

Lee Falls

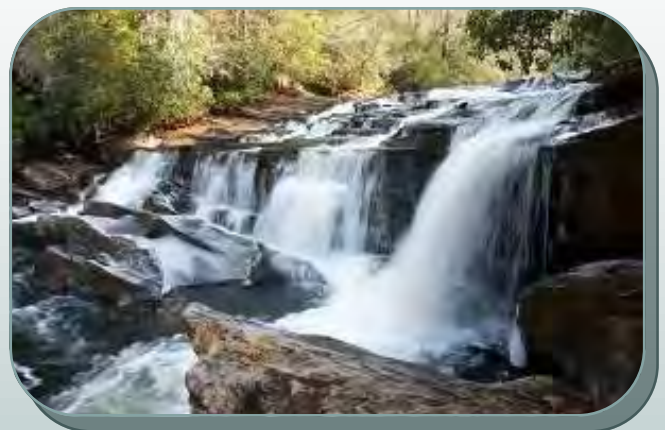
# OCONEE COUNTY, SOUTH CAROLINA

## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2016



Long Creek Falls



Big Bend Falls

Prepared by the  
Department of Finance

**OCONEE COUNTY, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2016**

Prepared by  
Department of Finance

**OCONEE COUNTY, SOUTH CAROLINA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**OCONEE COUNTY, SOUTH CAROLINA**  
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## **INTRODUCTORY SECTION**



# **T. Scott Moulder**

## **County Administrator**

Oconee County Administrative Offices  
415 South Pine Street  
Walhalla, SC 29691  
(864) 638-4245



December 19, 2016

To the Members of the Oconee County Council and the Citizens of Oconee County:

The Comprehensive Annual Financial Report (CAFR) for Oconee County, South Carolina, for the fiscal year ended June 30, 2016, is hereby submitted pursuant to South Carolina Code of Laws, Title 4, Chapter 9, Section 150. The CAFR is intended to present the financial activity of the County for the fiscal year and the financial condition of the County as of June 30, 2016. This CAFR provides a fair presentation of the County's financial position and changes in financial position in accordance with the standards promulgated by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, as well as the presentation and disclosure. Management is also responsible for establishing and maintaining a system of internal controls to safeguard assets and to provide reasonable assurance that the financial statements are free of any material misstatements. The concept of reasonable, rather than absolute, assurance recognizes that the cost of an internal control should not exceed the expected benefits. Management evaluates the costs and anticipated benefits of internal controls within this framework. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Mauldin & Jenkins, Certified Public Accountants. The auditors issued an unmodified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2016. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

Oconee County, incorporated in 1868, is located in the northwest corner of South Carolina in the scenic Blue Ridge foothills and mountains. Five incorporated municipalities exist within the 625 square miles of the County. Oconee County is empowered to levy a property tax on both real and personal property located within its boundaries in order to provide services to a population of approximately 75,713.

Oconee County has operated under the county-administrator form of government since 2000. Policy-making and legislative authority are vested in a governing council (Council) consisting of five council members. Council members are elected by district to a four-year staggered term. The Council elects a chairman, vice chairman, and chairman pro tem at the first meeting in January. The Council appoints the County Administrator who is responsible for carrying out the policies of Council and overseeing the day-to-day operations of the County. Oconee County provides a full range of services, including police and fire protection, judicial services, solid waste disposal and recycling, the construction and maintenance of highways, streets and other infrastructure, and recreational and cultural activities.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for Oconee County's financial planning and control. The budget is prepared by fund, function, (e.g., public safety), and department (e.g., emergency services). The County Administrator is authorized to transfer appropriations between object classifications within departmental budgets. County Council may transfer funds from any fund, department, activity or purpose to another by normal Council action, subject to all other applicable legal requirements.

## **Local Economy**

Oconee County's economy produced some very positive outcomes during the most recent fiscal year. For example, from June of 2015 to June of 2016, the county unemployment rate dropped from 6.3% to 5.8% according to the US Department of Labor, Bureau of Labor Statistics. For the month of June 2016, there was 33,779 Oconee County citizens employed which is significant as it is the highest number ever in the history of the County. These signs are indicative of the intensive efforts to recruit and retain strong business partners within Oconee County. The County Council established economic development as one of the most important long-term strategic objectives for the next five years. In keeping with this commitment, Oconee County continued construction of necessary infrastructure projects at the three county-owned industrial parks that included planning for a new "workforce development" campus, road installations and putting into place the needed utilities. By doing so, the County remains competitive along the economic development front for new opportunities and is ensuring current manufacturers a healthy business climate.

There are more positive developments to report during fiscal year 2016, there were several major economic development announcements which included a total of about \$89,976,641 of new capital investment within Oconee County. The following companies within Oconee County decided to expand their base of operations: Sealed Air, Nason and BASF. Also, the economic development efforts worked to successfully recruit the county's first BMW automotive supplier – Baxter/Hi-Tech.

In addition to manufacturing, the County economy has a strong agricultural sector that includes farming, livestock production and timber interests. A small but growing sector includes specialty and organic produce, sold locally and to near-by markets in Charlotte, North Carolina and Atlanta, Georgia. The County recognizes the cultural influence of this sector to the work ethic and character of its citizens as well as the economic impact to the County. For the last three years the County has provided space for the Carolina Foothills Heritage Fair which celebrates agricultural excellence and draws visitors and exhibitors from throughout the state and region. The County has also begun to work with the agricultural community to develop future plans around a county-wide farmers market, a "farm to table" initiative and various other ways to strengthen this economic driver for our community.

As Oconee County contains a significant amount of public lands, in addition to 1,355 miles of lake shore line, tourism provides a significant contribution to the local economy, and is especially important to local small businesses. A significant addition to the recreational offerings of Oconee County was announced last year that the 350-mile Palmetto Trail is intended to terminate in downtown Walhalla following a 16-mile extension that will run from the present terminus at Oconee Station to take in the Issaqueena Falls area and the Walhalla's Stumphouse Tunnel Park, centered on an uncompleted railroad tunnel started in the 1850s. Oconee County leadership understands the potential of focusing on its' tourism strengths and has begun to make necessary improvements within its' county parks and embracing the new "Destination Oconee" plan that will strive to capitalize on the recreational assets while working to put forth initiatives to generate more money flowing in and around the downtowns of the municipalities.

Oconee County received good news from Duke Energy, the county's largest employer and largest taxpayer, as the company announced significant new developments pertaining to their hydro-electric production operations. Company officials announced they will upgrade the Bad Creek operations, which is located nearly 500 feet below ground, the 32,000 square foot facility produces 1,065 megawatts, using water that flows through the mountain into Lake Jocassee. The plans are to expand its Bad Creek pumped storage project by 200 MW, with an anticipated completion date of 2023. Also in April 2016, federal regulators issued Duke Energy a new 30-year license for its Keowee-Toxaway Hydroelectric Project, which includes Duke's 710-megawatt Jocassee Pumped Storage Station. The Keowee-Toxaway project spans approximately 25 miles of river run miles and provides 868 megawatts of hydro-power generation, including a traditional hydro-electric plant on Lake Keowee and the pump-storage project on Lake Jocassee. It also provides cooling water for 2,500-megawatt Oconee Nuclear Station.

## **Long-term Financial Planning & Major Initiatives**

The County Council created a Capital Projects Advisory Committee, which has been charged with prioritizing proposed future large capital projects and making recommendations to Council. This committee is composed of a Council representative, the County Administrator, a representative from the Infrastructure Advisory Committee, and two citizen representatives. In addition to the voting members, a representative from the Planning Commission and the County's finance, facilities and planning directors serve in a non-voting advisory role. At present, the County is pursuing a strategic goal of using funds on projects that are predominately beneficial to local and regional economy.

The County's long-term debt management policy is influenced by State law regarding debt limits, bond rating agencies, and the Securities and Exchange Commission (SEC). The MD&A includes a brief discussion of the debt limit and the current



bond ratings. The County remains well within the legal debt limit. Future capital projects will be planned to ensure that the County does not exceed the debt limit and that debt service remains at a reasonable level.

During fiscal year 2016, the county remained committed to growing the economic base of the county with continued long and short term improvements of the three county-owned industrial parks while continuing to benefit from its' approach to economic development by ushering in over \$89,000,000 in new capital investments and seeing the deepening of the commitment to Oconee County from Duke Energy.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oconee County for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all of the departments who assisted and contributed to the preparation of this report. We would especially like to thank the Treasurer and Auditor and their staff for all of their assistance during the audit. Credit must also be given to the governing council for their unfailing support for maintaining the highest standards of professionalism in the financial management of Oconee County.

GFOA awarded Oconee County a Distinguished Budget Award for the budget for the fiscal year beginning July 1, 2015. The County is proud of this recognition and believes this demonstrates to the Citizens of Oconee County how committed the County Council, Administration, and Staff are to achieving excellent financial results by properly planning and executing operational and capital plans in an orderly and professional manner.

Respectfully submitted,



T. Scott Moulder  
County Administrator



Ladale V. Price  
Director of Finance



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

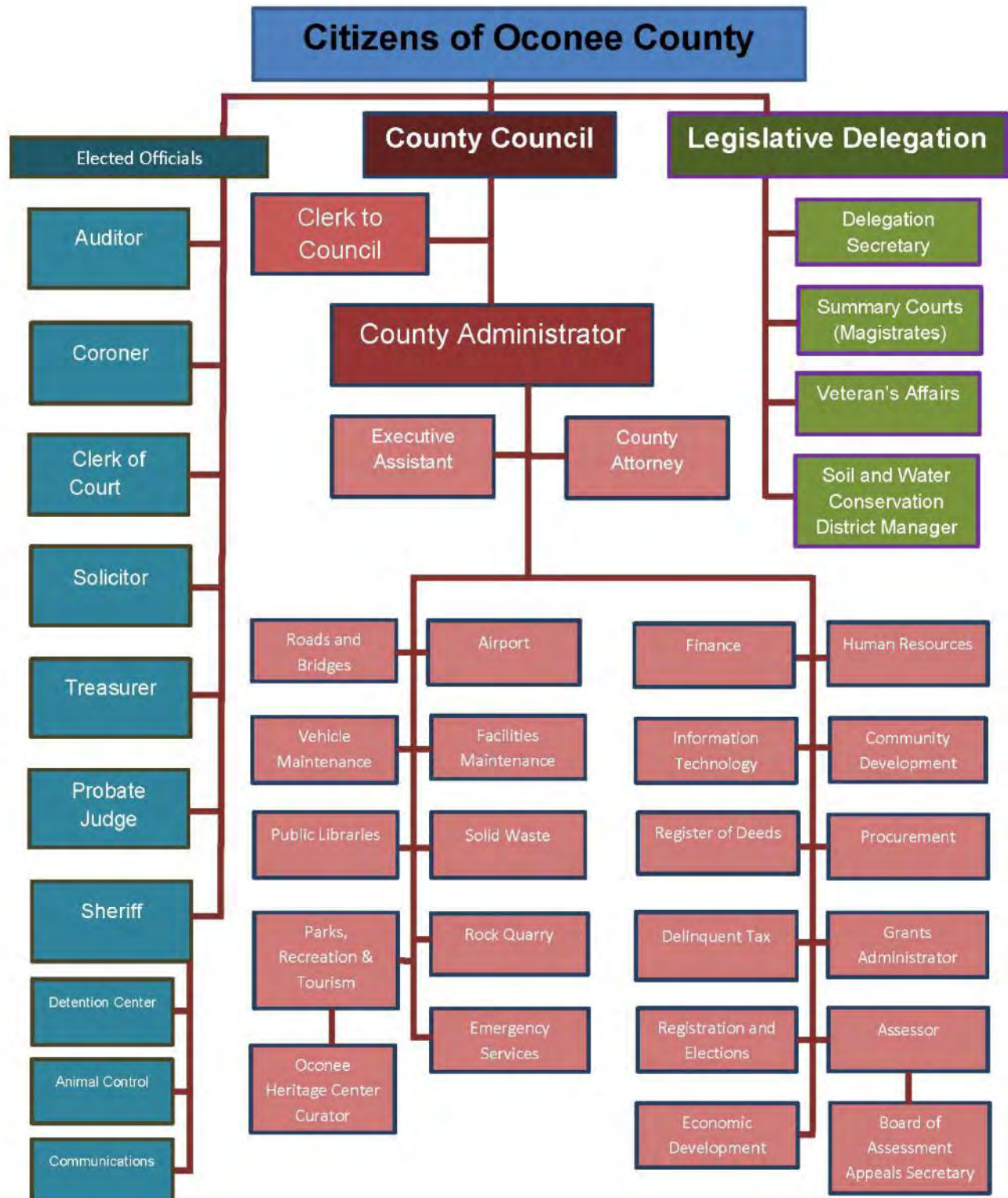
**Oconee County  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

## Oconee County Organization Chart



# **OCONEE COUNTY, SOUTH CAROLINA**

## **PRINCIPAL COUNTY OFFICIALS JUNE 30, 2016**

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### **MEMBERS OF COUNTY COUNCIL**

Wayne McCall	District II - Chairman
Paul A. Cain, Esq.	District III - Vice Chairman
Edda Cammick	District I - Chairman Pro Tem
Joel Thrift	District IV - Member
Reg Dexter	District V - Member

### **LEGISLATIVE DELEGATION**

Thomas C. Alexander	SC State Senator, District 1
William R. "Bill" Whitmire	SC State Representative, District 1
William E. "Bill" Sandifer, III	SC State Representative, District 2
Lindsey Graham	US Senator
Timothy E. Scott	US Senator
Jeffrey D. Duncan	US Representative, District 3

### **APPOINTED OFFICIAL**

T. Scott Moulder	County Administrator
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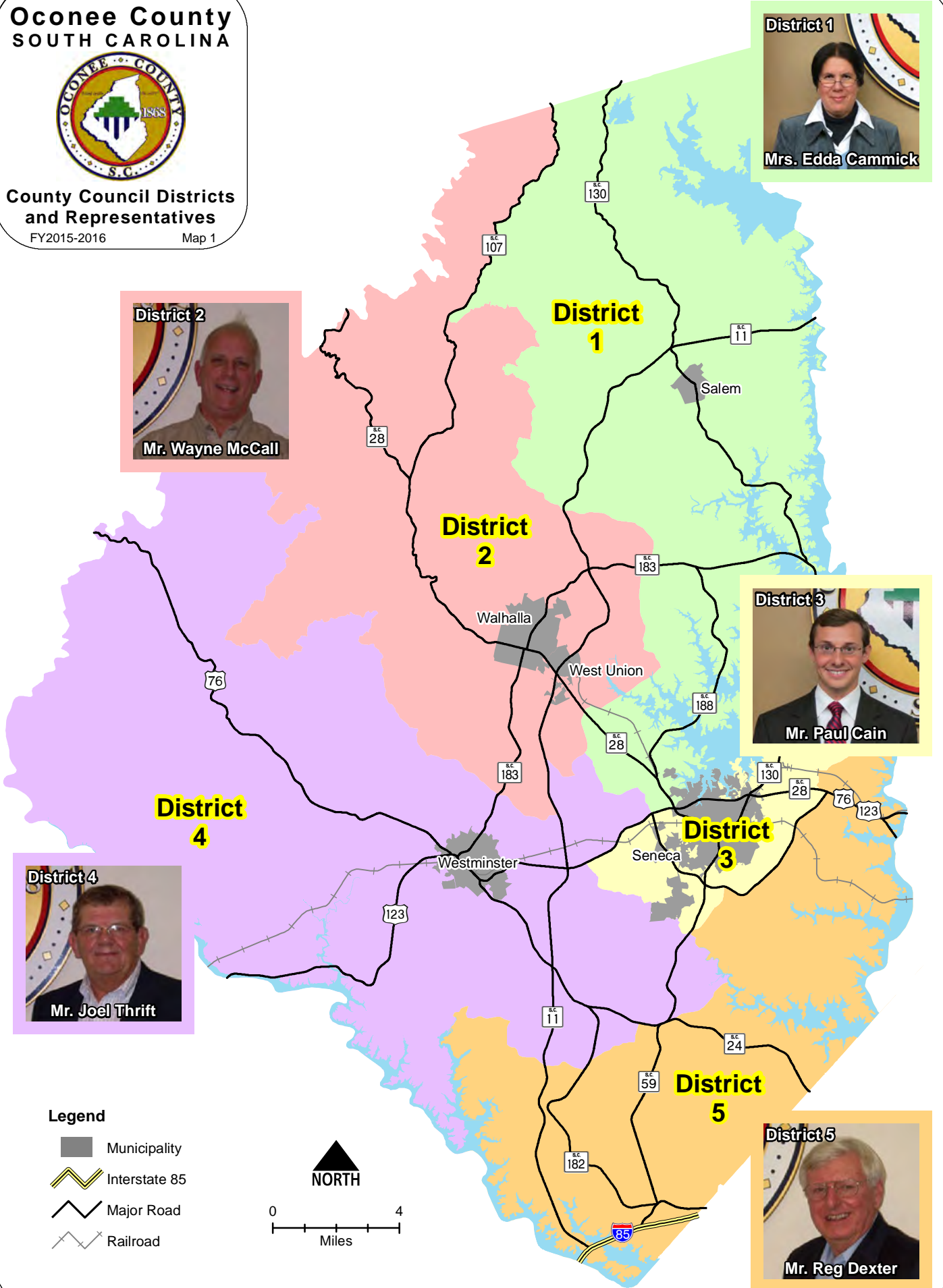
**Oconee County**  
**SOUTH CAROLINA**



**County Council Districts**  
**and Representatives**

FY2015-2016

Map 1





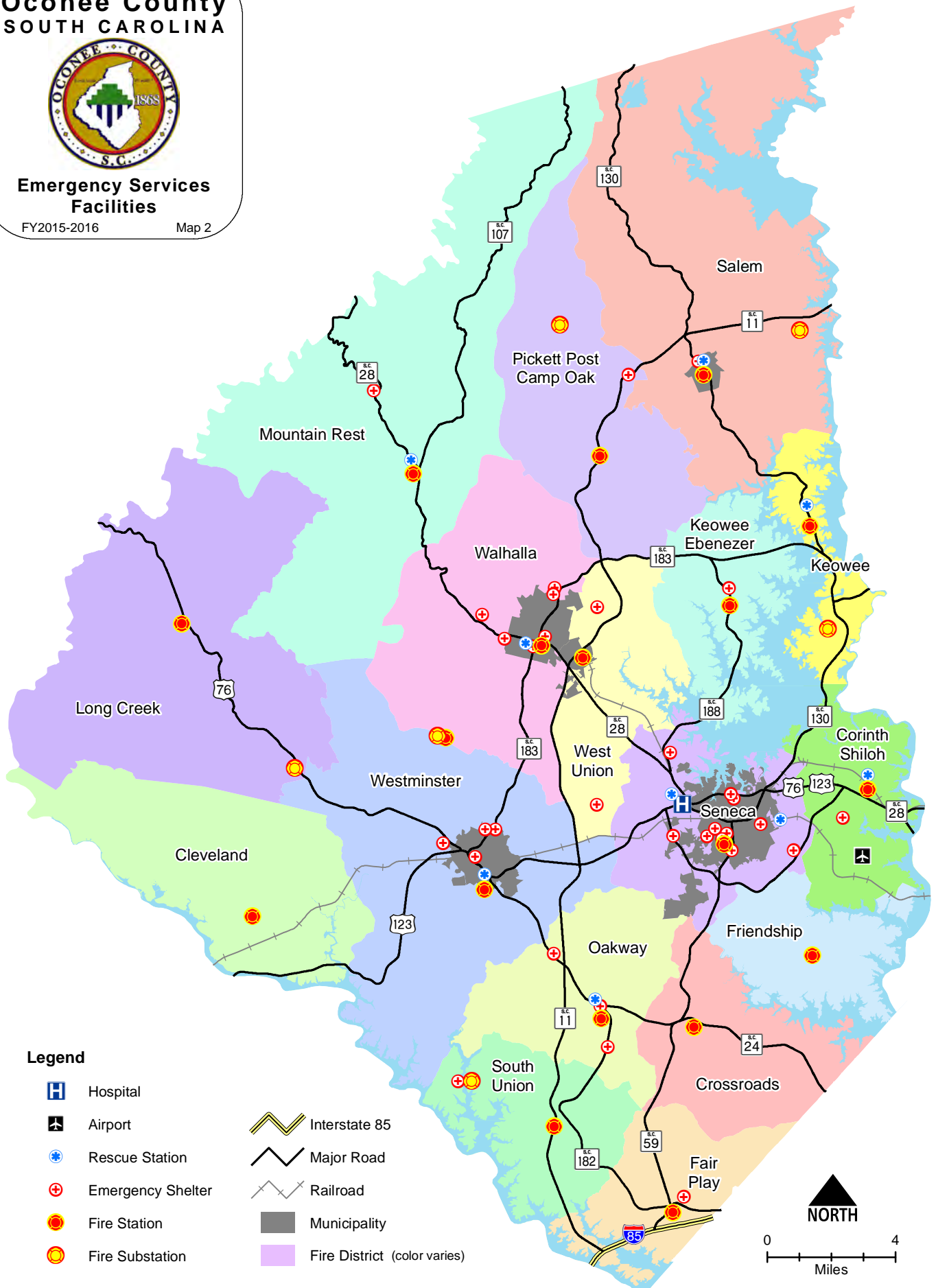
# Oconee County SOUTH CAROLINA



## Emergency Services Facilities

FY2015-2016

Map 2



### Legend

- |                   |                              |
|-------------------|------------------------------|
| Hospital          | Interstate 85                |
| Airport           | Major Road                   |
| Rescue Station    | Railroad                     |
| Emergency Shelter | Municipality                 |
| Fire Station      | Fire District (color varies) |
| Fire Substation   |                              |



