	15,162,502	12,644,651	9,498,006	7,352,920
Fund Balances, Ending	\$ 12,111,016	\$ 7,683,457	\$ 9,095,449	\$ 12,688,005	\$ 19,934,286	\$ 15,162,502	\$ 12,644,651	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458
Debt service as a percentage of noncapital expenditures	N/A	N/A	N/A	6.3%	4.7%	4.6%	5.7%	10.6%	2.9%	5.8%

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Schedule 5

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
2003	\$ 42,204,320	\$ 20,727,677	\$ 62,931,997	\$ 826,844,654	\$ 189,053,719	\$ 1,015,898,373	133.00
2004	43,347,258	21,175,584	64,522,842	861,774,513	220,832,006	1,082,606,519	138.50
2005	44,745,667	24,677,657	69,423,324	893,911,467	233,471,186	1,127,382,653	163.00
2006	44,618,276 **	52,893,868	97,512,144	887,684,147	467,847,306	1,355,531,453	155.00
2007	60,899,190 *	56,232,882 *	117,132,072 *	1,343,006,038 *	505,275,090 *	1,848,281,128 *	109.50
2008	66,020,450	54,038,328	120,058,778	1,416,408,436	343,087,006	1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
2010	71,505,827	51,048,894	122,554,721	1,526,523,228	545,302,743	2,071,825,971	126.00
2011	73,864,445	49,329,208	123,193,653	1,553,137,000	396,765,531	1,949,902,536	123.00
2012	73,826,180	52,030,391	125,856,571	1,551,860,000	416,603,807	1,968,463,807	145.00

* Reassessment Year.

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

Data Source: County Auditor

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

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
					OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2003	133.00	-	-	133.00	118.30	22.30	30.00	85.00	147.00
2004	138.50	-	-	138.50	127.00	4.50	30.00	85.00	147.00
2005	163.00	-	-	163.00	129.00	7.00	35.00	85.00	147.00
2006	155.00	-	-	155.00	133.50	7.50	35.00	110.00	147.00
2007	109.50	-	-	109.50	112.50	-	31.00	110.00	153.00
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00

Source: County Finance Office

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

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

Schedule 7

<u>TAXPAYER</u>	<u>2012</u>			<u>2003</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>
South Carolina Electric & Gas	\$ 21,247,422	1	16.90 %	\$ 2,275,220	1	3.61 %
Palmetto Electric	2,865,290	2	2.30	1,373,960	3	2.18
Georgia DOT	1,941,120	3	1.50	1,542,520	2	2.45
CSX Transportation	1,369,752	4	1.10	-		-
Carolina Gas Transmission Corporation	1,128,110	5	0.90	-		-
Auston Chase	1,044,890	6	0.80	-		-
Okeetee Club	827,100	7	0.70	570,240	7	0.91
Courtney Bend LLC	803,270	8	0.70	-		-
Dell Webb Communities	756,850	9	0.60	-		-
Walmart	669,430	10	0.50	439,550	9	0.70
Malphrus Construction	-		-	810,260	4	1.23
Carolina Atlanta & West	-		-	711,300	5	1.13
Hargray Telephone	-		-	612,190	6	0.97
Southern Natural Gas	-		-	462,850	8	0.74
Low Country Regional	-		-	340,730	10	0.54
Total	<u>\$ 32,653,234</u>		<u>26.00 %</u>	<u>\$ 9,138,820</u>		<u>14.46 %</u>

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Source: Jasper County Auditor

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

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE		AMOUNT	PERCENTAGE
			OF LEVY			OF LEVY
2003	\$ 5,946,114	\$ 4,914,106	82.6 %	\$ 924,953	\$ 5,839,059	98.2 %
2004	6,748,721	5,766,554	85.5	832,469	6,599,023	97.8
2005	8,744,021	7,551,518	87.0	922,399	8,473,917	96.9
2006	12,265,278	10,866,037	89.0	1,209,831	12,075,868	98.5
2007	11,783,083	10,814,100	91.8	781,813	11,595,913	98.4
2008	13,483,864	12,695,728	94.1	601,523	13,297,251	98.6
2009	14,024,397	12,599,271	89.8	891,541	13,490,812	96.2
2010	14,432,970	13,075,617	90.6	1,237,403	14,313,020	99.2
2011	14,327,464	13,008,749	90.8	1,138,672	14,147,421	98.7
2012	15,594,355	14,172,710	90.9	-	14,172,710	90.9