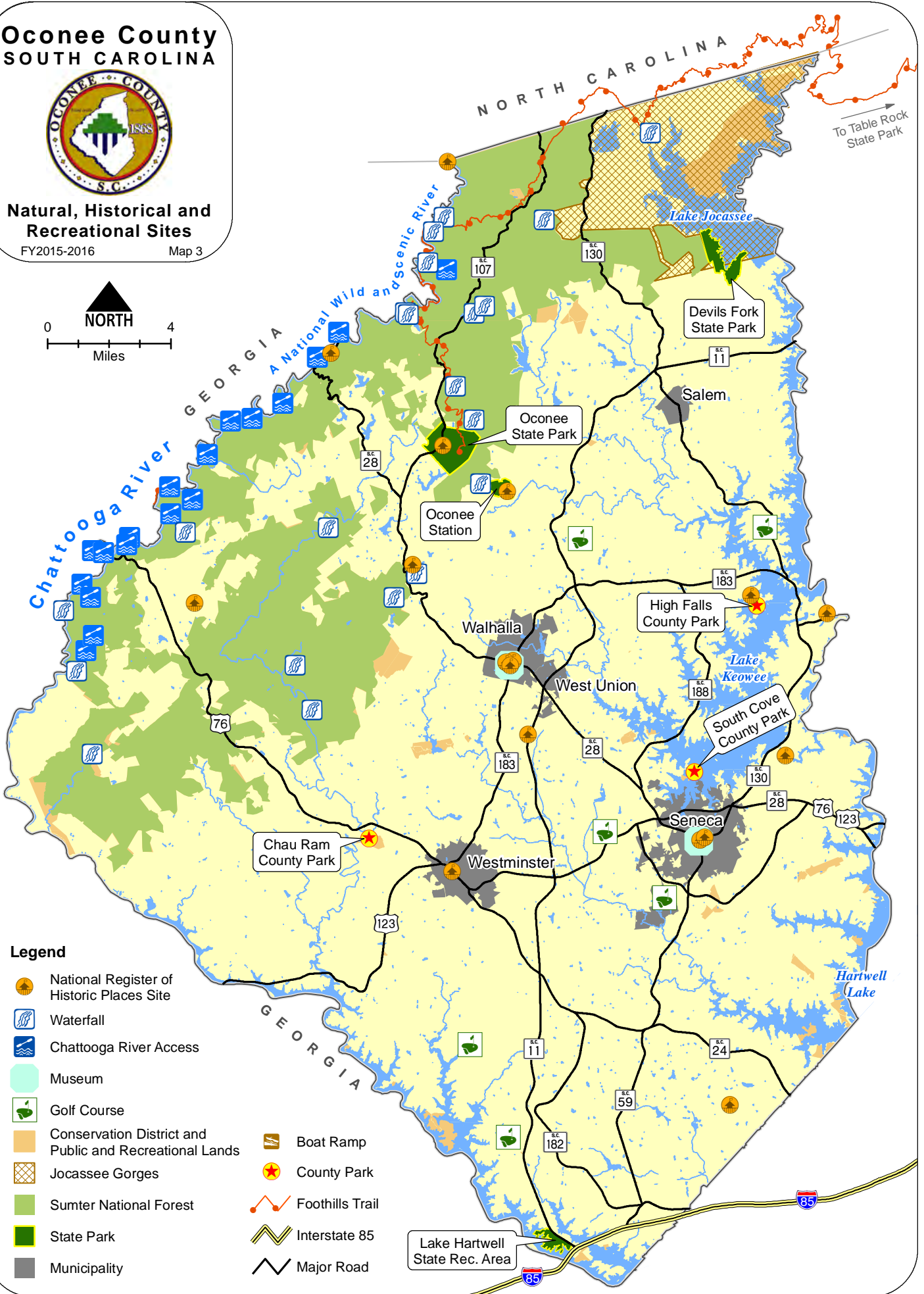
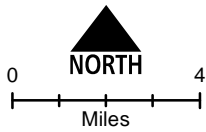
# Oconee County SOUTH CAROLINA



## Natural, Historical and Recreational Sites

FY2015-2016

Map 3



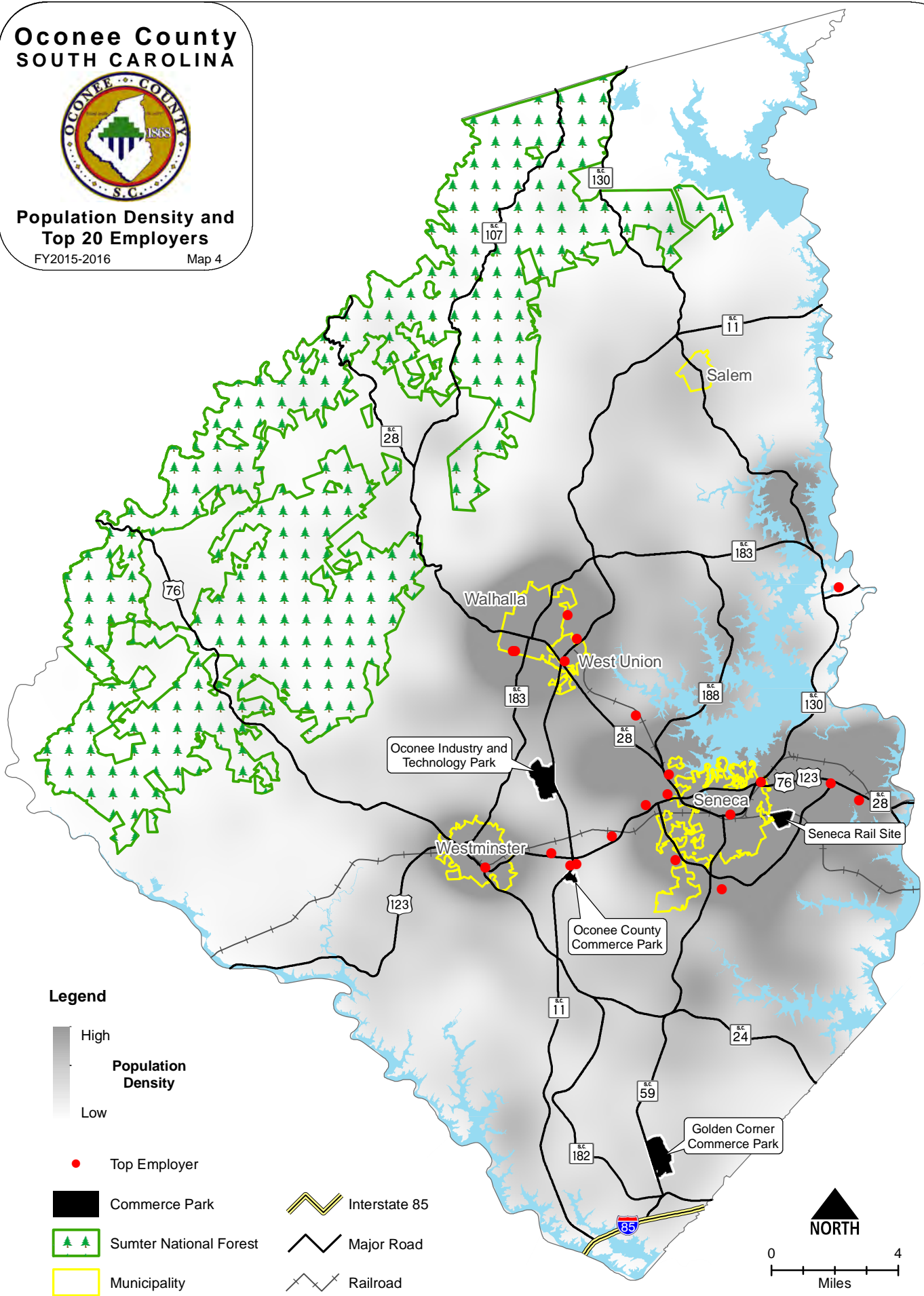
# Oconee County SOUTH CAROLINA



## Population Density and Top 20 Employers

FY2015-2016

Map 4



Source: S.C. Department of Employment and Workforce (June 2015) and U.S. Census Bureau (2010)

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**Oconee County Council  
of Oconee County  
Walhalla, South Carolina**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Oconee County, South Carolina** (the "County"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Oconee County, South Carolina's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Keowee Fire Tax District, which represents 100% of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Keowee Fire Tax District, is based solely on the report of the other auditors. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15), the pension information for the Retirement Plans for the employees of Oconee County, South Carolina (on pages 77 and 78), and the Schedule of Funding Progress (on page 81) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements.

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The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2016, on our consideration of Oconee 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* in considering Oconee County, South Carolina's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 19, 2016



## **OCONEE COUNTY, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of Oconee County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2016. Please read the information presented here in conjunction with additional information presented with the County's financial statements.

### **FINANCIAL HIGHLIGHTS**

- Oconee County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2016, by \$130,476,617, which was an increase from the prior year of 1.5 percent. The County's unrestricted net position was negative \$14,191,622.
- The County's governmental activities reported an increase in net position of \$2,276,062 resulting from the fiscal year 2016 activity. Net position of the business-type activities decreased \$372,925 due to the fiscal year 2016 activity. Overall the County's net position increased \$1,903,137.
- During the year, the County had expenses in governmental activities that were \$1,792,540 less than the \$55,076,854 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$2,810,446 less than the prior year revenues (before transfers) as reflected in the Changes in Net Position Figure 2.
- At the end of fiscal year 2016, the General Fund reported a fund balance of \$22,262,637, which was an increase of \$829,167 from the previous fiscal year.
- In the General Fund, actual revenue sources available for appropriation were \$8,823 less than anticipated primarily due to property tax revenue, charges for services and fines and forfeitures. Actual expenditures were \$777,311 less than the final budgeted expenditures. Furthermore, actual revenues were \$501,545 less than actual expenditures.

### **USING THIS ANNUAL REPORT**

This Management's Discussion and Analysis is intended to serve as an introduction to Oconee County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities. These provide information about the overall government and provide a longer-term view of the County's financial status. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenditures are taken into account regardless of when cash is received or paid.

In addition, these two statements report the County's net position and changes in them. The difference between the assets and the liabilities can be indicative of the County's financial position. Other non-financial factors, like changes in the County's tax base and economic growth, would need to be considered, as well, in determining the overall financial health of the County.

The Statement of Net Position and the Statement of Activities is divided into two kinds of activities:

- Governmental activities – Most of the County’s basic services are reported here for departments that are included in the following categories: general government, public safety, transportation, public works, culture and recreation, judicial services, education, health and welfare, and economic development.
- Business-type activities – Activity for the Rock Quarry is included in this category as the County charges fees to cover the cost of products sold to customers. In addition, activity for the Fiber Optics Creating Unified Solutions (FOCUS) project is a business-type activity as the County will lease bandwidth to customers to generate revenues.

The next statements are fund financial statements that begin on page 18. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detailed information on the significant funds rather than the government as a whole. Some of the funds are required to be established by state law and by bond covenants. However, County Council and management have established many other funds to aid in controlling and managing money specified for particular purposes or to show that legal responsibilities for using certain taxes, grants, and other special funding are being met. There are three types of funds: governmental, proprietary, and fiduciary. Each uses a different accounting approach.

- Governmental funds – Most of the County’s services are reported in the governmental funds, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the County’s general government operations and the basic services that it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County’s programs. The differences between the governmental activities reported in the Statement of Net Position and the Statement of Activities and the governmental funds financial statements are described following the fund financial statements in the Reconciliation of the Balance Sheet to the Statement of Net Position and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities. Following the governmental fund statements is the General Fund Budgetary Comparison Schedule. It includes the original budget, final budget, as amended, and actual, all of which are required supplementary information. In this report, the County includes a variance column, which is not required.
- Proprietary funds – When the County charges customers for products or services that it provides, those activities are reported in the proprietary funds. The proprietary funds reports consist of the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Even though a proprietary fund can consist of enterprise funds and internal services funds, the County only reports for two enterprise funds. The reporting for these enterprise funds is the same as the business-type activities reported in the government-wide statements, but contains more detail and additional information such as the Statement of Cash Flows.
- Fiduciary funds – Fiduciary funds consist of four types of funds: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds, of which the County only has agency funds. Because the County acts as a clearing account to distribute certain financial resources to other entities, the County must report these activities separately, in agency funds, thereby demonstrating that those resources were used for and by the specific entity for which they were collected. The report for the agency funds is the Statement of Fiduciary Net Position where the assets equal the liabilities.

Following the financial statements are the Notes to the Financial Statements, which communicate information that is not displayed on the financial statements, but is essential for fair presentation of the financial statements. Because of this, the Notes are an integral part of the basic financial statements. The

Notes include disclosure information including significant accounting policies, information on the County's capital assets and long-term debt, employee and post-employment health insurance plan information, information related to the County's retirement plans, and more.

Finally, the County must include additional supplementary information. Also, the Schedule of Funding Progress - Other Post-Employment Benefits is required supplementary information that addresses the County's liability for health care benefits for retired employees and progress of funding this liability. The County also presents supplementary information which includes the detailed financial statements and schedules for the non-major funds and various schedules for state and federal requirements. The final section relates to compliance and it includes the compliance reports, schedule of expenditures of federal awards and notes, and a schedule of findings and questioned costs. The completed financial report provides information indicating the accountability of the government and the County's resulting financial position.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one of the most useful indicators of a government's financial condition. The government-wide financial statements for the fiscal year ended June 30, 2016, display combined net position of \$130.5 million, or 1.5 percent above June 30, 2015. The largest portion of the net position (102 percent) reflects the County's investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related debt still outstanding that was issued to acquire those items. The County's investment in its capital assets is reported net of the outstanding related debt, however, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The restricted portion of the County's net position (8.9 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net position (-10.9 percent) is unrestricted net position, with a negative balance of \$14.2 million at June 30, 2016. Unrestricted net position includes \$8,566,241 of assets held for development that are not available to satisfy the obligations of the County because those assets are to be donated for economic development in the County.

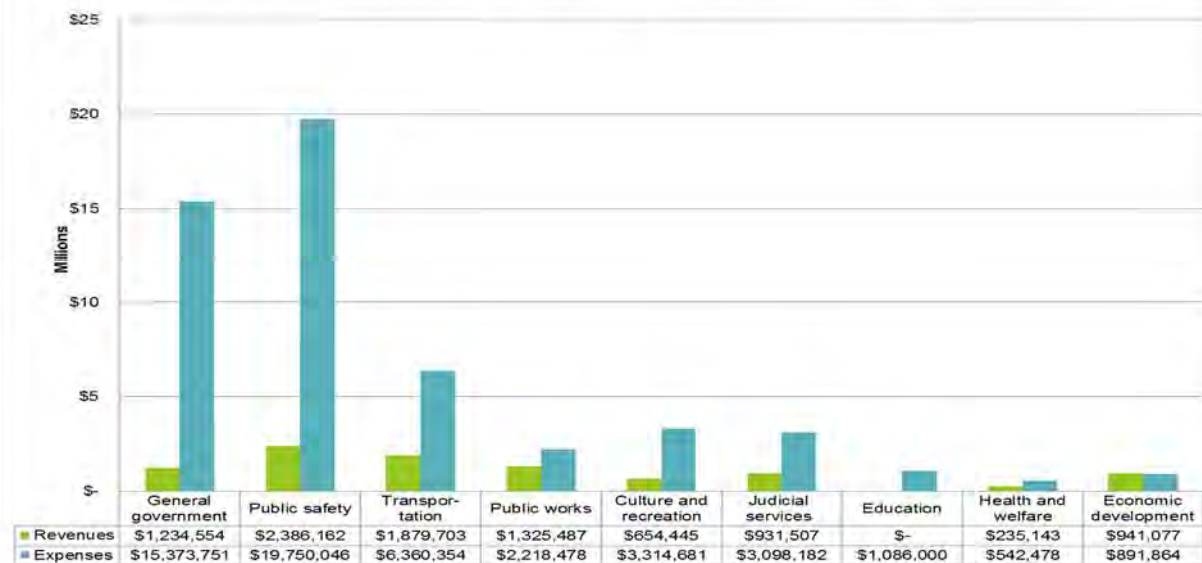
Oconee County's Net Position Figure 1						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 46,794,809	\$ 46,951,869	\$ (2,874,548)	\$ 3,262,074	\$ 43,920,261	\$ 50,213,943
Capital assets	135,027,948	132,178,534	15,453,880	15,676,314	150,481,828	147,854,848
Total assets	\$ 181,822,757	\$ 179,130,403	\$ 12,579,332	\$ 18,938,388	\$ 194,402,089	\$ 198,068,791
Deferred charge on refunding	\$ -	\$ 8,897	\$ -	\$ -	\$ -	\$ 8,897
Pension - South Carolina Retirement System	1,783,627	1,794,436	121,700	122,655	1,905,327	1,917,091
Pension - South Carolina Police Officers' Retirement System	1,265,123	1,112,208	-	-	1,265,123	1,112,208
Total deferred outflows of resources	\$ 3,048,750	\$ 2,915,541	\$ 121,700	\$ 122,655	\$ 3,170,450	\$ 3,038,196
Long-term liabilities	\$ 27,815,596	\$ 26,623,777	\$ 207,038	\$ 7,071,997	\$ 28,022,634	\$ 33,695,774
Other liabilities	36,617,771	35,021,003	1,729,228	788,080	38,346,999	35,809,083
Total liabilities	\$ 64,433,367	\$ 61,644,780	\$ 1,936,266	\$ 7,860,077	\$ 66,369,633	\$ 69,504,857
Pension - South Carolina Retirement System	\$ 654,239	\$ 1,771,607	\$ 57,819	\$ 121,094	\$ 712,058	\$ 1,892,701
Pension - South Carolina Police Officers' Retirement System	14,231	1,135,949	-	-	14,231	1,135,949
Total deferred outflows of resources	\$ 668,470	\$ 2,907,556	\$ 57,819	\$ 121,094	\$ 726,289	\$ 3,028,650
Net position:						
Net investment in capital assets	\$ 117,641,741	\$ 115,776,114	\$ 15,453,880	\$ 15,676,314	\$ 133,095,621	\$ 131,452,428
Restricted	11,572,618	4,547,704	-	-	11,572,618	4,547,704
Unrestricted	(9,444,689)	(2,830,210)	(4,746,933)	(4,596,442)	(14,191,622)	(7,426,652)
Total net position	\$ 119,769,670	\$ 117,493,608	\$ 10,706,947	\$ 11,079,872	\$ 130,476,617	\$ 128,573,480

**Oconee County's Changes in Net Position**  
**Figure 2**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 5,425,186	\$ 5,220,956	\$ 5,928,950	\$ 4,644,528	\$ 11,354,136	\$ 9,865,484
Operating grants and contributions	2,407,575	1,888,624	-	-	2,407,575	1,888,624
Capital grants and contributions	1,755,317	2,531,412	-	-	1,755,317	2,531,412
General revenues:						
Property taxes	41,172,258	40,208,079	-	-	41,172,258	40,208,079
Other taxes	896,899	883,996	-	-	896,899	883,996
Grants and contributions not restricted to specific programs	2,753,991	2,760,812	-	-	2,753,991	2,760,812
Interest income	546,936	521,943	5,908	13,883	552,844	535,826
Insurance recoveries	118,692	203,750	-	-	118,692	203,750
Total revenues	\$ 55,076,854	\$ 54,219,572	\$ 5,934,858	\$ 4,658,411	\$ 61,011,712	\$ 58,877,983
<b>Program expenses</b>						
General government	\$ 15,373,751	\$ 10,126,223	\$ -	\$ -	\$ 15,373,751	\$ 10,126,223
Public safety	19,750,046	20,502,284	-	-	19,750,046	20,502,284
Transportation	6,360,354	6,916,146	-	-	6,360,354	6,916,146
Public works	2,218,478	3,887,619	-	-	2,218,478	3,887,619
Culture and recreation	3,314,681	3,343,201	-	-	3,314,681	3,343,201
Judicial services	3,098,182	3,233,141	-	-	3,098,182	3,233,141
Education	1,086,000	1,066,000	-	-	1,086,000	1,066,000
Health and welfare	542,478	400,441	-	-	542,478	400,441
Economic development	891,864	1,291,090	-	-	891,864	1,291,090
Interest and fiscal charges	648,480	642,981	-	-	648,480	642,981
FOCUS	-	-	2,672,861	2,324,110	2,672,861	2,324,110
Rock quarry	-	-	3,151,400	2,760,715	3,151,400	2,760,715
Total expenses	\$ 53,284,314	\$ 51,409,126	\$ 5,824,261	\$ 5,084,825	\$ 59,108,575	\$ 56,493,951
Excess (deficiency) before transfers	\$ 1,792,540	\$ 2,810,446	\$ 110,597	\$ (426,414)	\$ 1,903,137	\$ 2,384,032
Transfers	483,522	750,000	(483,522)	(750,000)	-	-
Increase (decrease) in net position	\$ 2,276,062	\$ 3,560,446	\$ (372,925)	\$ (1,176,414)	\$ 1,903,137	\$ 2,384,032
Net position - beginning	\$ 117,493,608	\$ 113,933,162	\$ 11,079,872	\$ 12,256,286	\$ 128,573,480	\$ 126,189,448
Net position - ending	\$ 119,769,670	\$ 117,493,608	\$ 10,706,947	\$ 11,079,872	\$ 130,476,617	\$ 128,573,480

**Governmental Activities - Program Revenues and Expenses**

**Chart 1**



The Statement of Activities on page 17 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, increased to \$61 million, or 3.6 percent, from the prior year.

Certain County programs are authorized to charge for services provided to its constituents. For the County as a whole, the charges for services increased 15.1 percent, or \$1.5 million, from fiscal year 2015 to fiscal year 2016. Further, the County receives both operating and capital grants and contributions from state and federal governments as well as other non-government individuals and businesses. The operating grants and contributions, \$2.4 million, are used to fund the general operations of certain programs of the County. The operating grants increased from the prior year by \$518,951 (27.5 percent). This increase is due to the governmental activities public safety program. Capital grants and contributions fund the purchase of capital assets and improvements. During 2016, the County received \$1.7 million in capital grants compared to the \$2.5 million received for fiscal year 2015, a 30.7 percent decrease. The majority of this decrease pertains to the economic development program. Property tax revenues were increased by \$964,179 (2.4 percent).

The total governmental and business-type activities program expenses increased \$2.6 million, which is composed primarily of increases in general government (\$5,247,528), health and welfare (\$142,037) education (\$20,000), interest on long-term debt (\$5,499), FOCUS (\$348,751), and Rock Quarry (\$390,685) offset by decreases in public works (\$1,669,141), public safety (\$752,238), transportation (\$555,792), economic development (\$399,226), judicial services (\$134,959), and culture and recreation (\$28,520). The increase in the general government expenses is a result of salaries and fringe benefits, professional services, capital outlay and the addition of an on-staff attorney. Rock Quarry expenses increased mainly due to employee salaries and fringe benefits, electricity, and equipment and vehicle maintenance. The net expense, (difference between program revenues and program expenses), for all programs and services decreased 20.2 percent from the previous year, due to the net of increases and decreases in expenses previously noted.

The analysis in Figure 2 provides more detailed information on the governmental and business-type activities separately.

### **Governmental Activities**

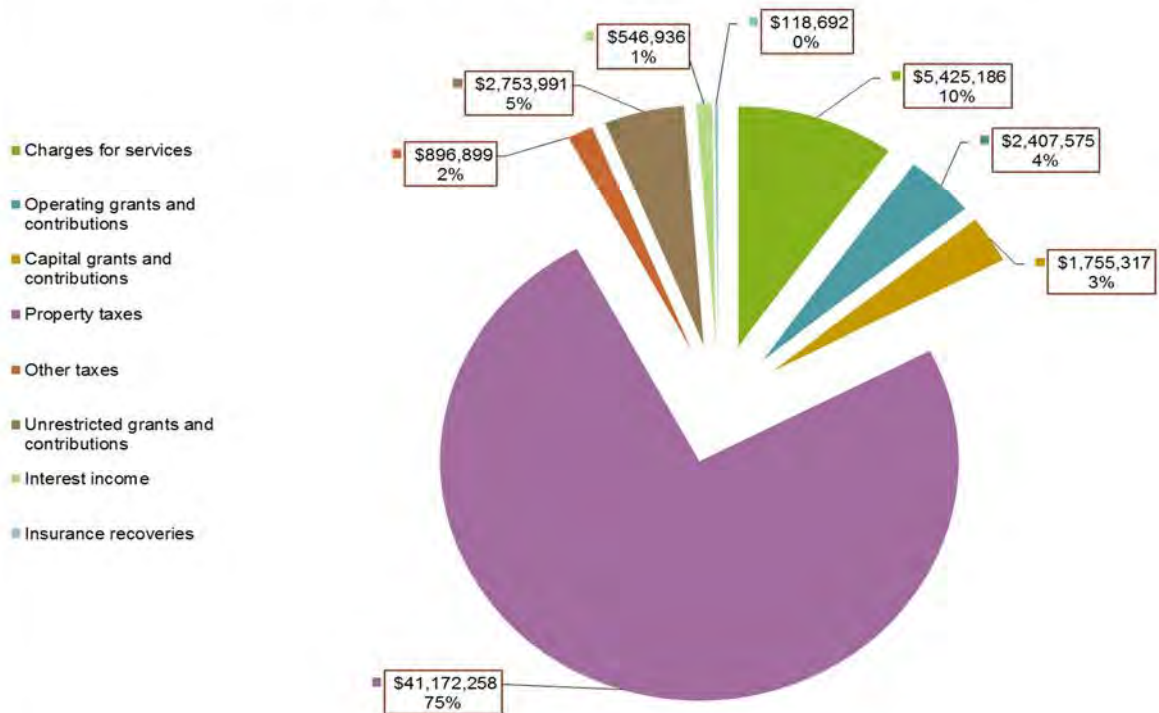
Net position of the County's governmental activities increased from 2015 to 2016. This \$2,276,062 increase is due to the increase in total assets and deferred outflows of resources that was 5.1 times greater than the increase in total liabilities and deferred outflows of resources. The increase in total assets and deferred outflows is a direct result of the internal balances between the governmental activities and the business-type activities, while the increase in total liabilities and deferred outflows is a direct result of the accounting requirement for reporting the County's portion of the state retirement pension liability and the long-term liabilities. The governmental activities unrestricted net position at June 30, 2016, totaled a negative \$9.4 million, an increase from the prior year of \$6.6 million. Additionally, the fiscal year 2016 total net position from the governmental activities operations included an increase in the restricted net position of \$7,024,914. Furthermore, the net investment in capital assets increased by \$7 million.

The cost of all governmental activities this year was \$53.3 million compared to \$51.4 million last year due mainly to the increase in general government programs.

The amount that our taxpayers paid in County property taxes to finance the governmental activities was \$41.2 million. Some operating costs were paid either by those who directly benefited from the services offered (\$5.4 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$4.2 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, decreased marginally by \$52,844 from \$9,640,922 in 2015 to \$9,588,078 in 2016. The net program revenues for the economic development program comprise a reduction from the prior year of \$866,962, which is mainly the result of the capital grant received in 2015 that did not recur in 2016.

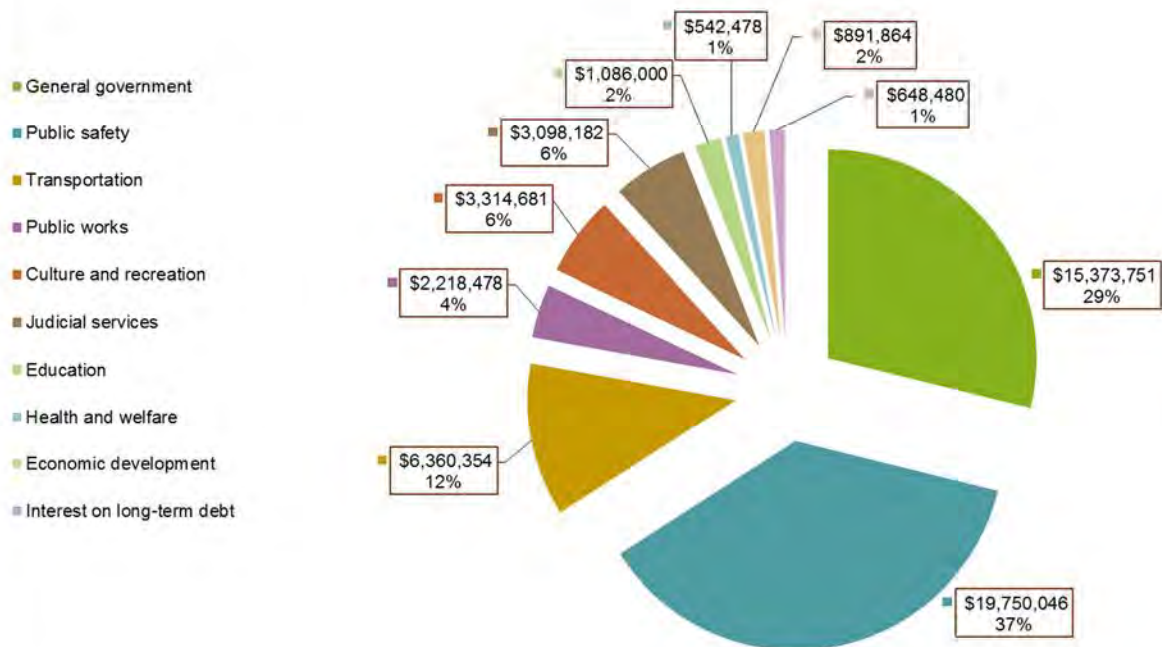
## Revenues by Source - Governmental Activities

Chart 2



## Expenses by Program - Governmental Activities

Chart 3

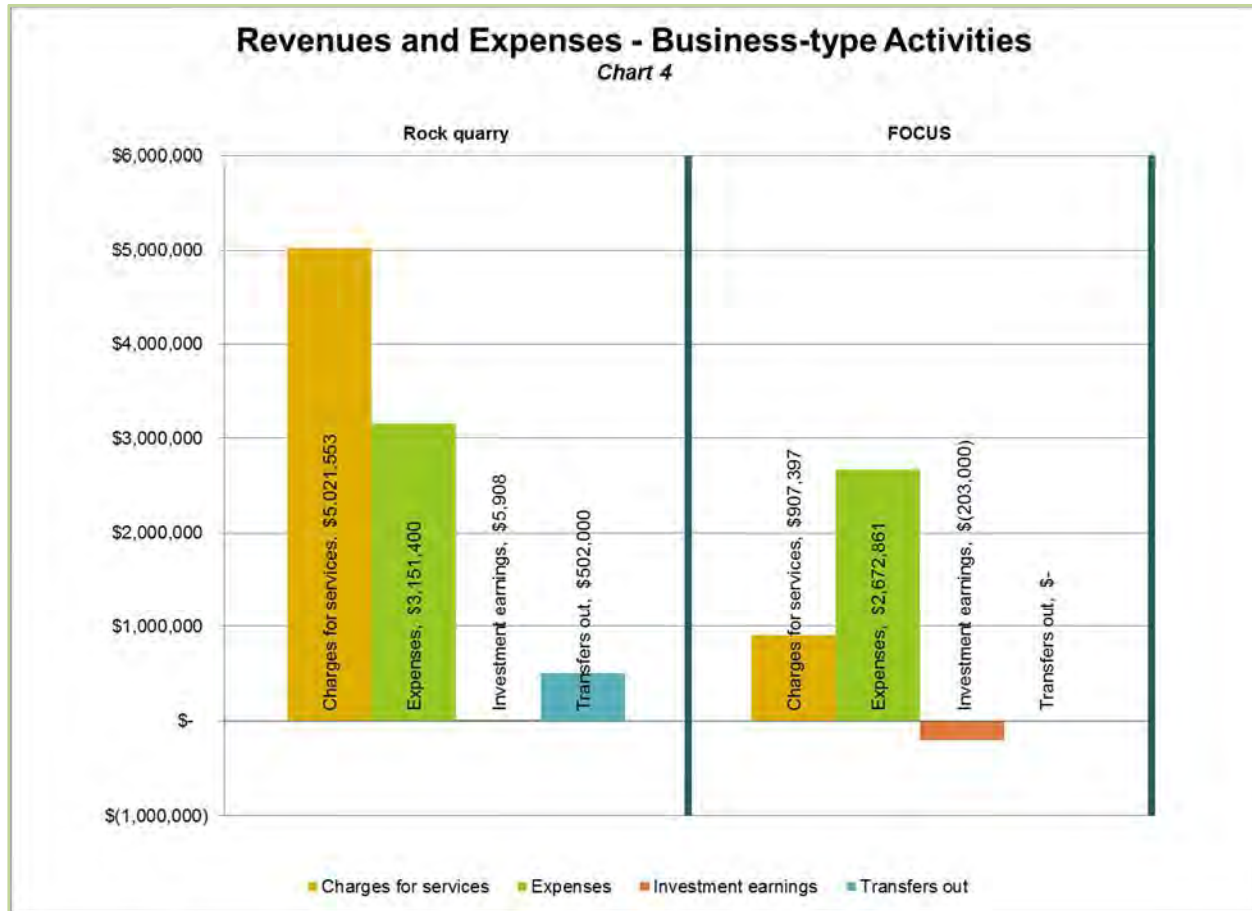




## Business-type Activities

Total net position of the business-type activities decreased by \$372,925 or 3.4 percent. As with the governmental activities, the decrease in the total net position results from the increase in the internal balances for FOCUS.

Fiscal year 2016, business-type activities program revenues increased by \$1.3 million, or 27.7 percent, over fiscal year 2015. FOCUS had an increase in lease revenues of \$430,709 over the prior year. The Rock Quarry had an increase in program revenues of \$1.1 million from rock sales. The business-type activities expenses increased 14.5 percent, or \$739,436. This is primarily due to increases in the salary and benefits, supplies, maintenance of equipment, and electricity for the FOCUS project and in maintenance vehicles and equipment and electricity for the Rock Quarry.



## FUND FINANCIAL ANALYSIS

As described earlier, the County has to include detailed reports for its governmental and proprietary funds as well as the General Fund Budgetary Comparison Schedule. These statements begin on page 24.

### Governmental Funds

At completion of fiscal year 2016, the County's governmental funds reported total fund balances of \$42.4 million, which was an increase from last year's total by \$1.1 million. This increase was primarily related to activity within the General Fund and the Capital Projects Fund. Total governmental revenues increased \$1.4 million, or 2.5 percent mainly as a result of increased property tax collections and licenses, permits and fees revenues. Total governmental funds expenditures decreased by \$6.9 million, or 10.4 percent, from the prior year. The decrease in the governmental fund capital outlay expenditures is due to the completion of the law enforcement detention center.

The chief operating and major fund of the County is the General Fund. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$5.8 million, while its total fund balance was \$22.3 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to its total original budgeted expenditures for the following year. The unassigned fund balance represents 13.1 percent of the total General Fund expenditures for fiscal year 2016-2017, while the total fund balance represents 50.4 percent of that same amount. The General Fund revenues have increased by approximately \$2 million from 2015. General Fund expenditures increased 2.1 percent primarily in the public safety and transportation programs and capital lease principal and interest expenditures.

The County is required to present individual financial statements for each of the County's most significant, or major, funds. The General Fund is always a major fund. In addition, other governmental and enterprise funds must be reported as a major fund, if both of the following criteria have been met.

- a) Total assets, liabilities, revenues, or expenses/expenditures of the individual governmental or enterprise fund are at least 10 percent of the corresponding total for that element (assets, liabilities, etc.) for all funds of that category or type.
- b) Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for that element (assets, liabilities, etc.) of all governmental and enterprise funds combined.

The County could decide to include any governmental or enterprise fund's individual financial statements as a major fund, even if they do not meet the criteria for major fund reporting.

The following funds have met the criteria for inclusion as a major fund.

Capital Projects Fund – this fund accounts for the acquisition and construction of capital assets. The June 30, 2016, fund balance was \$1.3 million, an increase of \$527,265 from the June 30, 2015, fund balance. Capital outlay expenditures decreased by \$9.4 million due to the detention center construction project having been completed. However, the County entered into a capital lease purchase agreement of \$4.2 million for the acquisition of much needed equipment replacements.

Economic Development Capital Projects Fund – this fund accounts for property taxes, grants, and other funding sources restricted for the acquisition and construction of economic development properties and infrastructure. The revenues collected in fiscal year 2015-2016 were slightly over \$2 million. Capital outlay expenditures related to the development of the GCCP and construction a wastewater treatment facility contributed to the \$2.2 million, or 82 percent, of total expenditures. Total expenditures increased by 63.3 percent, or \$826,382 from the prior year.

### **Proprietary Funds**

The County reports two enterprise funds. Those funds are the Rock Quarry Fund and the FOCUS Fund. The Rock Quarry produces and sells mined blue granite for use in construction and landscaping projects. Since the FOCUS fund has completed the backbone installation for the countywide fiber optics broadband network, it is installing cabling to businesses and residences as requested. The total net position for both proprietary funds at June 30, 2016 was \$10.7 million of which \$5.8 million is related to the Rock Quarry and \$4.9 million related to FOCUS. The Rock Quarry transferred \$502,000 to the General Fund. The Rock Quarry's operating income, \$1.9 million, increased from the previous year by \$1.4 million as a result of increased rock sales. The FOCUS fund's net position decreased \$1.8 million resulting from the increase in the amounts due to other funds. Refer to the analysis in the Business-type Activities section above for further discussion of revenues and expenses for proprietary funds.

### **General Fund Budgetary Highlights**

In the 2016 adopted budget (Ordinance 2015-01), the General Fund's original budget totaled \$41,848,004. Encumbrances for purchase orders involving capital expenditures with an outstanding balance at fiscal

year-end 2015 did not lapse and were allowed to roll forward to the 2016 budget year as allowed in the budget provisions. The 2015 fiscal year-end's encumbrances added \$207,278 in amendments to the original 2016 budget.

By the end of the year, General Fund actual revenues totaled \$41,465,535; \$8,823 less than the final budget attributed mainly to reductions in the property tax, charges for services, and fines and forfeitures revenue categories. During the year, expenditure budget amendments increased the total budgeted expenditures by \$518,357, which included the purchase order encumbrances from June 30, 2015. Actual expenditures totaled \$41,967,080, thus creating a budget variance in total expenditures of \$777,311. This difference between the actual expenditures and the final budgeted expenditures was accomplished by actual expenditures being less than the final budget in all functions of the general fund. Equally important to note, the actual expenditures were more than the original budget by \$362,333 and the original and final budgeted revenues were more by \$10,004.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The County's capital assets for the governmental and business-type activities as of June 30, 2016, total \$150.5 million (net of accumulated depreciation and depletion). These assets include land, construction in progress, infrastructure land rights, buildings and improvements, vehicles and equipment, infrastructure, permits and mineral interests. The net increase (including additions and deductions) is \$2.6 million, or 1.8 percent, above last year. The increase is due to numerous capital projects expenditures with capital lease purchase and grant funding.