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

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

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME		PER CAPITA
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION				
2003	\$ -	\$ -	\$ 1,927,227	\$ -	\$ -	\$ 1,927,227	0.50	%	\$ 95.17
2004	-	-	1,646,911	-	-	1,646,911	0.40		75.43
2005	-	1,146,778	1,531,076	-	785,000	3,462,854	0.70		161.83
2006	-	1,041,580	2,876,969	-	785,000	4,703,549	0.80		215.67
2007	-	932,866	2,092,466	-	8,170,000	11,195,332	1.90		509.97
2008	-	820,647	2,006,035	-	8,505,000	11,331,682	1.84		498.19
2009	-	703,404	2,312,100	-	15,150,000	18,165,504	2.94		782.28
2010	-	583,424	-	-	18,635,000	19,218,424	2.92		775.65
2011	-	460,179	-	11,915,000	6,735,000 (1)	19,110,179	2.91		758.49
2012	4,500,000 (2)	332,660	-	13,225,000	1,200,000	19,257,660	2.95		770.30

Source: County Audit Report, US Census Bureau

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

See schedule 14 for personal income and population.

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

N/A Information is not available.

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

(2) Excludes debt on LCOG building which is being paid by lease payments equal to the debt.

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

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2012	\$ 4,500,000 (1)	\$ - (2)	\$ 4,500,000	3.7 %	

(1) This is the first year that the County has had General Obligation Debt.

(2) Principal is not due until FYE 2017; interest only until then.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2012**

<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	\$ 42,013,917	100.00%	\$ 42,013,917
City of Hardeeville	3,925,642	13.20%	518,185
Subtotal overlapping debt	<u>45,939,559</u>		<u>42,532,102</u>
County direct debt	<u>19,257,660</u>	100.00%	<u>19,257,660</u>
Total direct and overlapping debt	<u><u>\$ 65,197,219</u></u>		<u><u>\$ 61,789,762</u></u>

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

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

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$ 125,856,571
Debt limit (8% of assessed value)	10,068,525
Debt applicable to limit:	
General Obligation	<u>4,500,000</u>
Total net debt applicable to limit	<u>4,500,000</u>
Legal Debt Margin	<u><u>\$ 5,568,525</u></u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt Limit	\$ 5,034,560	\$ 5,161,827	\$ 5,553,865	\$ 7,800,971	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311	9,804,378	\$ 9,855,492	\$ 10,068,525
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,000</u>						
Legal debt margin	<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>	<u>9,804,378</u>	<u>\$ 9,855,492</u>	<u>\$ 5,568,525</u>
Total net debt applicable to the limit as a percentage of debt limi %	<u>-</u>	<u>%</u>	<u>-</u>	<u>%</u>	<u>-</u>	<u>%</u>	<u>-</u>	<u>%</u>	<u>-</u>	<u>44.70</u> %

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

Source: County Audit Report
County Auditor

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

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2012	\$ 1,094,782	\$ 490,000	\$ 572,502	1.03

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

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

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2003	20,998	\$ 424,890	\$ 20,250	33.8	N/A	5.2 %
2004	21,193	464,437	21,833	34.0	N/A	5.2
2005	21,398	542,161	23,696	34.8	3,905	5.0
2006	21,809	577,982	26,247	33.8	4,005	5.1
2007	21,900	596,274	26,415	33.8	3,960	5.7
2008	22,746	613,335	26,965	32.7	4,307	6.0
2009	23,221	618,260	26,625	N/A	4,090	10.4
2010	24,777	655,924	26,282	34.8	4,136	9.9
2011	25,195	657,590	26,100	35.4	4,025	9.8
2012	25,000	652,250	26,090	35.4	4,012	9.2

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Data Source:

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

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

Schedule 15

EMPLOYER	2012			2003		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	450	1	4.80 %	N/A		N/A %
New River Auto Mall	313	2	3.30	N/A		N/A
Wal-Mart	296	3	3.10	N/A		N/A
Jasper County	252	4	2.60	N/A		N/A
Beaufort-Jasper Comprehensive Health	250	5	2.60	N/A		N/A
Coastal Carolina Medical Center	216	6	2.30	N/A		N/A
Ridgeland Correctional Institution	199	7	2.10	N/A		N/A
J.C. Board of Disabilities & Special Needs	119	8	1.70	N/A		N/A
Cleland Construction Company	110	9	1.60	N/A		N/A
Ridgeland Nursing Center	96	10	1.00	N/A		N/A
Kwalu, Inc.	-		-	N/A		N/A
Lowcountry General Hospital	-		-	N/A		N/A
Best Western	-		-	N/A		N/A
South Carolina Highway Department	-		-	N/A		N/A
Razor Component Systems, Inc.	-		-	N/A		N/A
Days Inn	-		-	N/A		N/A
Total	<u>2,301</u>		<u>25.10 %</u>	<u>-</u>		<u>- %</u>

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Council	5	5	5	5	5	5	6	6	6	6
Administrator	4	4	4	4	4	4	3	3	2	3
Finance	11	11	11	17	18	24	22	19	17	16
Development Services	3	3	3	6	11	14	10	5	4	5
Emergency Services	54	56	76 a	90 a	94	82	7	6	4	4
Engineering Services	45	45	46	49	43	48	45	40	39	35
Treasurer	3	3	2	3	3	3	3	3	3	3
Auditor	4	4	4	4	4	5	5	4	4	4
Probate Judge	3	3	3	3	3	3	3	2	2	2
Clerk of Court	7	7	7	8	8	8	10	8	9	7
Sheriff	32	30	29	35	37	34	38	39	39	42
Magistrate	11	11	12	10	8	9	11	11	11	11
Veterans Affairs	1	2	2	2	2	2	2	2	2	2
Election Commission	2	2	2	3	3	3	2	2	2	2
Coroner	1	1	1	1	1	1	2	3	2	2
Recreation	2	2	2	2	2	2	6	5	5	5
Fire & Rescue	N/A	N/A	N/A	N/A	N/A	N/A	42	39	38	43
Emergency Telecommunications	N/A	N/A	N/A	N/A	N/A	N/A	13	12	11	11
Information Technology	N/A	N/A	N/A	N/A	N/A	N/A	1	1	1	1
Detention	N/A	N/A	N/A	N/A	N/A	N/A	41	39	39	34
Human Resources	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-
Tax Collector	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-
Assessor	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-
County Attorney	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2
Total	188	189	209	242	246	247	272	249	242	240

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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
REGISTER OF DEEDS										
Documents Recorded	N/A	N/A	N/A *	3,841	7,728	6,882	5,606	5,429	4,737	5,654
SOLID WASTE										
Tons of Solid Waste Handled	N/A	N/A	N/A	8,631	11,153	9,866	9,866	9,956	5,353	7,399
BUILDING DEPARTMENT										
Residential Permits Issued	79	63	111	562	495	303	224	169	14	159
Value of Residential Permits	\$ 16,011,284	\$ 6,033,664	\$ 11,199,465	\$ 26,751,560	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057
Commercial Permits Issued	33	39	33	77	78	61	127	44	4	30
Value of Commercial Permits	\$ 15,438,632	\$ 13,617,564	\$ 11,875,439	\$ 46,995,504	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760
Mobile Home Permits Issued	N/A	N/A	N/A	219	228	132	116	92	82	120
PARKS & RECREATION										
Park Attendance	N/A	N/A	N/A	36,206	46,987	49,054	63,323	65,372	57,400	61,024
DETENTION CENTER										
Confinements	N/A	N/A	N/A	2,039	2,373	2,655	2,578	2,283	2,587	2,297
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	N/A	N/A	N/A	673	N/A	642	977	849	753	717
Gross Sales Within County	\$ 425,507,974	\$ 725,954,671	\$ 1,184,771,836	\$ 886,051,537	\$ 923,657,760	\$ 939,769,745	\$ 845,973,337	\$ 750,636,025	N/A	N/A
EMERGENCY SERVICES										
Calls Dispatched	N/A	N/A	N/A	23,660	22,446	21,877	40,061	47,359	50,811	50,952

N/A Information is not available.