Oconee County's Capital Assets Net of Accumulated Depreciation and Depletion Figure 3						
	2016	2015	2016	2015	2016	2015
Land	\$ 4,234,869	\$ 3,369,066	\$ 594,592	\$ 393,590	\$ 4,829,461	\$ 3,762,656
Other costs	36,924,770	36,886,456	-	-	36,924,770	36,886,456
Construction in progress	16,201,649	29,397,542	-	-	16,201,649	29,397,542
Buildings and improvements	49,737,825	34,780,137	200,722	227,109	49,938,547	35,007,246
Equipment and vehicles	9,542,453	8,941,203	2,260,259	2,026,066	11,802,712	10,967,269
Infrastructure	18,344,407	18,759,679	12,123,071	12,747,412	30,467,478	31,507,091
Other	41,975	44,451	-	-	41,975	44,451
Mineral interests	-	-	275,236	282,137	275,236	282,137
Total capital assets, net of accumulated depreciation and depletion	\$ 135,027,948	\$ 132,178,534	\$ 15,453,880	\$ 15,676,314	\$ 150,481,828	\$ 147,854,848

Major capital asset transactions during the year include:

- Construction in progress for:
  - Golden Corner Commerce Park (GCCP) sewer pump station, \$1,380,402;
  - GCCP sewer plant connection, \$118,749;
  - Airport improvement project (AIP) #21 and #22, \$867,387;
  - Whetstone emergency sub-station, \$167,421;
  - Cheohee Valley emergency sub-station, \$146,978;
  - Shiloh emergency substation, \$197,673;
  - Nine County roads, \$464,786;
  - Three County bridges, \$59,745; and
  - Installation of Sheriff's department software system upgrade, \$164,023; and
- Asset additions for:
  - Law enforcement detention center facility, \$16,566,207;
  - Law enforcement detention center paved parking, \$124,884;
  - 57.59 acres for a farmers' market, \$691,587;
  - 0.875 acres for expansion of the rock quarry, \$201,002;

- 7.07 acres for airport expansion, \$150,451;
- 1.01 acres for an emergency sub-station, \$26,765;
- One County road, \$220,112 and three bridges, \$1,256,086;
- Twenty-seven passenger vehicles, \$766,344;
- Four large vehicles for the roads and bridges department, \$419,894; and
- Oconee FOCUS last-mile additions to inside and outside plant, \$305,355.

Additional information on the County's capital assets can be found in Note 5 on pages 47 - 49 of the basic financial statements.

## Long-term Debt

As of June 30, 2016, the County had outstanding a total bonded debt of approximately \$13.4 million, all of which is backed by the full faith and credit of the County.

Oconee County's Outstanding Debt

Figure 4

	2016	2015	2016	2015	2016	2015
<b>General obligation (GO) bonds</b>						
<u>Applicable to the debt margin:</u>						
GO bonds	\$ 11,575,000	\$ 13,005,000	\$ -	\$ -	\$ 11,575,000	\$ 13,005,000
Plus unamortized premium	513,005	577,176	-	-	513,005	577,176
GO refunding bonds	690,000	1,360,000	-	-	690,000	1,360,000
Plus unamortized premium	7,742	23,002	-	-	7,742	23,002
Total GO bonds applicable to the debt margin	\$ 12,785,747	\$ 14,965,178	\$ -	\$ -	\$ 12,785,747	\$ 14,965,178
<u>Not applicable to the debt margin:</u>						
GO bonds for special tax districts	\$ 595,000	\$ 680,000	\$ -	\$ -	595,000	680,000
Total GO bonds no applicable to the debt margin	\$ 595,000	\$ 680,000	\$ -	\$ -	\$ 595,000	\$ 680,000
Total GO bonds	\$ 13,380,747	\$ 15,645,178	\$ -	\$ -	\$ 13,380,747	\$ 15,645,178
<b>Capital lease obligations</b>	5,214,340	1,844,489	-	-	5,214,340	1,844,489
<b>Special source refunding revenue bonds</b>	2,516,000	2,758,000	-	-	2,516,000	2,758,000
Total outstanding debt	\$ 21,111,087	\$ 20,247,667	\$ -	\$ -	\$ 21,111,087	\$ 20,247,667

At June 30, 2016, the County's total outstanding general obligation (GO) debt in the governmental funds was \$13,380,747. The outstanding balance consists of the series 2007 Keowee Fire Tax District GO bonds, series 2010 GO refunding bonds, series 2011 Detention Center GO bonds, and the series 2013 Echo Hills Commerce Park GO bonds.

As a part of the process of issuing new debt, credit rating assessments are reviewed by credit rating agencies. The two main credit rating agencies are Moody's Investors Service and Standard & Poor's. Each rating agency interprets the County's data slightly different resulting in possibly different ratings. On July 3, 2014, Standard & Poor's upgraded the County's ratings from "AA-" to "AA"; while the County's rating remains at "Aa2" with Moody's Investors Service. These stable bond ratings are a clear indication of the continued sound financial condition of the County and are a primary factor in keeping interest costs low on the County's outstanding debt.

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin, (amount of general obligation debt that the County could borrow without a referendum), for the County is approximately \$32 million, which is an 11.2 percent increase from the prior year. The legal debt margin calculation does not apply to GO debt issued for special tax districts.

The outstanding balance of the series 2014 special source refunding revenue bond is \$2,516,000. Since special source refunding revenue bonds are repaid with special revenues and not with property taxes, they are not included in the calculations of the above stated debt limits.

The 2013 capital lease purchase had an outstanding balance of \$1,401,677. The enterprise funds do not have any existing or pending bonded debt or capital leases.

Additionally, the County maintains two closed municipal solid waste (MSW) landfills and two open construction and demolition (C&D) waste landfills. A portion of the long-term liabilities includes an estimate for the closure and post-closure care cost of these landfills. During 2016, the estimated liability was reduced by \$108,518 due to the current year's portion. The balance of the estimated liability for closure and post closure care costs at June 30, 2016, is \$2.2 million.

Included in the long-term liabilities are the compensated absences, which consist of accrued accumulated unpaid vacation time, earned by County employees. The estimated long-term liability for annual leave is \$1,339,872 for the governmental activities and \$103,397 for the business-type activities.

Finally, the long-term liabilities include the net post-employment benefit obligation. At fiscal year-end, the net post-employment benefit obligation for the governmental activities was \$3,175,455, an increase of \$347,259 from 2015. The business-type activities net post-employment benefit obligation increased \$26,700 during 2016 to \$158,254 at fiscal year-end.

Additional information regarding the County's long-term liabilities can be found in Note 6 on pages 50 - 54 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Both the United States and County economies are expected to continue to recover from the 2007-2008 recession as indicated with lower unemployment rates. The County's unemployment rate, as of June 2016, was 5.8 percent which is lower than the October 2015 rate of 6.3 percent. The State's unemployment rates for the same periods are 5.4 percent and 6.1 percent, respectively. Oconee County continues to make significant investments in economic development including the development of land specifically to attract industry and thereby employment opportunities to Oconee County. These investments combined with our proximity to the Interstate 85 corridor, the outstanding natural beauty of our mountains and lakes, an excellent school system and our workforce's outstanding work ethic have placed the County in an excellent position for future growth.

Oconee County Ordinance 2016-01 establishes the budget and provides for the levy of taxes for ordinary County purposes for fiscal year beginning July 1, 2016 and ending June 30, 2017. Appropriations in the 2016-2017 annual adopted budgets provide funding for:

- **Governmental funds:**
  - General Fund, \$44,327,318,
  - Special revenues funds for:
    - Emergency Services Protection, \$1,491,000,
    - Road Maintenance, \$1,701,500,
    - Tri-County Technical College Operations, \$1,066,000,
    - Victims Services – Sheriff's Office, \$141,700,
    - Victims Services – Solicitor's Office, \$62,986,
    - 911 Communications, \$1,034,000,
  - Capital projects funds for:
    - Bridge and Culvert, \$450,000,
    - Economic Development, \$1,133,000,
  - Debt service fund, \$2,095,210,
- **Enterprise funds:**
  - Rock Quarry, \$4,560,981, and
  - Oconee FOCUS, \$2,716,981.

The total budget for these funds is \$60,780,676. The General Fund's adopted budget for fiscal year 2017 totals \$44,327,318, which is more than the prior year's budget by \$914,961. The increase is due to the restructuring of the Oconee County Sheriff's Office compensation, the addition of two deputy II positions, the addition of one planner to be shared by the County and municipalities, the conversion of two part-time positions to full time, and the funding of capital vehicles and equipment for several departments. The total millage levied for fiscal year ending 2017 for the County's incorporated areas is 71 mills and the unincorporated areas is 73.9 mills. The unincorporated and the incorporated millage rates did not change from the prior year.

### **REQUESTS FOR INFORMATION**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to:

Director of Finance  
Oconee County Finance Department  
415 South Pine Street  
Walhalla, South Carolina 29691

Or on the web at: [www.OconeeSC.com](http://www.OconeeSC.com).



# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF NET POSITION JUNE 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
<b>ASSETS</b>				
Cash and cash equivalents	\$ 17,989,703	\$ 3,428,942	\$ 21,418,645	\$ 652,891
Investments	8,808,986	497,565	9,306,551	-
Receivables:				
Taxes	1,245,288	-	1,245,288	6,166
Accounts	307,302	66,384	373,686	-
Due from other governments	1,512,967	-	1,512,967	-
Internal balances	7,021,626	(7,021,626)	-	-
Due from component unit	595,000	-	595,000	-
Inventories	170,874	154,187	325,061	-
Prepaid expenses	311,962	-	311,962	-
Seized assets	194,160	-	194,160	-
Assets held for resale	70,700	-	70,700	-
Assets held for economic development	8,566,241	-	8,566,241	-
Capital assets:				
Nondepreciable	57,361,288	594,592	57,955,880	-
Depreciable, net	77,666,660	14,859,288	92,525,948	1,327,046
Total assets	<u>181,822,757</u>	<u>12,579,332</u>	<u>194,402,089</u>	<u>1,986,103</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension - South Carolina Retirement System	1,783,627	121,700	1,905,327	-
Pension - South Carolina Police Officers Retirement System	1,265,123	-	1,265,123	69,060
Total deferred outflows of resources	<u>3,048,750</u>	<u>121,700</u>	<u>3,170,450</u>	<u>69,060</u>
<b>LIABILITIES</b>				
Accounts payable	2,136,136	81,787	2,217,923	-
Accrued liabilities	834,675	45,896	880,571	6,133
Unearned revenues	222,317	-	222,317	-
Due to primary government	-	-	-	595,000
Noncurrent liabilities:				
Due within one year	3,556,670	27,308	3,583,978	2,638
Due in more than one year	24,258,926	234,343	24,493,269	23,728
Net Pension Liability:				
South Carolina Retirement System	22,264,989	1,546,932	23,811,921	-
South Carolina Police Officers Retirement System	11,159,654	-	11,159,654	611,262
Total liabilities	<u>64,433,367</u>	<u>1,936,266</u>	<u>66,369,633</u>	<u>1,238,761</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension - South Carolina Retirement System	654,239	57,819	712,058	-
Pension - South Carolina Police Officers Retirement System	14,231	-	14,231	55,136
Total deferred inflows of resources	<u>668,470</u>	<u>57,819</u>	<u>726,289</u>	<u>55,136</u>
<b>NET POSITION</b>				
Net investment in capital assets	117,641,741	15,453,880	133,095,621	699,849
Restricted for capital projects	5,162,070	-	5,162,070	-
Restricted for debt service	2,237,148	-	2,237,148	-
Restricted for general government	15,221	-	15,221	-
Restricted for judicial services	135,624	-	135,624	-
Restricted for education	427,374	-	427,374	-
Restricted for economic development	768	-	768	-
Restricted for culture and recreation	272,283	-	272,283	-
Restricted for public safety	2,284,163	-	2,284,163	7,157
Restricted for health and welfare	2,156	-	2,156	-
Restricted for transportation	1,035,811	-	1,035,811	-
Unrestricted	(9,444,689)	(4,746,933)	(14,191,622)	54,260
Total net position	<u>\$ 119,769,670</u>	<u>\$ 10,706,947</u>	<u>\$ 130,476,617</u>	<u>\$ 761,266</u>

The accompanying notes are an integral part of these financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 15,373,751	\$ 1,102,851	\$ 120,351	\$ 11,352	\$ (14,139,197)	\$ -	\$ (14,139,197)	\$ -
Public safety	19,750,046	945,391	1,392,804	47,967	(17,363,884)	-	(17,363,884)	-
Transportation	6,360,354	839,311	243	1,040,149	(4,480,651)	-	(4,480,651)	-
Public works	2,218,478	1,321,487	4,000	-	(892,991)	-	(892,991)	-
Culture and recreation	3,314,681	468,321	186,124	-	(2,660,236)	-	(2,660,236)	-
Judicial services	3,098,182	746,975	184,532	-	(2,166,675)	-	(2,166,675)	-
Education	1,086,000	-	-	-	(1,086,000)	-	(1,086,000)	-
Health and welfare	542,478	-	235,143	-	(307,335)	-	(307,335)	-
Economic development	891,864	850	284,378	655,849	49,213	-	49,213	-
Interest on long-term debt	648,480	-	-	-	(648,480)	-	(648,480)	-
Total governmental activities	53,284,314	5,425,186	2,407,575	1,755,317	(43,696,236)	-	(43,696,236)	-
<b>Business-type activities:</b>								
FOCUS	2,672,861	907,397	-	-	-	(1,765,464)	(1,765,464)	-
Rock quarry	3,151,400	5,021,553	-	-	-	1,870,153	1,870,153	-
Total business-type activities	5,824,261	5,928,950	-	-	-	104,689	104,689	-
Total primary government	\$ 59,108,575	\$ 11,354,136	\$ 2,407,575	\$ 1,755,317	(43,696,236)	104,689	(43,591,547)	-
<b>Component unit:</b>								
Keowee Fire Tax District	\$ 758,944	\$ 50,000	\$ 21,573	\$ 11,250	-	-	-	(676,121)
General revenues:								
Property taxes levied for:								
General purposes					33,208,820	-	33,208,820	-
Public safety					1,456,241	-	1,456,241	684,385
Debt service					3,572,302	-	3,572,302	-
Capital projects					549,796	-	549,796	-
Economic development					1,219,103	-	1,219,103	-
Education					1,165,996	-	1,165,996	-
Other taxes and licenses					896,899	-	896,899	-
Grants and contributions not restricted for a specific purpose					2,753,991	-	2,753,991	45,000
Unrestricted investment earnings					546,936	5,908	552,844	869
Insurance recovery					118,692	-	118,692	-
Miscellaneous					-	-	-	9,057
Transfers					483,522	(483,522)	-	-
Total general revenues and transfers					45,972,298	(477,614)	45,494,684	739,311
Change in net position					2,276,062	(372,925)	1,903,137	63,190
Net position, beginning of year					117,493,608	11,079,872	128,573,480	698,076
Net position, end of year					\$ 119,769,670	\$ 10,706,947	\$ 130,476,617	\$ 761,266

The accompanying notes are an integral part of these financial statements

# OCONEE COUNTY, SOUTH CAROLINA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2016

	General	Capital Projects	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,813,381	\$ 1,333,647	\$ 1,102,428	\$ 8,740,247	\$ 17,989,703
Investments	6,358,986	-	2,000,000	450,000	8,808,986
Taxes receivable, net	1,015,000	-	28,644	201,644	1,245,288
Accounts receivable, net	232,401	-	-	74,901	307,302
Due from other governments	813,374	20,858	396,909	281,826	1,512,967
Due from other funds	50,441	-	-	-	50,441
Due from component unit	-	-	-	595,000	595,000
Advances to other funds	7,021,626	-	-	-	7,021,626
Prepaid expenditures	161,001	-	-	150,961	311,962
Inventories	170,874	-	-	-	170,874
Seized assets	-	-	-	194,160	194,160
Assets held for resale	70,700	-	-	-	70,700
Assets held for economic development	2,754,024	-	5,812,217	-	8,566,241
Total assets	<u>\$ 25,461,808</u>	<u>\$ 1,354,505</u>	<u>\$ 9,340,198</u>	<u>\$ 10,688,739</u>	<u>\$ 46,845,250</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,622,981	\$ 48,525	\$ 272,201	\$ 192,429	\$ 2,136,136
Due to other funds	-	-	-	50,441	50,441
Accrued liabilities	617,682	-	-	8,836	626,518
Unearned revenue	2,198	-	-	216,688	218,886
Total liabilities	<u>2,242,861</u>	<u>48,525</u>	<u>272,201</u>	<u>468,394</u>	<u>3,031,981</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	882,178	-	23,811	170,551	1,076,540
Unavailable revenue - seized property	-	-	-	194,160	194,160
Unavailable revenue - intergovernmental	3,432	14,445	11,592	72,335	101,804
Unavailable revenue - forfeited land commission	70,700	-	-	-	70,700
Total deferred inflows of resources	<u>956,310</u>	<u>14,445</u>	<u>35,403</u>	<u>437,046</u>	<u>1,443,204</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid expenditures	161,001	-	-	150,961	311,962
Inventories	170,874	-	-	-	170,874
Assets held for resale	70,700	-	-	-	70,700
Assets held for economic development	2,754,024	-	5,812,217	-	8,566,241
Seized assets	-	-	-	194,160	194,160
Advances to other funds	7,021,626	-	-	-	7,021,626
Restricted for:					
General government	-	-	-	15,221	15,221
Public safety	-	-	-	2,284,163	2,284,163
Transportation	-	-	-	1,035,811	1,035,811
Culture and recreation	-	-	-	272,283	272,283
Judicial services	-	-	-	135,624	135,624
Education	-	-	-	427,374	427,374
Health and welfare	-	-	-	2,156	2,156
Economic development	-	-	-	768	768
Capital projects	-	1,291,535	820,377	3,050,158	5,162,070
Debt service	-	-	-	2,237,148	2,237,148
Committed:					
OJRSA	-	-	1,900,000	-	1,900,000
Assigned:					
Solid waste reserve	1,997,700	-	-	-	1,997,700
Health care reserve	2,592,895	-	-	-	2,592,895
Courthouse grant	-	-	500,000	-	500,000
Transportation grant	300,000	-	-	-	300,000
OPEB reserve	1,207,715	-	-	-	1,207,715
Subsequent year's budget	207,278	-	-	-	207,278
Unassigned	5,778,824	-	-	(22,528)	5,756,296
Total fund balances	<u>22,262,637</u>	<u>1,291,535</u>	<u>9,032,594</u>	<u>9,783,299</u>	<u>42,370,065</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,461,808</u>	<u>\$ 1,354,505</u>	<u>\$ 9,340,198</u>	<u>\$ 10,688,739</u>	<u>\$ 46,845,250</u>

The accompanying notes are an integral part of these financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2016

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Total fund balances for governmental funds:		\$	42,370,065
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			135,027,948
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			1,439,773
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.			
General obligation bonds	\$	(13,380,747)	
Capital lease obligations		(5,214,341)	
Special source revenue bonds		(2,516,000)	
Other post-employment benefits		(3,175,454)	
Post-closure care liabilities		(2,189,182)	
Compensated absences payable		(1,339,872)	
Net pension liability		(31,044,363)	
Total long-term liabilities			(58,859,959)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.			(208,157)
Net position of governmental activities		\$	<u>119,769,670</u>

The accompanying notes are an integral part of these financial statements.

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	General	Capital Projects	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 32,262,075	\$ -	\$ 1,220,620	\$ 7,920,856	\$ 41,403,551
Other taxes	-	-	-	774,943	774,943
Intergovernmental	3,308,303	847,457	530,849	1,922,509	6,609,118
Licenses, permits and fees	3,323,178	-	-	6,540	3,329,718
Fines and forfeitures	247,256	-	-	102,569	349,825
Charges for services	1,548,745	-	-	-	1,548,745
Interest revenue	508,961	6,408	821	30,746	546,936
Contributions and donations	-	-	-	21,952	21,952
Other revenues	267,017	-	284,378	53,272	604,667
Total revenues	<u>41,465,535</u>	<u>853,865</u>	<u>2,036,668</u>	<u>10,833,387</u>	<u>55,189,455</u>
<b>EXPENDITURES</b>					
Current:					
General government	10,593,973	24,176	-	1,177	10,619,326
Public safety	16,988,565	-	-	2,270,890	19,259,455
Transportation	3,377,708	-	-	715,650	4,093,358
Public works	3,779,397	-	-	20,652	3,800,049
Culture and recreation	2,886,656	-	-	533,518	3,420,174
Judicial services	2,660,401	-	-	136,559	2,796,960
Education	-	-	-	1,086,000	1,086,000
Health and welfare	258,485	-	-	144,883	403,368
Economic development	567,743	-	190,335	126,000	884,078
Capital outlay	-	4,451,070	2,058,710	2,256,354	8,766,134
Debt service:					
Principal	830,148	-	-	2,427,000	3,257,148
Interest	24,004	854	-	620,916	645,774
Bond issuance costs	-	50,500	-	-	50,500
Total expenditures	<u>41,967,080</u>	<u>4,526,600</u>	<u>2,249,045</u>	<u>10,339,599</u>	<u>59,082,324</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(501,545)</u>	<u>(3,672,735)</u>	<u>(212,377)</u>	<u>493,788</u>	<u>(3,892,869)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,234,121	-	-	83,000	1,317,121
Transfers out	(83,000)	-	-	(732,121)	(815,121)
Capital leases	-	4,200,000	-	-	4,200,000
Insurance recoveries	118,692	-	-	-	118,692
Proceeds from the sale of capital assets	60,899	-	105,000	-	165,899
Total other financing sources (uses)	<u>1,330,712</u>	<u>4,200,000</u>	<u>105,000</u>	<u>(649,121)</u>	<u>4,986,591</u>
Net change in fund balances	829,167	527,265	(107,377)	(155,333)	1,093,722
<b>Fund balances, beginning of year</b>	<u>21,433,470</u>	<u>764,270</u>	<u>9,139,971</u>	<u>9,938,632</u>	<u>41,276,343</u>
<b>Fund balances, end of year</b>	<u>\$ 22,262,637</u>	<u>\$ 1,291,535</u>	<u>\$ 9,032,594</u>	<u>\$ 9,783,299</u>	<u>\$ 42,370,065</u>

The accompanying notes are an integral part of these financial statements.

# OCONEE 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 FISCAL YEAR ENDED JUNE 30, 2016

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Net change in fund balances - total governmental funds	\$	1,093,722
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Amounts reported for governmental activities in the statement of activities are different because:

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.

Capital outlay	\$	8,926,905	
Depreciation expense		<u>(5,983,201)</u>	2,943,704

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(94,290)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(231,293)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$	3,257,148	
Issuance of long term debt		(4,200,000)	
Amortization of premium on long-term debt		79,431	
Amortization of the refunding deferral amount on the refunding general obligation bonds		<u>(8,897)</u>	(872,318)

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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Pension liability	\$	(212,325)	
Landfill postclosure liability		108,518	
Compensated absences		(89,658)	
Accrued interest on long-term debt		(22,740)	
OPEB liability		<u>(347,258)</u>	(563,463)
	\$		<u>2,276,062</u>

The accompanying notes are an integral part of these financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES:</b>				
Taxes	\$ 32,067,610	\$ 32,585,967	\$ 32,262,075	\$ (323,892)
Intergovernmental	3,248,103	3,248,103	3,308,303	60,200
Licenses, permits and fees	2,985,625	2,985,625	3,323,178	337,553
Fines and forfeitures	311,300	311,300	247,256	(64,044)
Charges for services	1,684,600	1,684,600	1,548,745	(135,855)
Interest revenue	437,700	437,700	508,961	71,261
Other revenues	221,063	221,063	267,017	45,954
Total revenues	40,956,001	41,474,358	41,465,535	(8,823)
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government:</b>				
County council	288,899	268,099	267,735	364
Legislative delegation	87,480	88,780	88,708	72
Finance department	561,659	546,242	544,515	1,727
Non-departmental expenditures	1,095,187	1,011,439	996,432	15,007
Human resources	359,537	334,787	329,250	5,537
Information technology	793,731	741,781	732,903	8,878
Procurement	157,325	162,125	162,112	13
Facilities maintenance	1,146,225	1,167,925	1,167,847	78
Registration and elections	192,235	277,185	276,358	827
Soil and water conservation	84,375	77,675	77,242	433
Administrator's office	601,649	1,239,438	1,236,994	2,444
Vehicle maintenance	790,460	837,310	836,513	797
Register of deeds	329,745	347,545	345,445	2,100
Assessor	1,111,347	1,130,847	1,110,983	19,864
Auditor	464,664	465,864	457,945	7,919
Board of assessment appeals	11,624	11,624	9,699	1,925
Tax collector	445,907	428,907	396,875	32,032
Treasurer	493,251	522,828	510,709	12,119
Direct aid	630,646	630,646	630,646	-
County attorney	514,642	421,009	415,062	5,947
Total general government	10,160,588	10,712,056	10,593,973	118,083
<b>Public safety:</b>				
Sheriff's department	6,699,051	7,156,190	7,031,931	124,259
Law enforcement center	3,902,584	3,706,084	3,437,863	268,221
Communications	1,440,704	1,510,504	1,508,595	1,909
Animal control	537,339	518,739	518,659	80
Coroner	216,774	224,404	216,235	8,169
Building codes	800,538	833,352	833,218	134
Emergency management	3,444,886	3,522,998	3,442,064	80,934
Total public safety	17,041,876	17,472,271	16,988,565	483,706
<b>Transportation:</b>				
County airport	887,382	799,760	779,637	20,123
Roads department	2,581,358	2,601,802	2,598,071	3,731
Total transportation	3,468,740	3,401,562	3,377,708	23,854
<b>Public works</b>				
Solid waste	3,645,587	3,790,440	3,779,397	11,043

(Continued)



# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Expenditures: (Continued)</b>				
<b>Culture and recreation:</b>				
Library	\$ 1,300,828	\$ 1,349,528	\$ 1,349,825	\$ (297)
Parks, recreation and tourism	612,378	606,274	502,415	103,859
High Falls Park	345,728	346,172	345,831	341
South Cove Park	395,611	438,711	438,605	106
Chau Ram Park	222,107	250,407	249,980	427
Total culture and recreation	<u>2,876,652</u>	<u>2,991,092</u>	<u>2,886,656</u>	<u>104,436</u>
<b>Judicial services:</b>				
Clerk of court	767,986	681,886	669,568	12,318
Probate judge	372,771	387,771	387,646	125
Solicitor	680,330	695,030	694,830	200
Public defender	200,000	200,000	200,000	-
Magistrate office	718,653	712,253	708,357	3,896
Total judicial	<u>2,739,740</u>	<u>2,676,940</u>	<u>2,660,401</u>	<u>16,539</u>
<b>Health and welfare:</b>				
Department of social services	36,700	31,700	18,595	13,105
Health department	82,277	48,777	42,617	6,160
Veteran's affairs	193,422	197,422	197,273	149
Total health and welfare	<u>312,399</u>	<u>277,899</u>	<u>258,485</u>	<u>19,414</u>
<b>Economic development:</b>				
Economic development	<u>505,013</u>	<u>567,979</u>	<u>567,743</u>	<u>236</u>
<b>Debt service</b>	<u>854,152</u>	<u>854,152</u>	<u>854,152</u>	<u>-</u>
Total expenditures	<u>41,604,747</u>	<u>42,744,391</u>	<u>41,967,080</u>	<u>777,311</u>
Deficiency of revenues under expenditures	<u>(648,746)</u>	<u>(1,270,033)</u>	<u>(501,545)</u>	<u>768,488</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	712,003	1,412,003	1,234,121	(177,882)
Transfers out	(83,000)	(83,000)	(83,000)	-
Insurance recoveries	150,000	150,000	118,692	(31,308)
Proceeds from the sale of capital assets	30,000	30,000	60,899	30,899
Total other financing sources, net	<u>809,003</u>	<u>1,509,003</u>	<u>1,330,712</u>	<u>(178,291)</u>
Net change in fund balances	160,257	238,970	829,167	590,197
<b>Fund balances, beginning of year</b>	<u>21,433,470</u>	<u>21,433,470</u>	<u>21,433,470</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 21,593,727</u>	<u>\$ 21,672,440</u>	<u>\$ 22,262,637</u>	<u>\$ 590,197</u>

The accompanying notes are an integral part of these financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2016

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 3,428,942	\$ -	\$ 3,428,942
Investments	497,565	-	497,565
Accounts receivable, net of allowance	38,777	27,607	66,384
Inventories	154,187	-	154,187
Total current assets	<u>4,119,471</u>	<u>27,607</u>	<u>4,147,078</u>
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Nondepreciable	594,592	-	594,592
Depreciable, net of accumulated depreciation	2,649,212	12,210,076	14,859,288
Total noncurrent assets	<u>3,243,804</u>	<u>12,210,076</u>	<u>15,453,880</u>
Total assets	<u>7,363,275</u>	<u>12,237,683</u>	<u>19,600,958</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension - South Carolina Retirement System	106,648	15,052	121,700
Total deferred outflows of resources	<u>106,648</u>	<u>15,052</u>	<u>121,700</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	24,990	56,797	81,787
Accrued liabilities	37,883	8,013	45,896
Current portion - compensated absences	24,684	2,624	27,308
Total current liabilities	<u>87,557</u>	<u>67,434</u>	<u>154,991</u>
<b>NONCURRENT LIABILITIES</b>			
Compensated absences, net of current portion	54,821	21,268	76,089
Advances from other funds	-	7,021,626	7,021,626
Net OPEB obligation	127,167	31,087	158,254
Net pension liability - South Carolina Retirement System	1,349,077	197,855	1,546,932
Total noncurrent liabilities	<u>1,531,065</u>	<u>7,271,836</u>	<u>8,802,901</u>
Total liabilities	<u>1,618,622</u>	<u>7,339,270</u>	<u>8,957,892</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension - South Carolina Retirement System	47,565	10,254	57,819
Total deferred inflows of resources	<u>47,565</u>	<u>10,254</u>	<u>57,819</u>
<b>NET POSITION</b>			
Investment in capital assets	3,243,804	12,210,076	15,453,880
Unrestricted	2,559,932	(7,306,865)	(4,746,933)
Total net position	<u>\$ 5,803,736</u>	<u>\$ 4,903,211</u>	<u>\$ 10,706,947</u>

The accompanying notes are an integral part of these financial statements.

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services:			
Outside customer sales	\$ 5,020,500	\$ 907,397	\$ 5,927,897
Miscellaneous operating revenues	1,053	-	1,053
Total operating revenues	<u>5,021,553</u>	<u>907,397</u>	<u>5,928,950</u>
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	1,214,933	254,290	1,469,223
Supplies	40,208	27,360	67,568
Electricity and natural gas	107,383	172,123	279,506
Petroleum, oil and lubricants	160,406	-	160,406
Machinery, equipment repairs and maintenance	762,443	683,319	1,445,762
Professional services	448,043	376,698	824,741
Miscellaneous	34,371	2,415	36,786
Depreciation and depletion	371,439	953,656	1,325,095
Total operating expenses	<u>3,139,226</u>	<u>2,469,861</u>	<u>5,609,087</u>
Operating income (loss)	<u>1,882,327</u>	<u>(1,562,464)</u>	<u>319,863</u>
<b>NON-OPERATING INCOME (EXPENSE)</b>			
Interest income (expense)	5,908	(203,000)	(197,092)
Loss on disposal of capital assets	(12,174)	-	(12,174)
Total non-operating expense, net	<u>(6,266)</u>	<u>(203,000)</u>	<u>(209,266)</u>
Income (loss) before transfers	1,876,061	(1,765,464)	110,597
<b>CAPITAL CONTRIBUTIONS</b>	<u>18,478</u>	<u>-</u>	<u>18,478</u>
<b>TRANSFERS OUT</b>	<u>(502,000)</u>	<u>-</u>	<u>(502,000)</u>
Change in net position	1,392,539	(1,765,464)	(372,925)
<b>Net position, beginning of year</b>	<u>4,411,197</u>	<u>6,668,675</u>	<u>11,079,872</u>
<b>Net position, end of year</b>	<u><u>\$ 5,803,736</u></u>	<u><u>\$ 4,903,211</u></u>	<u><u>\$ 10,706,947</u></u>

The accompanying notes are an integral part of these financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,027,334	\$ 2,659,074	\$ 7,686,408
Payments to suppliers	(1,312,068)	(1,905,390)	(3,217,458)
Payments to employees	(1,181,882)	(245,329)	(1,427,211)
Net cash provided by operating activities	<u>2,533,384</u>	<u>508,355</u>	<u>3,041,739</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers out	(502,000)	-	(502,000)
Net cash used in noncapital financing activities	<u>(502,000)</u>	<u>-</u>	<u>(502,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(791,002)	(305,355)	(1,096,357)
Interest paid	-	(203,000)	(203,000)
Net cash used in capital and related financing activities	<u>(791,002)</u>	<u>(508,355)</u>	<u>(1,299,357)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(895)	-	(895)
Interest and dividends received	5,908	-	5,908
Net cash used in investing activities	<u>5,013</u>	<u>-</u>	<u>5,013</u>
Net change in cash and cash equivalents	1,245,395	-	1,245,395
<b>Cash and cash equivalents:</b>			
Beginning of year	<u>2,183,547</u>	<u>-</u>	<u>2,183,547</u>
End of year	<u>\$ 3,428,942</u>	<u>\$ -</u>	<u>\$ 3,428,942</u>

(Continued)

# OCONEE COUNTY, SOUTH CAROLINA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 1,882,327	\$ (1,562,464)	\$ 319,863
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and depletion	371,439	953,656	1,325,095
Changes in assets and liabilities:			
Decrease in accounts receivable	5,781	124,906	130,687
Decrease in due from other governments	-	15,882	15,882
Decrease in inventories	214,717	-	214,717
Decrease in deferred outflows of resources	786	169	955
Decrease in accounts payable	(7,189)	(511,623)	(518,812)
Increase in accrued liabilities	6,404	2,011	8,415
Decrease in claims and judgments	-	(150,000)	(150,000)
Increase in advance from other funds	-	2,187,452	2,187,452
Increase in Net OPEB obligation	23,559	3,141	26,700
Increase in compensated absences	3,088	6,950	10,038
Decrease in due to other funds	-	(576,563)	(576,563)
Increase in net pension liability	90,974	19,611	110,585
Decrease in deferred inflows of resources	(58,502)	(4,773)	(63,275)
Net cash provided by operating activities	<u>\$ 2,533,384</u>	<u>\$ 508,355</u>	<u>\$ 3,041,739</u>
<b>Noncash investing, capital, and financing activities</b>			
Transfer of capital assets from other funds	\$ 18,478	\$ -	\$ 18,478
Net noncash investing, capital, and financing activities	<u>\$ 18,478</u>	<u>\$ -</u>	<u>\$ 18,478</u>

The accompanying notes are an integral part of these financial statements.

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2016**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 7,270,095
Taxes receivable	<u>2,530,696</u>
Total assets	<u><u>9,800,791</u></u>
<b>LIABILITIES</b>	
Due to other taxing districts and agencies	<u>9,800,211</u>
Total liabilities	<u><u>\$ 9,800,211</u></u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**



# OCONEE COUNTY, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2016

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Nature of Operations**

Oconee County operates under a council-administrator form of government. For financial statement purposes, the County has divided its operations into the functions of the general government, public safety, transportation, public works, culture and recreation, judicial services, education, health and welfare and economic development.

The primary government financial statements of Oconee County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

#### **Reporting Entity**

Oconee County, South Carolina - the primary government - is a political subdivision of the State of South Carolina. A five-member council elected from single-member districts governs it. These financial statements present all the fund types of the County. Component units may be presented by two different methods. Blended component units, although legally separate entities, are, in substance, part of the County's operations. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the County. The component unit discussed below is included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Keowee Fire Tax District (the "District") is a discretely presented component unit which was established by Oconee County Ordinance 2003-12 in August 2003. The District is governed by five elected commissioners that serve staggered terms. The District is fiscally dependent upon the primary government. The district has a June 30 year-end. Separate financial statements for the District can be obtained from the District's administrative office at 115 Maintenance Road, Salem, SC 29676.

The County has no blended component units.

#### **Basis of Presentation**

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

##### Government-wide financial statements

The statement of net position and the statement of activities display information about the County as a primary government. These statements include the financial activities of the primary government, except for fiduciary funds and component units that are fiduciary in nature. For the most part, the effect of interfund activity has been removed from the statements. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities for the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

##### Fund financial statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

The County reports the following governmental fund types:

**General Fund** - 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.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Basis of Presentation (Continued)

##### Fund financial statements (continued)

**Special Revenue Funds** - The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned to expenditures for specified purposes other than capital projects or debt service.

**Capital Projects Funds** - The capital projects funds are used to account for and report financial resources that are restricted, committed or assigned for the acquisition of capital assets or construction of major capital facilities.

The County has the following major capital projects funds:

1. Capital Projects Fund - is used to account for funds to be used for the acquisition of capital equipment or construction of major capital facilities.
2. Economic Development Fund - is used to account for the acquisition and construction of facilities or infrastructure for the promotion of economic development within the County.

**Debt Service Fund** - The debt service fund is used to account for and report financial resources that are restricted, committed or assigned for the payment of general long-term debt principal and interest and related costs.

**Enterprise Funds** - The enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The County reports the following major enterprise funds:

The Rock Quarry Fund accounts for the activities of the County's rock quarry operations.

The FOCUS Fund accounts for the activities of the County's broadband operations.

Additionally, the County reports the following fund type:

**Fiduciary Fund** - Fiduciary fund reporting focuses on net position and changes in net position. The agency fund, a fiduciary fund type, is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations. The County's fiduciary fund category includes agency funds for education, clerk of court, family court, property taxes, magistrates and others.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting

##### Government-wide financial statements

The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing 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. All assets and liabilities associated with the operation of the County are included on the statement of net position.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's enterprise funds functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

##### Fund financial statements

All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when 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 when payment is due.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### Fund financial statements (continued)

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation or capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Agency funds have no measurement focus, but rather are custodial in nature (assets equal liabilities).

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### Revenue - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current field year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within 60 days of fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlement and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: delinquent taxes, sales tax, grants, interest, and fees and charges for services.

##### Unearned revenue

The County reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, resources received that are "intended to finance" a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the statement of net position and governmental funds balance sheet and revenue is recognized.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Measurement Focus and Basis of Accounting (Continued)

##### Expenses / expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

##### Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The assigned fund balance for subsequent year's budget totaled \$207,278 for the year ended June 30, 2016.

#### Assets, Liabilities and Net Position or Equity

##### Cash and investments

Cash includes demand deposits as well as cash equivalents and short-term investments with a maturity date within three months of the date acquired by the County.

Investments with a readily determined fair value are stated at fair value which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool (LGIP). The LGIP is an investment mechanism authorized by the South Carolina State Legislature and is not registered with the SEC as an investment company. There is no regulatory oversight of the pool. The pool's primary objective is to acquire maximum returns on investments by pooling available funds with funds from other political subdivisions. The total fair value of the investment pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Investments in the pool are stated at fair value which approximates cost. The County's investments in mutual funds are reported at fair value based on quoted market prices. The remaining investments of the County are reported at fair value.



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Assets, Liabilities and Net Position or Equity (Continued)**

##### **Receivables**

All trade and property taxes receivable are shown net of an allowance for uncollectibles.

##### **Intergovernmental receivable**

Amounts due from federal grants represent reimbursable costs, which have been incurred by the County but have not been reimbursed by the grantor agency. Costs under grant programs are recognized as expenditures in the period in which they are incurred by the County.

##### **Inventories and prepaid assets**

The County's inventories consist of consumable supplies and processed rock. The inventory valuation methods used approximate cost based on the average cost method. The costs of inventories are recorded as expenditures when consumed rather than when purchased or produced.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

##### **Capital assets**

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more 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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Capital assets (continued)

All reported capital assets except land and site preparation are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	25 - 45
Buildings and improvements	15 - 40
Equipment and vehicles	2 - 25

##### Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### Deferred inflows / outflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has three items that qualify for reporting in this category and relates to the County's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position: (1) Experience gains or losses result from periodic studies by the County's actuary, which adjust the net position liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. (2) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five year period. (3) Any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Deferred inflows / outflows of resources (continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, seized property, intergovernmental, and the forfeited land commission and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the County's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position. Certain experience gains or losses (discussed in the previous paragraph) are deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources. Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows.