* Department opened in November 2005.

Source: Various County Departments

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

Schedule 18

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
DEVELOPMENT SERVICES:										
COMMUNITY CENTERS	7	6	6	6	6	6	6	6	6	6
PARKS	10	11	11	11	11	11	11	11	11	11
PARKS ACREAGE	66	422	422	422	422	422	422	422	422	422
BOAT LANDINGS	6	6	6	6	6	6	6	6	6	6
EMERGENCY SERVICES:										
NUMBER OF FIRE STATIONS	8	9	9	9	9	9	8	8	8	8
NUMBER OF FIRE TRUCKS	N/A	N/A	N/A	19	19	19	19	19	19	19
NUMBER OF AMBULANCES	N/A	N/A	N/A	6	7	7	7	7	7	7
ENGINEERING SERVICES:										
MILES OF ROADS	N/A	N/A	N/A	124	124	124	124	124	124	124
RECYCLING CENTERS	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
PATROL UNITS	15	15	15	15	18	18	18	18	18	18
HEALTH, EDUCATION & WELFARE										
COUNTY LIBRARIES	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<i>US Department of Health & Human Services</i>		
Passed through the SC Department of Social Services		
Child Enforcement Block Grant	93.563	\$ 87,615
<i>US Department of Agriculture</i>		
Passed through the SC State Forestry Commission		
Volunteer Fire Assistance Grants	10.664	10,500
<i>US Department of Housing and Urban Development</i>		
Rural Development Community Facilities	10.766	48,560
Passed through the SC Department of Commerce		
Community Development Block Grant	20.106	5,000
<i>US Department of Homeland Security</i>		
Trauma Grant	97.004	51,344
LEMPG Grant	97.042	68,169
<i>US Department of Justice</i>		
Justice Assistance Grant Program	16.804	53,196
Cops	16.710	209,365
<i>US Department of Commerce</i>		
Passed through the SC Department of Commerce		
Public Safety Interoperable Communication Grant	11.555	<u>73,857</u>
Total Federal Financial Assistance		<u>\$ 607,606</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 NON-CASH AWARDS

Jasper County, South Carolina, did not receive any non-cash federal awards during the year ended June 30, 2012.

**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, 2012, which collectively comprise the Jasper County, South Carolina's basic financial statements and have issued our report thereon dated December 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over financial reporting that we consider to be a significant deficiency, as defined above.

Compliance and Other Matters

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

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 5, 2012
Augusta, Georgia

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

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

Compliance

We have audited the compliance of Jasper County, South Carolina, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. 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, 2012.

Internal Control Over Compliance

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

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

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

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

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

December 5, 2012
Augusta, Georgia

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

I. Summary of Auditors' Results

- A. The auditors' report expresses an unqualified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed no significant deficiencies or material weaknesses in internal control over financial reporting.
- C. No instances of noncompliance material to the financial statements of the Jasper County, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. No significant deficiencies or material weaknesses in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs Jasper County, South Carolina expresses an unqualified opinion on all major federal programs.
- F. Our audit disclosed no audit findings which relate to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.
- G. Major federal programs for Jasper County, South Carolina for the fiscal year ended June 30, 2012 are:

<u>Program Name</u>	<u>CFDA#</u>
U. S. Department of Health and Human Services Pass through South Department of Social Services	
Child Support Enforcement	93.563
U. S. Department of Homeland Security Direct Programs	
Emergency Management Performance Grants	97.042

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$300,000.
- I. Jasper County, South Carolina qualified as a low risk auditee.

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

There were no findings noted for the year ended June 30, 2012 that are required to be reported in accordance with OMB Circular A-133 criteria.

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

There were no findings noted for the year ended June 30, 2012 that are required to be reported in accordance with OMB Circular A-133 criteria.

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

The 2011 findings have been resolved as of June 30, 2012.