##### Interfund transactions

Transactions among County's funds that would be treated as revenues and expenditures or expenses if they involved organizations external to County government are accounted for as revenues and expenditures or expenses in the funds involved.

Transactions which constitute reimbursements to a fund for expenditures initially made from it which are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the reimbursed fund.

Transactions which constitute the transfer of resources from a fund receiving revenues to a fund through which the revenues are to be expended are separately reported in the respective fund's operating statements.

Activities between funds that are representative of lending/borrowing arrangements at the end of the fiscal year are referred to as "due to/from other funds" in the fund financial statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Interfund transactions (continued)

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental and proprietary funds and are reported as nonspendable fund balance in the governmental funds.

##### Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the lives of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

##### Fund equity

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

**Nonspendable** - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The County has classified assets held for development, inventories, prepaid items, and long-term portions of receivables and advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next current fiscal year.

**Restricted** - This classification includes amounts for which constraints have been placed on the use of the resources through being either a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Fund equity (continued)

**Committed** - This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the government's highest level of decision making authority, the County Council, through passage of an ordinance. These amounts cannot be used for any other purpose unless the County Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. Through resolution, this intent can be expressed by the County Council or by an official or body to which the County Council delegates authority. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

**Unassigned** - This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balances of any other governmental fund that cannot be eliminated by the offsetting of assigned fund balance amounts.

The County would typically use restricted fund balances first, followed by committed resources and the assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

County Council has established a policy to maintain a General Fund unassigned fund balance between 25 and 30 percent of regular budgeted General Fund expenditures. At June 30, 2016, the County did not attain the minimum fund balance due to the fiscal year 2012 and 2013 shortfall attributable to the long-term advances to the FOCUS fund, the addition of the County's portion of the net pension liabilities attributable to the SCRS and PORS retirement plans, and amounts assigned for the subsequent year's budget.

Proprietary fund equity is classified the same as in the government-wide statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Assets, Liabilities and Net Position or Equity (Continued)

##### Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

##### Restricted resources

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as needed, but Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

##### Use of estimates

The financial statements include estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenditures/expenses. Actual results could differ from these estimates.

### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### Budgetary Information

County Council adopts annual budgets for General Fund, Emergency Services Protection District, Road Maintenance, Miscellaneous Special Revenue, 911 Communications, Sheriff's Victims' Assistance, Solicitor's Victims' Assistance, Library State Aid, Tri-County Tech, Debt Service, and Bridges and Culverts Capital Project Funds revenue and expenditures prior to the beginning of each fiscal year. The adopted budgets specify expenditure limits appropriated to each County department. The County Administrator can approve transfers within departments. County Council must approve transfers between departments or funds. The budgets are prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons. The other special revenue funds are budgeted as grants are awarded and are budgeted on a project basis, therefore, some grants span several years. The other capital projects funds are budgeted on a project basis and some projects span several years.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

#### Excess of Expenditures Over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations as follows:

Fund	Excess
General Fund	
Library	297
Miscellaneous Special Revenue Fund	
General government	1,177
Public safety	175,024
Health and welfare	144,883
Culture and recreation	15,473
Economic development	126,000
Capital outlay	107,339
Sheriff's Victim Assistance Fund	
Public safety	6,898
Solicitor's Victim Assistance Fund	
Public safety	3,106
Debt Service Fund	
Interest	1,237
Road Maintenance	
Transportation	174,461

#### Deficit Fund Balance

For the year ended June 30, 2016, the Sheriff's Victims' Assistance Fund reported a deficit fund balance of \$22,528, respectively. This deficit will be eliminated through the recognition of unearned revenue in future periods as well as transfers from other funds.



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2016, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 21,418,645
Investments	9,306,551
Agency Fund - cash and cash equivalents	7,270,095
Component Unit - cash and cash equivalents	652,891
	<u>\$ 38,648,182</u>
Cash deposited with financial institutions	\$ 20,266,965
SC State Investment Pool	9,074,666
Certificates of deposit	6,695,829
Investments in equities and various other securities	2,000,000
Investments in government bonds	610,722
	<u>\$ 38,648,182</u>

*Custodial credit risk – Cash.* This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2016, the carrying amount of the County's deposits was \$37,982,020 and the bank balance was \$39,038,160. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$8,271 are reflected as cash.

The Keowee Fire Tax District, a discretely presented component unit, does not have a deposit policy for custodial credit risk. The carrying amount of deposits for the District was \$652,891 and the bank balance was \$657,818 at June 30, 2016. The total cash balances were covered by federal depository insurance coverage. From time to time during the year, the District may have cash on deposit with banks that exceed the balance insured by federal depository insurance.

As of June 30, 2016, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)		
		Less than 1	1-5	6-10
SC State Investment Pool	\$ 9,074,666	\$ 9,074,666	\$ -	\$ -
Certificates of deposit	6,695,829	248,724	5,715,773	527,308
Equities and various other securities	2,000,000	-	2,000,000	-
Government bonds	610,722	-	610,722	-
	<u>\$ 18,381,217</u>	<u>\$ 9,323,390</u>	<u>\$ 8,326,495</u>	<u>\$ 527,308</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

*Fair Value Measurements.* The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of June 30, 2016.

Investment	Level 1	Level 2	Level 3	Fair Value
<b>Investments by Fair Value Level</b>				
Equities and various other securities	2,000,000	-	-	2,000,000
Government bonds	-	610,722	-	610,722
Total investments by fair value level	<u>\$ 2,000,000</u>	<u>\$ 610,722</u>	<u>\$ -</u>	<u>\$ 2,610,722</u>

The U.S. Agencies investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investment in U.S. Agencies classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no investments classified in Level 3 of the fair value hierarchy.

The South Carolina Local Government Investment Pool (LGIP) is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose investment in the LGIP within the fair value hierarchy.

*Credit risk.* This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) were rated AA+ by Standard & Poor's and AAA by Moody's Investor Services. As of June 30, 2016, the County owned \$2,610,722 of government sponsored entity (GSE) debt securities. These bonds are the direct obligation of the FHLMC, and FNMA which are rated AA+ or equivalent by all rating agencies. The investments are either directly or indirectly guaranteed by the US Treasury. The County is invested in certificates of deposit with varying maturity dates and the State South Carolina Local Government Investment Pool. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 3. CASH AND INVESTMENTS (CONTINUED)

*Credit risk (Continued).* The South Carolina Local Government Investment Pool is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

*Interest Rate Risk.* This is the risk that the fair value of securities in the portfolio will fall due to changes in the market interest rates. The County's policy is to minimize interest rate risk by investing operating funds in primarily shorter-term securities, money market funds or similar investment pools and limiting the average maturity in accordance with the County's cash requirements.

*Concentration of credit risk.* This is the risk of loss attributable to the magnitude of the County's investment in a single issuer. The County's policy is to minimize the concentration of credit risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in any one issuer.

*Custodial credit risk.* This is the risk that, in the event of a failure of the counterparty, the County may not be able to recover the value of investments or collateral securities that are in possession of an outside party. The County's policy is to minimize custodial credit risk by limiting investments to the types of securities allowed by law and pre-qualifying the financial institutions, broker/dealer, intermediaries and advisors with which the County will do business.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES AND PROPERTY TAXES

Property taxes are levied on the assessed value of real and personal property, excluding automobiles, as of December 31 of the calendar year preceding the fiscal year. The levy date for automobiles is the first day of the month in which the vehicle license expires and the tax is due by the end of the same month. Liens attach to the property at the time taxes are levied. Taxes are due without penalty, for real and personal property excluding automobiles, through January 15. After that time, penalties are added depending on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 16	10% of tax
March 17 and thereafter	15% of tax plus cost

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as 60 days) to pay liabilities of the current period. The County bills and collects its own property taxes, and also collects taxes for the Keowee Key Fire District and the Oconee County School District. Collections of the County taxes and remittance of them to the Districts are accounted for in the agency funds. Also, the County collects taxes for surrounding municipalities. Unavailable property tax revenue represents that portion of property taxes which is deemed not available to pay current expenditures.

Receivables as of June 30, 2016, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Economic Development	Nonmajor Governmental
Taxes receivable	\$ 1,035,714	\$ -	\$ 29,228	\$ 201,644
Accounts receivable	320,901	-	-	78,971
Due from other governments	813,374	20,858	396,909	281,826
Less: Allowance	(109,214)	-	(584)	(4,070)
Net receivables	<u>\$ 2,060,775</u>	<u>\$ 20,858</u>	<u>\$ 425,553</u>	<u>\$ 558,371</u>

	Rock Quarry	FOCUS	Total
Taxes receivable	\$ -	\$ -	\$ 1,266,586
Accounts receivable	38,777	27,607	466,256
Due from other governments	-	-	1,512,967
Less: Allowance	-	-	(113,868)
Net receivables	<u>\$ 38,777</u>	<u>\$ 27,607</u>	<u>\$ 3,131,941</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2016, was as follows:

Governmental Activities	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
Capital Assets Not Being Depreciated					
Land	\$ 3,369,066	\$ 868,803	\$ (3,000)	\$ -	\$ 4,234,869
Other costs	36,886,456	15,000	-	23,314	36,924,770
Construction in progress	29,397,542	4,971,397	-	(18,167,290)	16,201,649
Total capital assets not being depreciated	<u>69,653,064</u>	<u>5,855,200</u>	<u>(3,000)</u>	<u>(18,143,976)</u>	<u>57,361,288</u>
Capital Assets Being Depreciated					
Buildings and improvements	54,780,290	-	(131,380)	16,691,092	71,340,002
Equipment and vehicles	41,363,999	3,071,705	(1,041,936)	(50,278)	43,343,490
Infrastructure	71,726,858	-	(223,086)	1,452,884	72,956,656
Other	93,595	-	-	-	93,595
Total capital assets being depreciated	<u>167,964,742</u>	<u>3,071,705</u>	<u>(1,396,402)</u>	<u>18,093,698</u>	<u>187,733,743</u>
Less Accumulated Depreciation					
Buildings and improvements	(20,000,153)	(1,722,033)	120,009	-	(21,602,177)
Equipment and vehicles	(32,422,796)	(2,419,918)	1,009,877	31,800	(33,801,037)
Infrastructure	(52,967,179)	(1,838,774)	193,704	-	(54,612,249)
Other	(49,144)	(2,476)	-	-	(51,620)
Total accumulated depreciation	<u>(105,439,272)</u>	<u>(5,983,201)</u>	<u>1,323,590</u>	<u>31,800</u>	<u>(110,067,083)</u>
Total capital assets being depreciated, net	<u>62,525,470</u>	<u>(2,911,496)</u>	<u>(72,812)</u>	<u>18,125,498</u>	<u>77,666,660</u>
Governmental activities capital assets, net	<u>\$ 132,178,534</u>	<u>\$ 2,943,704</u>	<u>\$ (75,812)</u>	<u>\$ (18,478)</u>	<u>\$ 135,027,948</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General Government	\$ 210,626
Public Safety	1,771,364
Transportation	2,782,234
Public Works	531,078
Culture and Recreation	223,201
Judicial Services	304,981
Health and Welfare	133,454
Economic Development	26,263
Total Governmental Activities Depreciation Expense	<u>\$ 5,983,201</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deletions	Transfers	Balance June 30, 2016
<b>Business-Type Activities</b>					
Capital Assets Not Being Depreciated					
Land	\$ 393,590	\$ 201,002	\$ -	\$ -	\$ 594,592
Total capital assets not being depreciated	393,590	201,002	-	-	594,592
Capital Assets Being Depreciated					
Buildings and improvements	544,786	-	-	-	544,786
Equipment and vehicles	7,482,021	590,000	(1,040,197)	50,278	7,082,102
Infrastructure	14,513,987	305,355	-	-	14,819,342
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	23,070,729	895,355	(1,040,197)	50,278	22,976,164
Less Accumulated Depreciation					
Buildings and improvements	(317,677)	(26,387)	-	-	(344,064)
Equipment and vehicles	(5,455,954)	(362,113)	1,028,024	(31,800)	(4,821,843)
Infrastructure	(1,766,577)	(929,694)	-	-	(2,696,271)
Mineral interests	(247,797)	(6,901)	-	-	(254,698)
Total accumulated depreciation	(7,788,005)	(1,325,095)	1,028,024	(31,800)	(8,116,876)
Total capital assets being depreciated, net	15,282,724	(429,740)	(12,174)	18,478	14,859,288
Business-type activities capital assets, net	<u>\$ 15,676,314</u>	<u>\$ (228,738)</u>	<u>\$ (12,174)</u>	<u>\$ 18,478</u>	<u>\$ 15,453,880</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

Depreciation expense was charged to programs of the business-type activities as follows:

Rock Quarry Fund	\$ 371,439
FOCUS Fund	<u>953,656</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 1,325,095</u></u>

#### B. Component Unit

Capital asset activity for the Keowee Fire Tax District for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Capital Assets Being Depreciated				
Buildings and improvements	\$ 1,561,039	\$ -	\$ -	\$ 1,561,039
Vehicles	249,033	-	-	249,033
Equipment	58,778	-	-	58,778
Total capital assets being depreciated	<u>1,868,850</u>	<u>-</u>	<u>-</u>	<u>1,868,850</u>
Less Accumulated Depreciation				
Buildings and improvements	(303,642)	(43,063)	-	(346,705)
Vehicles	(150,229)	(12,132)	-	(162,361)
Equipment	(21,874)	(10,864)	-	(32,738)
Total Accumulated Depreciation	<u>(475,745)</u>	<u>(66,059)</u>	<u>-</u>	<u>(541,804)</u>
Total capital assets being depreciated, net	<u><u>\$ 1,393,105</u></u>	<u><u>\$ (66,059)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,327,046</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES

#### A. Primary Government

	Balance			Balance	Due Within
	June 30, 2015	Additions	Reductions	June 30, 2016	One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 15,045,000	\$ -	\$ (2,185,000)	\$ 12,860,000	\$ 1,305,000
General obligation bond premiums	600,178	-	(79,431)	520,747	-
Total general obligation bonds	15,645,178	-	(2,264,431)	13,380,747	1,305,000
Capital lease obligations	1,844,489	4,200,000	(830,149)	5,214,340	1,318,886
Special source refunding revenue bonds	2,758,000	-	(242,000)	2,516,000	249,000
Post-closure care costs	2,297,700	-	(108,518)	2,189,182	43,784
Annual leave	1,250,214	725,313	(635,655)	1,339,872	640,000
Net pension liability	30,831,126	3,243,265	(649,748)	33,424,643	-
Net post-employment benefit obligation	2,828,196	347,259	-	3,175,455	-
	<u>\$ 57,454,903</u>	<u>\$ 8,515,837</u>	<u>\$ (4,730,501)</u>	<u>\$ 61,240,239</u>	<u>\$ 3,556,670</u>
<b>Business-type Activities</b>					
Annual leave	\$ 93,359	\$ 37,350	\$ (27,312)	\$ 103,397	\$ 27,308
Net pension liability	1,436,347	159,335	(48,750)	1,546,932	-
Net post-employment benefit obligation	131,554	26,700	-	158,254	-
	<u>\$ 1,661,260</u>	<u>\$ 223,385</u>	<u>\$ (76,062)</u>	<u>\$ 1,808,583</u>	<u>\$ 27,308</u>

The General Fund has typically been used in prior years to liquidate the liability for compensated absences and the net post-employment benefit obligation for all governmental funds.

**General Obligation Bonds:** During the year ended June 30, 2008, the County issued series 2007 general obligation bonds in the amount of \$1,200,000. The bond proceeds were used to: (1) construct a new substation for the Keowee Fire Tax District and (2) expand the current headquarters of the Keowee Fire Tax District. General obligation bonds outstanding at June 30, 2016, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2007 General Obligation Bonds	3 - 3.6 %	15 years	2022	<u>\$ 1,200,000</u>	<u>\$ 595,000</u>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### General Obligation Bonds (Continued)

During the year ended June 30, 2011, the County issued series 2010 general obligation refunding bonds in the amount of \$5,300,000. The bond proceeds were used to: (1) refund the outstanding Series 1996 general obligation bonds, (2) refund the outstanding series 2001 general obligation bonds, (3) advance refund the outstanding series 2001 general obligation bonds and (4) pay the costs to issue the 2010 series general obligation bonds. The refunding transaction resulted in an economic gain of \$428,682 and a difference in debt service required between the refunded bonds and the refunding bonds of \$493,690. General obligation bonds outstanding at June 30, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2010 General Obligation Refunding Bonds	2 - 5 %	7 years Plus unamortized premium	2017	<u>\$ 5,300,000</u>	\$ 690,000 7,742
					<u>\$ 697,742</u>

During the year ended June 30, 2011, the County issued series 2011 general obligation bonds in the amount of \$17,000,000. The bond proceeds were used to: (1) defray the costs of designing, constructing, and equipping a new detention center in the County and (2) pay the costs to issue the 2011 series general obligation bonds. General obligation bonds outstanding at June 30, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2011 General Obligation Bonds	2 - 5 %	20 years Plus unamortized premium	2031	<u>\$ 17,000,000</u>	\$ 9,410,000 487,184
					<u>\$ 9,897,184</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### General Obligation Bonds (Continued)

During the year ended June 30, 2013, the County issued taxable series 2013 general obligation bonds in the amount of \$2,600,000. The bond proceeds were used to: (1) defray all or a portion of the costs of design, acquisition, construction, and installation, as applicable, of improvements and infrastructure serving the Echo Hills Commerce Park and (2) pay the costs to issue the 2013 series general obligation bonds. General obligation bonds outstanding at June 30, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2013 General Obligation Bonds	3 - 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	<u>\$ 2,165,000</u>
		Plus unamortized premium			<u>25,821</u>
					<u><u>\$ 2,190,821</u></u>

The annual requirements to amortize all general obligation bonds as of June 30, 2016, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	1,305,000	466,754	\$ 1,771,754
2018	740,000	437,426	1,177,426
2019	770,000	414,352	1,184,352
2020	795,000	390,378	1,185,378
2021	820,000	365,608	1,185,608
2022-2026	4,175,000	1,346,282	5,521,282
2027-2031	4,255,000	495,040	4,750,040
	<u>\$ 12,860,000</u>	<u>\$ 3,915,840</u>	<u>\$ 16,775,840</u>

Debt service funds of \$1,628,323 are available to service the general obligation bonds.

The general obligation bonds are secured by a pledge of the full faith, credit and taxing power of the County.

There are a number of limitations and restrictions contained in the various debt instruments. The County is in compliance with all significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### Capital Leases

The County has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of equipment leased under capital leases as of June 30, 2016:

Machinery and Equipment and Construction in Progress	\$ 4,275,987
Less: Accumulated Depreciation	<u>(793,191)</u>
	<u><u>\$ 3,482,796</u></u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2016:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Funds</u>
2017	\$ 1,401,677
2018	1,396,758
2019	879,966
2020	879,966
2021	879,966
Total Minimum Lease Payments	<u>\$ 5,438,333</u>
Less: Amount Representing Interest	<u>(223,993)</u>
	<u><u>\$ 5,214,340</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

#### A. Primary Government (Continued)

##### Special Source Refunding Revenue Bonds

During 2014, the County issued special source refunding revenue bonds in the amount of \$2,933,000 to redeem the 2010 series special source revenue bonds which were issued to finance the Pointe West project. These bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The bonds are payable in annual installments through 2025 and have an annual interest rate of 2.85 percent. The refunding transaction resulted in an economic gain of \$223,847 and a difference in debt service required between the refunded bonds and the refunding bonds of \$263,876.

Annual debt service requirements to maturity for the special source revenue bonds are as follows:

Year Ending June 30,	Special Source Refunding Revenue Bonds		
	Principal	Interest	Total
2017	249,000	71,706	\$ 320,706
2018	256,000	64,610	320,610
2019	262,000	57,314	319,314
2020	273,000	49,847	322,847
2021	278,000	42,066	320,066
2022-2025	1,198,000	86,469	1,284,469
	<u>\$ 2,516,000</u>	<u>\$ 372,012</u>	<u>\$ 2,888,012</u>

#### B. Component Unit

Long-term liabilities for the Keowee Fire Tax District at June 30, 2016, were as follows:

Keowee Fire Tax District	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within One Year
Annual leave	\$ 30,299	-	(3,933)	\$ 26,366	2,638
Net pension liability	600,805	\$ 10,457	\$ -	611,262	\$ -
	<u>\$ 631,104</u>	<u>\$ 10,457</u>	<u>\$ (3,933)</u>	<u>\$ 637,628</u>	<u>\$ 2,638</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 7. SHORT-TERM LIABILITIES

On December 1, 2015, the County issued General Obligation Bond Note, Series 2015 for \$900,000. This note had an interest rate of .495% and matured March 1, 2016. The proceeds were used for the various capital projects and to defray to cost of issuance of Series 2015 Bonds.

The following is a schedule of changes in short-term liabilities:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016
General obligation bonds	\$ -	\$ 900,000	\$ (900,000)	\$ -
	<u>\$ -</u>	<u>\$ 900,000</u>	<u>\$ (900,000)</u>	<u>\$ -</u>

### NOTE 8. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and state laws require the County to place a final cover on their landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The County has recorded a liability in the government-wide statement of net position for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2016, calculated as follows:

	MSW	C&D I	C&D II	Total
Total Estimated Current Closure and Post-Closure Care Cost	\$ 1,523,810	\$ 524,427	\$ 605,733	
Percentage of Landfill Capacity Used to Date	100%	98%	25%	
Reported Liability for Closure and Post-Closure Care Cost	<u>\$ 1,523,810</u>	<u>\$ 513,938</u>	<u>\$ 151,434</u>	<u>\$ 2,189,182</u>
Total Estimated Current Closure and Post-Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>\$ 10,489</u>	<u>\$ 454,299</u>	
Landfill's Approximate Remaining Life in Years	<u>-</u>	<u>1</u>	<u>17</u>	

The County will recognize the remaining estimated cost of closure and post-closure care costs as the remaining capacity is filled.

The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2016. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS

#### Retirement Plan

##### *Overview:*

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

##### *Plan Description:*

The County contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for employees of the state, its public school districts, and political subdivisions.

In addition to the SCRS pension plan, the County also contributes to the South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan. The plan was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the state and its political subdivisions. The Keowee Fire Tax District also contributes to the PORS plan.

##### *Membership:*

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

**South Carolina Retirement System.** Generally, all employees of covered employers are required to participate in and contribute to the SCRS as a condition of employment. This plan covers general employees, teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Membership (Continued):*

**South Carolina Retirement System (Continued).** An employee member of the SCRS with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the SCRS with an effective date of membership on or after July 1, 2012, is a Class Three member.

**South Carolina Police Officers Retirement System.** To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

##### *Benefits:*

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

**South Carolina Retirement System.** A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least 8 or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Benefits (Continued):*

**South Carolina Retirement System (Continued).** The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

**South Carolina Police Officers Retirement System.** A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

##### *Contributions:*

Contributions are prescribed in Title 9 of the South Carolina Code of Laws. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9 percent of earnable compensation for SCRS and 5 percent for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a 30 year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30 year amortization period; and, this increase is not limited to one-half of one percent per year.



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Contributions (Continued):*

Required employee contribution rates for the year ended June 30, 2016, are as follows:

##### **South Carolina Retirement System**

Employee class two	8.16% of earnable compensation
Employee class three	8.16% of earnable compensation

##### **South Carolina Police Officers Retirement System**

Employee class two	8.74% of earnable compensation
Employee class three	8.74% of earnable compensation

Required employer contribution rates for the year ended June 30, 2016, are as follows:

##### **South Carolina Retirement System**

Employer class two	10.91% of earnable compensation
Employer class three	10.91% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

##### **South Carolina Police Officers Retirement System**

Employer class two	13.34% of earnable compensation
Employer class three	13.34% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

##### *Net Pension Liability:*

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2014. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2014, actuarial valuations, using membership data as of July 1, 2014, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2015, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the systems' consulting actuary, Gabriel, Roeder, Smith and Company.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2015, the County's net pension liability amounts for SCRS and PORS are as follows:

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability</b>	<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>
SCRS	\$ 55,365,936	\$ 31,554,015	\$ 23,811,921	57.0%
PORS	\$ 31,496,610	\$ 20,336,956	\$ 11,159,654	64.6%

As of June 30, 2015, the District's net pension liability amounts for PORS is as follows:

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Pension Liability</b>	<b>Plan Fiduciary Net Position as a percentage of the Total Pension Liability</b>
PORS	\$ 1,725,446	\$ 1,114,184	\$ 611,262	64.6%

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

As of June 30, 2015, the change in the County's net pension liability for the SCRS Plan is calculated as follows:

<b>Total pension liability</b>	
Service cost	\$ 934,369
Interest	3,952,553
Difference between actual and expected experience	(56,042)
Benefit payments	(3,396,923)
<b>Net change in total pension liability</b>	1,433,957
<b>Total pension liability - beginning June 30, 2014</b>	53,931,979
<b>Total pension liability - ending June 30, 2015</b>	55,365,936
 <b>Plan fiduciary net position</b>	
Contributions - employer	1,283,763
Contributions - member	899,101
Refunds of contributions to members	(119,406)
Retirement benefits	(3,252,224)
Death benefits	(25,292)
Net investment income	469,763
Administrative expense	(15,762)
Net transfers to affiliated systems	(1,668)
<b>Net change in Plan fiduciary net position</b>	(761,727)
<b>Plan fiduciary net position - beginning June 30, 2014</b>	32,315,743
<b>Plan fiduciary net position - ending June 30, 2015</b>	31,554,015
<b>Net pension liability</b>	<u><u>\$ 23,811,921</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

As of June 30, 2015, the change in the County's net pension liability for the PORS Plan is calculated as follows:

<b>Total pension liability</b>	
Service cost	\$ 789,049
Interest	2,229,011
Difference between actual and expected experience	34,669
Benefit payments	<u>(1,763,480)</u>
<b>Net change in total pension liability</b>	1,289,249
<b>Total pension liability - beginning June 30, 2014</b>	<u>30,207,361</u>
<b>Total pension liability - ending June 30, 2015</b>	<u>31,496,610</u>
 <b>Plan fiduciary net position</b>	
Contributions - employer	852,277
Contributions - member	547,124
Refunds of contributions to members	(89,365)
Retirement benefits	(1,655,147)
Death benefits	(18,968)
Net investment income	300,589
Administrative expense	(9,901)
Net transfers to affiliated systems	<u>5,430</u>
<b>Net change in Plan fiduciary net position</b>	(67,962)
<b>Plan fiduciary net position - beginning June 30, 2014</b>	<u>20,404,918</u>
<b>Plan fiduciary net position - ending June 30, 2015</b>	<u>20,336,956</u>
 <b>Net pension liability</b>	 <u><u>\$ 11,159,654</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Net Pension Liability (Continued):*

As of June 30, 2015, the change in the District's net pension liability for the PORS Plan is calculated as follows:

<b>Total pension liability</b>	
Service cost	\$ 43,226
Interest	122,110
Difference between actual and expected experience	1,899
Benefit payments	(96,607)
<b>Net change in total pension liability</b>	70,628
<b>Total pension liability - beginning June 30, 2014</b>	1,654,818
<b>Total pension liability - ending June 30, 2015</b>	1,725,446
<b>Plan fiduciary net position</b>	
Contributions - employer	46,689
Contributions - member	29,972
Refunds of contributions to members	(4,896)
Retirement benefits	(90,672)
Death benefits	(1,039)
Net investment income	16,467
Administrative expense	(457)
Net transfers to affiliated systems	298
<b>Net change in Plan fiduciary net position</b>	(3,637)
<b>Plan fiduciary net position - beginning June 30, 2014</b>	1,117,821
<b>Plan fiduciary net position - ending June 30, 2015</b>	1,114,184
<b>Net pension liability</b>	<b>\$ 611,262</b>

##### *Actuarial Assumptions and Methods:*

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2010, and the next experience study is scheduled to be conducted after the June 30, 2015, annual valuation is complete.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Actuarial Assumptions and Methods (Continued):*

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2014, valuations for SCRS and PORS.

	<b>SCRS</b>	<b>PORS</b>
	Entry Age Normal	Entry Age Normal
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	3.5% to 12.5% (varies by service)	4.0% to 10% (varies by service)
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2000.

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market outlook at the end of the third quarter 2012. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table on the following page. For actuarial purposes, the 7.50 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.75 percent inflation component.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

*Actuarial Assumptions and Methods (Continued):*

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Short-Term</b>	<b>5.0%</b>		
Cash	2.0%	1.9	0.04
Short duration	3.0%	2	0.06
<b>Domestic Fixed Income</b>	<b>13.0%</b>		
Core fixed income	7.0%	2.7	0.19
High yield	6.0%	3.8	0.23
<b>Global Fixed Income</b>	<b>9.0%</b>		
Global fixed income	3.0%	2.8	0.08
Emerging markets debt	6.0%	5.1	0.31
<b>Global Public Equity</b>	<b>31.0%</b>	7.1	2.2
<b>Global Tactical Asset Allocation</b>	<b>10.0%</b>	4.9	0.49
<b>Alternatives</b>	<b>32.0%</b>		
Hedge funds (low beta)	8.0%	4.3	0.34
Private debt	7.0%	9.9	0.69
Private equity	9.0%	9.9	0.89
Real estate (broad market)	5.0%	6	0.3
Commodities	3.0%	5.9	0.18
Total expected real return	100.0%		6
Inflation for actuarial purposes			2.75
Total expected nominal return			8.75

#### *Discount Rate:*

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

##### *Discount Rate (Continued):*

The following table presents the sensitivity of the net pension liability to changes in the discount rate.

<b>Sensitivity of the Net Position Liability to Changes in the Discount Rate</b>				
	<b>1% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>	
County's portion - SCRS	\$ 30,020,029	\$ 23,811,921	\$ 18,608,738	
County's portion - PORS	\$ 15,202,083	\$ 11,159,654	\$ 7,545,982	
District's portion - PORS	\$ 832,681	\$ 611,262	\$ 413,325	

##### *Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:*

For the year ended June 30, 2016, the County recognized pension expense of \$1,515,886 for the SCRS plan and \$989,419 for the PORS plan.

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

<b>SCRS</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 423,057	\$ 42,583
Net difference between projected and actual earnings on pension plan investments	159,385	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	669,475
Employer contributions subsequent to the measurement date	1,322,885	-
Total	<u>\$ 1,905,327</u>	<u>\$ 712,058</u>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):*

PORS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 221,186	\$ -
Net difference between projected and actual earnings on pension plan investments	122,106	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	14,231
Employer contributions subsequent to the measurement date	<u>921,831</u>	<u>                    </u>
Total	<u>\$ 1,265,123</u>	<u>\$ 14,231</u>

For the year ended June 30, 2016, the District recognized pension expense of \$39,898 for the PORS plan.

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to the PORS pension plan from the following sources:

PORS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,115	\$ -
Net difference between projected and actual earnings on pension plan investments	6,688	-
Change in allocated proportion	-	55,136
Employer contributions subsequent to the measurement date	<u>50,257</u>	<u>                    </u>
Total	<u>\$ 69,060</u>	<u>\$ 55,136</u>

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Retirement Plan (Continued)

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued):*

County contributions subsequent to the measurement date of \$1,322,885 and \$921,831 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2017	\$ (567,531)	\$ 20,474
2018	101,944	34,705
2019	(43,369)	24,936
2020	379,340	248,946

District contributions subsequent to the measurement date of \$50,257 for the PORS plan are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	PORS
2017	\$ 12,624
2018	12,624
2019	13,159
2020	(2,074)

#### *Pension Plan Fiduciary Net Position:*

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued CAFR containing financial statements and required supplementary information for SCRS and PORS. The CAFR of the Pension Trust Funds is publicly available on PEBA's Retirement Benefits' website at [www.retirement.sc.gov](http://www.retirement.sc.gov), or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Primary Government

##### Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457, which is administered and controlled by the State of South Carolina. The plan, available to all government employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Great-West Retirement Services, PO Box 173764, Denver CO 80217-3764, (under state contract) is the program administrator of the 457 plan as well as the 401(k) plan and 401(k) Roth plan which are also available to County employees at their option.

##### Other Post-Employment Healthcare Benefits (OPEB)

##### Plan Description

In addition to providing pension benefits through the South Carolina Retirement System, the County provides certain healthcare benefits for qualified retired employees who elect health care coverage through the County upon retirement. All covered County employees may maintain healthcare benefits if they have 20 years of service with the County and qualify for SCRS or PORS service retirement. An employee retiring with 20 years of service with the County and the SCRS or the PORS shall retain the County insurance benefits at reduced cost to the employee. If disabled, as determined by SCRS or PORS, an employee may qualify with 10 years of County employment. To remain covered, retired employees must pay all applicable premiums and elect Medicare parts A and B at age 65, or sooner if eligible. For employees hired on or after July 1, 2010, eligibility under this plan ends upon their entitlement to Medicare, either through the attainment of the age of eligibility or because of disability.

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the General Fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2016, there were seventy-nine retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$440,915 for the fiscal year.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Primary Government (Continued)

#### Other Post-Employment Healthcare Benefits (OPEB) (Continued)

#### Plan Description (Continued)

The County does not issue separate audited financial statements for this plan.

#### Funding Policy and Annual OPEB Costs

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the County's annual OPEB costs for the year, the amount actuarially contributed to the plan, and changes in the County's net OPEB obligation for the post-employment health insurance benefits:

	2016
Annual Required Contribution	\$ 866,851
Interest on OPEB Obligation	110,991
Adjustment to Annual Required Contribution	(162,968)
Annual OPEB Costs	814,874
Contributions Made	(440,915)
Increase in Net OPEB Obligation	373,959
Net OPEB Obligation - Beginning of Year	2,959,750
Net OPEB Obligation - End of Year	<u>\$ 3,333,709</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Primary Government (Continued)

#### Other Post-Employment Healthcare Benefits (OPEB) (Continued)

#### Funding Policy and Annual OPEB Costs (Continued)

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	\$ 814,874	\$ 440,915	54.1%	\$ 3,333,709
2015	713,556	276,245	38.7%	2,959,750
2014	718,130	414,177	57.7%	2,522,439
2013	715,043	456,541	63.8%	2,218,486

#### Funding Status and Progress

As of June 30, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$10,411,136. The covered payroll (annual payroll of active employees covered by the plan) was \$7,176,546; the ratio of the UAAL to the covered payroll was 145.1 percent.

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. 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 as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 9. EMPLOYEE BENEFITS (CONTINUED)

#### Primary Government (Continued)

#### Other Post-Employment Healthcare Benefits (OPEB) (Continued)

##### Actuarial Methods and Assumptions

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

In the June 2014 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is consistent with the investment return earned on the County's general assets and an annual medical cost trend decrease of 6.0 percent to 4.5 percent per year over nine years. General inflation is assumed to be 3.0 percent per year. The actuarial value of assets was set equal to the reported market value of assets. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over an open 30-year period.

### NOTE 10. SELF-INSURED HEALTH INSURANCE

The County is self-insured for health and dental claims incurred by employees and/or their dependents and retirees, if they are enrolled in the plan. The plan establishes a "Stop Loss" of \$75,000 per person per contract year. Seven individuals were excluded from this stop-loss coverage and had different specific deductibles. The estimated maximum annual cost to the County is \$5,378,443. At June 30, 2016, claims due and payable total approximately \$385,456 and are recorded as a liability in the respective funds with employees receiving this benefit. The following amounts were recorded as liabilities of the respective funds as of June 30, 2016: General Fund – \$370,527; Proprietary Fund – FOCUS \$2,357; and Proprietary Fund – Rock Quarry \$12,572.

Effective January 1, 2013, the County revised the retiree health benefits for individuals who are qualified for Medicare. As a result, retirees eligible for health care began receiving a defined contribution towards the purchase of a Medicare Supplement Plan through Hartford Life. This resulted in 71 retirees no longer participating in the County's Self Insured Health Insurance Plan. As outlined in the plan document, all employees hired before July 1, 2010, are eligible for plan benefits given they meet the 20 years of continuous service requirement and ultimately retire from the County. As of June 30, 2015, approximately 285 employees were hired prior to July 1, 2010, and could ultimately benefit from the health insurance plan.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 10. SELF-INSURED HEALTH INSURANCE (CONTINUED)

Active retirees as of December 31, 2013, who had not yet attained the age of 65 or otherwise qualified for Medicare are eligible for plan benefits if they meet the service requirements as outlined in the plan document. Once eligible for Medicare, these individuals will be automatically enrolled into the Medicare Supplement Plan through Hartford Life.

Active employees, who had attained 20 years of service on December 31, 2013, will be eligible for participation in the self-insured health plan until becoming eligible for Medicare. Once eligible for Medicare, these individuals will be removed from the self-insured health plan and automatically enrolled in the Medicare Health Plan through Hartford Life. Employees in the category who become retirees will receive the same stipend as active retirees in each category (pre-Medicare and Medicare eligible). All contributions are accounted for in the County's Retiree Health Reimbursement account. Contributions can only be used in accordance with the plan document.

The following indicates claims versus premiums for the past three fiscal years:

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2016	\$ 298,630	\$ 4,478,432	\$ 4,391,606	\$ 385,456
2015	330,851	3,674,377	3,706,598	298,630
2014	478,761	4,198,846	4,346,756	330,851
2013	546,895	5,555,041	5,623,175	478,761

### NOTE 11. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2016, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FOCUS Fund	<u>\$ 7,021,626</u>

Advances are used for long-term interfund loans. The General Fund had one outstanding advance at June 30, 2016. The advance to the FOCUS Fund is to finance construction and operations. This does not have a fixed schedule for repayment and it will be repaid from operating income as the project becomes self-sustaining.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 11. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Interfund receivable and payable balances at June 30, 2016, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	<u>\$ 50,441</u>

The outstanding balances between funds result mainly from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These balances normally clear within one to two months.

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds.

Total transfers during the year ended June 30, 2016, consisted of the following individual amounts:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Rock Quarry Fund	\$ 502,000
General Fund	Nonmajor Governmental Funds	732,121
Nonmajor Governmental Funds	General Fund	83,000
		<u>\$ 1,317,121</u>

The transfers noted above were used to: (1) provide operational funds, (2) provide salary subsidies, and/or (3) provide funds for the construction costs associated with infrastructure for economic development for the Golden Corner Commerce Park. All were made in accordance with budgetary authorizations.



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund. The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

### NOTE 13. OTHER COMMITMENTS

The County leases copiers, postage meters and office space under operating leases. Future minimum lease payments required under the operating leases are as follows:

Year Ending June 30,	Total Minimum Lease Payments
2017	\$ 55,046
2018	39,946
2019	35,400
2020	35,400
	<u>\$ 165,792</u>

Construction commitments at June 30, 2016, totaled approximately \$1,208,856.

### NOTE 14. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2016, the company paid property taxes in the amount of \$30.0 million based on assessed property values of \$143.9 million. This represents approximately 28.0 percent of the 2015 levy. Approximately \$20.3 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

## NOTES TO THE FINANCIAL STATEMENTS

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### **NOTE 15. CONTINGENT LIABILITIES**

The County participates in a number of federal and state assisted grant programs. These programs are subject to audits by grantors or their representatives. The audits of these programs for or including the year ended June 30, 2016, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

### **NOTE 16. LITIGATION**

The County is party to a number of lawsuits arising in the course of operations. It is the opinion of management, in consultation with legal counsel, that it cannot be determined whether resolution of the other pending cases will have a material adverse effect on the financial condition of the County.

## **REQUIRED SUPPLEMENTARY INFORMATION**

# OCONEE COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE FISCAL YEARS ENDED JUNE 30

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<b>South Carolina Retirement System</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability	0.125554%	0.130397%
County's proportionate share of the net pension liability	\$ 23,811,921	\$ 22,450,040
County's covered-employee payroll	\$ 11,666,400	\$ 11,703,378
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	204.1%	191.8%
Plan fiduciary net position as a percentage of the total pension liability	57.0%	59.9%
<b>South Carolina Police Officers Retirement System</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability	0.51203%	0.51281%
County's proportionate share of the net pension liability	\$ 11,159,654	\$ 9,817,433
County's covered-employee payroll	\$ 6,207,981	\$ 6,207,981
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	179.8%	158.1%
Plan fiduciary net position as a percentage of the total pension liability	64.6%	67.5%

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 9 to the financial statements.

## OCONEE COUNTY, SOUTH CAROLINA

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FOR THE FISCAL YEARS ENDED JUNE 30

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South Carolina Police Officers Retirement System	2016	2015
District's proportion of the net pension liability	0.02805%	0.03138%
District's proportionate share of the net pension liability	\$ 611,262	\$ 600,805
District's covered-employee payroll	\$ 393,811	\$ 371,195
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	155.2%	161.9%
Plan fiduciary net position as a percentage of the total pension liability	64.6%	67.5%

The above schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30

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<b>South Carolina Retirement System</b>	<u><b>2016</b></u>	<u><b>2015</b></u>
Actuarially determined contribution	\$ 1,283,763	\$ 1,254,869
Contributions in relation to the actuarially determined contribution	<u>1,283,763</u>	<u>1,254,869</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 11,666,400	\$ 11,703,378
Contributions as a percentage of covered-employee payroll	11.00%	10.72%
 <b>South Carolina Police Officers Retirement System</b>	 <u><b>2016</b></u>	 <u><b>2015</b></u>
Actuarially determined contribution	\$ 852,277	\$ 791,950
Contributions in relation to the actuarially determined contribution	<u>852,277</u>	<u>791,950</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,207,981	\$ 6,207,981
Contributions as a percentage of covered-employee payroll	13.73%	12.76%

The above schedules will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedules are disclosed in Note 9 to the financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF DISTRICT CONTRIBUTIONS FOR THE FISCAL YEARS ENDED JUNE 30

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South Carolina Police Officers Retirement System	2016	2015
Actuarially determined contribution	\$ 50,256	\$ 46,593
Contributions in relation to the actuarially determined contribution	50,256	46,593
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	\$ 393,811	\$ 371,195
Contributions as a percentage of covered-employee payroll	12.76%	12.55%

The above schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.

# OCONEE COUNTY, SOUTH CAROLINA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF FUNDING PROGRESS OTHER POST-EMPLOYMENT BENEFITS

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Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2009	-	14,201,310	14,201,310	-	16,053,849	88.5%
6/30/2011	-	7,584,954	7,584,954	-	15,328,947	49.5%
6/30/2013	-	8,485,199	8,485,199	-	12,537,849	67.7%
6/30/2015	-	10,411,136	10,411,136	-	7,176,546	145.1%

The assumptions used in the preparation of the above schedule are disclosed in Note 9 to the financial statements.



## **COMBINING STATEMENTS AND SCHEDULES**

# OCONEE COUNTY, SOUTH CAROLINA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

The **Emergency Services Protection District Fund** accounts for tax monies collected for the Oconee County special tax district for emergency services protection. Such monies are restricted for public safety expenditures.

The **Road Maintenance Fund** accounts for the tax levied to provide funding for maintenance of County roads.

The **Miscellaneous Special Revenue Fund** accounts for monies collected from various sources. Such monies are restricted for their specific purpose.

The **911 Communications Fund** accounts for 911 communication fees that are received from the State of South Carolina, various wireless carriers, and AT&T. Such monies are restricted for improvements and expansion of the County's emergency 911 system.

The **State Accommodations Tax Fund** accounts for accommodation tax monies received from the State. The first \$25,000 and 5% is transferred to the General Fund. The remainder is restricted for culture and recreation.

The **Local Accommodations Tax Fund** accounts for the 3% local accommodation tax monies collected on behalf of Oconee County. These monies are restricted for culture and recreation.

The **Sheriffs' Victims' Assistance Fund** accounts for monies collected by the Magistrates' Office through summary assessments and surcharges. Such monies are restricted for public safety expenditures.

The **Solicitors' Victims' Assistance Fund** accounts for monies collected by the Clerk of Court's office through general sessions, assessments and surcharges. Such monies are restricted for public safety expenditures.

The **Duke Energy Fixed Nuclear Facility Fund** accounts for the grant revenues from Duke Energy Corporation. These funds aid in offsetting the cost of the preparation and evaluation of radiological response plans and preparedness in support of the Duke Energy power plant located in Oconee County as required by the Nuclear Regulatory Commission.

The **Clerk of Court Federal Child Support Fund** accounts for federal grant funds received by the Clerk of Court from the State restricted to child support enforcement expenditures.

The **Library State Aid Fund** accounts for State aid monies received that provide additional funding for the County's public libraries allowing them to provide basic levels of service to citizens of South Carolina. These monies are restricted for culture and recreation expenditures.

# OCONEE COUNTY, SOUTH CAROLINA

## NONMAJOR GOVERNMENTAL FUNDS

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### **SPECIAL REVENUE FUNDS (CONTINUED)**

The **Tri-County Tech Fund** accounts for tax revenues collected for support of the Tri-County Technical College. These monies are restricted for education expenditures.

### **DEBT SERVICE FUND**

The **Debt Service Fund** accounts for the resources used for the payment of the County's principal and interest on various debt obligations.

### **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities for the County's governmental funds.

The **Bridge and Culvert Capital Projects Fund** accounts for the taxes levied specifically to fund repairs and construction of the County's bridge and culvert infrastructure. These monies are restricted for capital projects.

# OCONEE COUNTY, SOUTH CAROLINA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2016

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications Fund	State Accommodations Tax	Local Accommodations Tax
<b>ASSETS</b>						
Cash and cash equivalents	\$ 622,539	\$ 1,107,489	\$ 391,251	\$ 1,053,223	\$ 56,601	\$ 158,966
Investments	-	-	-	450,000	-	-
Taxes receivable	38,472	25,047	-	-	-	-
Accounts receivable, net	-	-	6,007	43,171	-	25,723
Due from other governments	-	-	151,686	20,649	75,948	7,829
Due from component unit	-	-	-	-	-	-
Prepaid expenditures	-	-	2,148	147,480	-	-
Seized assets	-	-	194,160	-	-	-
Total assets	<u>\$ 661,011</u>	<u>\$ 1,132,536</u>	<u>\$ 745,252</u>	<u>\$ 1,714,523</u>	<u>\$ 132,549</u>	<u>\$ 192,518</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 3,831	\$ 76,574	\$ 58,320	\$ 132	\$ 22,784	\$ -
Due to other funds	-	-	-	-	-	30,000
Accrued liabilities	-	-	1,643	-	-	-
Unearned revenues	-	-	2,575	-	-	-
Total liabilities	<u>3,831</u>	<u>76,574</u>	<u>62,538</u>	<u>132</u>	<u>22,784</u>	<u>30,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	32,767	20,487	-	-	-	-
Unavailable revenue - seized property	-	-	194,160	-	-	-
Unavailable revenue - intergovernmental	-	-	72,335	-	-	-
Total deferred inflows of resources	<u>32,767</u>	<u>20,487</u>	<u>266,495</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Prepaid expenditures	-	-	2,148	147,480	-	-
Seized assets	-	-	194,160	-	-	-
Restricted for:						
General government	-	-	15,221	-	-	-
Public safety	624,413	-	73,060	1,566,911	-	-
Transportation	-	1,035,475	336	-	-	-
Debt service	-	-	-	-	-	-
Culture and recreation	-	-	-	-	109,765	162,518
Judicial services	-	-	108	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	2,156	-	-	-
Economic development	-	-	768	-	-	-
Capital projects	-	-	128,262	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>624,413</u>	<u>1,035,475</u>	<u>416,219</u>	<u>1,714,391</u>	<u>109,765</u>	<u>162,518</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 661,011</u>	<u>\$ 1,132,536</u>	<u>\$ 745,252</u>	<u>\$ 1,714,523</u>	<u>\$ 132,549</u>	<u>\$ 192,518</u>

Special Revenue Funds						Debt Service Fund	Capital Projects Fund	
Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ -	\$ 21,247	\$ 214,280	\$ 113,980	\$ 1,325	\$ 422,542	\$ 1,628,323	\$ 2,948,481	\$ 8,740,247
-	-	-	-	-	-	-	-	450,000
-	-	-	-	-	36,179	90,019	11,927	201,644
-	-	-	-	-	-	-	-	74,901
-	-	-	25,714	-	-	-	-	281,826
-	-	-	-	-	-	595,000	-	595,000
-	-	-	-	-	-	1,333	-	150,961
-	-	-	-	-	-	-	-	194,160
<u>\$ -</u>	<u>\$ 21,247</u>	<u>\$ 214,280</u>	<u>\$ 139,694</u>	<u>\$ 1,325</u>	<u>\$ 458,721</u>	<u>\$ 2,314,675</u>	<u>\$ 2,960,408</u>	<u>\$ 10,688,739</u>
\$ -	\$ -	\$ 167	\$ 1,655	\$ 210	\$ -	\$ -	\$ 28,756	\$ 192,429
19,326	-	-	-	1,115	-	-	-	50,441
3,202	1,468	-	2,523	-	-	-	-	8,836
-	-	214,113	-	-	-	-	-	216,688
<u>22,528</u>	<u>1,468</u>	<u>214,280</u>	<u>4,178</u>	<u>1,325</u>	<u>-</u>	<u>-</u>	<u>28,756</u>	<u>468,394</u>
-	-	-	-	-	31,347	76,194	9,756	170,551
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	-	72,335
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,347</u>	<u>76,194</u>	<u>9,756</u>	<u>437,046</u>
-	-	-	-	-	-	1,333	-	150,961
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	-	15,221
-	19,779	-	-	-	-	-	-	2,284,163
-	-	-	-	-	-	-	-	1,035,811
-	-	-	-	-	-	2,237,148	-	2,237,148
-	-	-	-	-	-	-	-	272,283
-	-	-	135,516	-	-	-	-	135,624
-	-	-	-	-	427,374	-	-	427,374
-	-	-	-	-	-	-	-	2,156
-	-	-	-	-	-	-	-	768
-	-	-	-	-	-	-	2,921,896	3,050,158
(22,528)	-	-	-	-	-	-	-	(22,528)
<u>(22,528)</u>	<u>19,779</u>	<u>-</u>	<u>135,516</u>	<u>-</u>	<u>427,374</u>	<u>2,238,481</u>	<u>2,921,896</u>	<u>9,783,299</u>
<u>\$ -</u>	<u>\$ 21,247</u>	<u>\$ 214,280</u>	<u>\$ 139,694</u>	<u>\$ 1,325</u>	<u>\$ 458,721</u>	<u>\$ 2,314,675</u>	<u>\$ 2,960,408</u>	<u>\$ 10,688,739</u>

# OCONEE COUNTY, SOUTH CAROLINA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications Fund	State Accommodations Tax	Local Accommodations Tax
<b>Revenues:</b>						
Property taxes	\$ 1,460,097	\$ 1,169,544	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	332,171	167,419	275,353
Intergovernmental	-	192,692	877,600	588,955	-	-
Licenses and permits	-	-	6,540	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	327	-	64	299
Contributions and donations	-	-	21,952	-	-	-
Other revenues	-	-	53,272	-	-	-
Total revenues	<u>1,460,097</u>	<u>1,362,236</u>	<u>959,691</u>	<u>921,126</u>	<u>167,483</u>	<u>275,652</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	1,177	-	-	-
Public safety	1,397,807	-	356,841	280,021	-	-
Transportation	-	694,023	0	-	-	-
Public works	-	-	20,652	-	-	-
Culture and recreation	-	-	76,593	-	127,726	268,926
Judicial services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	144,883	-	-	-
Economic development	-	-	126,000	-	-	-
Capital outlay	779,877	412,076	192,490	13,836	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>2,177,684</u>	<u>1,106,099</u>	<u>918,636</u>	<u>293,857</u>	<u>127,726</u>	<u>268,926</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(717,587)</u>	<u>256,137</u>	<u>41,055</u>	<u>627,269</u>	<u>39,757</u>	<u>6,726</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(32,121)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,121)</u>	<u>-</u>
Net change in fund balances	(717,587)	256,137	41,055	627,269	7,636	6,726
<b>Fund balances (deficits), beginning of year</b>	<u>1,342,000</u>	<u>779,338</u>	<u>375,164</u>	<u>1,087,122</u>	<u>102,129</u>	<u>155,792</u>
<b>Fund balances (deficits), end of year</b>	<u>\$ 624,413</u>	<u>\$ 1,035,475</u>	<u>\$ 416,219</u>	<u>\$ 1,714,391</u>	<u>\$ 109,765</u>	<u>\$ 162,518</u>

Special Revenue Funds						Debt Service Fund	Capital Projects Fund	
Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,168,539	\$ 3,572,302	\$ 550,374	\$ 7,920,856
-	-	-	-	-	-	-	-	774,943
-	-	34,696	135,725	92,841	-	-	-	1,922,509
-	-	-	-	-	-	-	-	6,540
56,949	45,620	-	-	-	-	-	-	102,569
-	-	-	-	-	-	30,056	-	30,746
-	-	-	-	-	-	-	-	21,952
-	-	-	-	-	-	-	-	53,272
56,949	45,620	34,696	135,725	92,841	1,168,539	3,602,358	550,374	10,833,387
-	-	-	-	-	-	-	-	1,177
145,162	64,536	26,523	-	-	-	-	-	2,270,890
-	-	-	-	-	-	-	21,627	715,650
-	-	-	-	-	-	-	-	20,652
-	-	-	-	60,273	-	-	-	533,518
-	-	-	136,559	-	-	-	-	136,559
-	-	-	-	-	1,086,000	-	-	1,086,000
-	-	-	-	-	-	-	-	144,883
-	-	-	-	-	-	-	-	126,000
-	-	8,173	-	31,453	-	-	818,449	2,256,354
-	-	-	-	-	-	2,427,000	-	2,427,000
-	-	-	-	-	-	620,916	-	620,916
145,162	64,536	34,696	136,559	91,726	1,086,000	3,047,916	840,076	10,339,599
(88,213)	(18,916)	-	(834)	1,115	82,539	554,442	(289,702)	493,788
70,000	13,000	-	-	-	-	-	-	83,000
-	-	-	-	-	(700,000)	-	-	(732,121)
70,000	13,000	-	-	-	(700,000)	-	-	(649,121)
(18,213)	(5,916)	-	(834)	1,115	(617,461)	554,442	(289,702)	(155,333)
(4,315)	25,695	-	136,350	(1,115)	1,044,835	1,684,039	3,211,598	9,938,632
\$ (22,528)	\$ 19,779	\$ -	\$ 135,516	\$ -	\$ 427,374	\$ 2,238,481	\$ 2,921,896	\$ 9,783,299

**OCONEE COUNTY, SOUTH CAROLINA**  
**EMERGENCY SERVICES PROTECTION DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Property taxes	\$ 1,467,400	\$ 1,467,400	\$ 1,460,097	\$ (7,303)
Total revenues	<u>1,467,400</u>	<u>1,467,400</u>	<u>1,460,097</u>	<u>(7,303)</u>
<b>EXPENDITURES</b>				
Public safety	1,702,000	1,859,590	1,397,807	461,783
Capital outlay	-	1,095,439	779,877	315,562
Total expenditures	<u>1,702,000</u>	<u>2,955,029</u>	<u>2,177,684</u>	<u>777,345</u>
Net change in fund balance	(234,600)	(1,487,629)	(717,587)	770,042
<b>FUND BALANCES, beginning of year</b>	<u>1,342,000</u>	<u>1,342,000</u>	<u>1,342,000</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,107,400</u>	<u>\$ (145,629)</u>	<u>\$ 624,413</u>	<u>\$ 770,042</u>



**OCONEE COUNTY, SOUTH CAROLINA**  
**ROAD MAINTENANCE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Property taxes	\$ 1,062,600	\$ 1,131,729	\$ 1,169,544	\$ 37,815
Intergovernmental	220,000	220,000	192,692	(27,308)
Total revenues	<u>1,282,600</u>	<u>1,351,729</u>	<u>1,362,236</u>	<u>10,507</u>
<b>EXPENDITURES</b>				
Transportation	450,000	519,562	694,023	(174,461)
Capital outlay	832,600	832,167	412,076	420,091
Total expenditures	<u>1,282,600</u>	<u>1,351,729</u>	<u>1,106,099</u>	<u>245,630</u>
Net change in fund balance	-	-	256,137	256,137
<b>FUND BALANCES, beginning of year</b>	<u>779,338</u>	<u>779,338</u>	<u>779,338</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 779,338</u>	<u>\$ 779,338</u>	<u>\$ 1,035,475</u>	<u>\$ 256,137</u>

**OCONEE COUNTY, SOUTH CAROLINA  
MISCELLANEOUS SPECIAL REVENUE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>				
Intergovernmental	\$ 291,281	\$ 291,281	\$ 877,600	\$ 586,319
Licenses and permits	-	-	6,540	6,540
Contributions and donations	7,222	7,222	21,952	14,730
Other revenue	-	-	53,272	53,272
Interest revenue	-	-	327	327
	<u>298,503</u>	<u>298,503</u>	<u>959,691</u>	<u>661,188</u>
<b>EXPENDITURES</b>				
General government	-	-	1,177	(1,177)
Public safety	178,722	181,817	356,841	(175,024)
Public works	26,030	26,030	20,652	5,378
Health and welfare	-	-	144,883	(144,883)
Culture and recreation	75,978	61,120	76,593	(15,473)
Economic development	-	-	126,000	(126,000)
Capital outlay	70,293	85,151	192,490	(107,339)
Total expenditures	<u>351,023</u>	<u>354,118</u>	<u>918,636</u>	<u>(564,518)</u>
Net change in fund balance	(52,520)	(55,615)	41,055	96,670
<b>FUND BALANCES, beginning of year</b>	<u>375,164</u>	<u>375,164</u>	<u>375,164</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 322,644</u>	<u>\$ 319,549</u>	<u>\$ 416,219</u>	<u>\$ 96,670</u>

**OCONEE COUNTY, SOUTH CAROLINA  
911 COMMUNICATIONS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Other taxes	\$ 240,000	\$ 240,000	\$ 332,171	\$ 92,171
Intergovernmental	105,000	105,000	588,955	483,955
Interest revenue	55,000	55,000	-	(55,000)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>921,126</u>	<u>521,126</u>
<b>EXPENDITURES</b>				
Public safety	354,000	479,317	280,021	199,296
Capital outlay	150,000	150,000	13,836	136,164
Total expenditures	<u>504,000</u>	<u>629,317</u>	<u>293,857</u>	<u>335,460</u>
Net change in fund balance	(104,000)	(229,317)	627,269	856,586
<b>FUND BALANCES, beginning of year</b>	<u>1,087,122</u>	<u>1,087,122</u>	<u>1,087,122</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 983,122</u>	<u>\$ 857,805</u>	<u>\$ 1,714,391</u>	<u>\$ 856,586</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**SHERIFF'S VICTIMS' ASSISTANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Fines and forfeitures	\$ 61,000	\$ 61,000	\$ 56,949	\$ (4,051)
Total revenues	<u>61,000</u>	<u>61,000</u>	<u>56,949</u>	<u>(4,051)</u>
<b>EXPENDITURES</b>				
Public safety	138,264	138,264	145,162	(6,898)
Total expenditures	<u>138,264</u>	<u>138,264</u>	<u>145,162</u>	<u>(6,898)</u>
Deficiency of revenues under expenditures	(77,264)	(77,264)	(88,213)	(10,949)
<b>Other financing sources</b>				
Transfers in	70,000	70,000	70,000	-
Total other financing sources	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net change in fund balance	(7,264)	(7,264)	(18,213)	(10,949)
<b>FUND BALANCES (DEFICITS), beginning of year</b>	<u>(4,315)</u>	<u>(4,315)</u>	<u>(4,315)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS), end of year</b>	<u>\$ (11,579)</u>	<u>\$ (11,579)</u>	<u>\$ (22,528)</u>	<u>\$ (10,949)</u>

**OCONEE COUNTY, SOUTH CAROLINA  
SOLICITOR'S VICTIMS' ASSISTANCE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Fines and forfeitures	\$ 20,000	\$ 20,000	\$ 45,620	\$ 25,620
Total revenues	20,000	20,000	45,620	25,620
<b>EXPENDITURES</b>				
Public safety	61,430	61,430	64,536	(3,106)
Total expenditures	61,430	61,430	64,536	(3,106)
Deficiency of revenues under expenditures	(41,430)	(41,430)	(18,916)	22,514
<b>Other financing sources</b>				
Transfers in	13,000	13,000	13,000	-
Total other financing sources	13,000	13,000	13,000	-
Net change in fund balance	(28,430)	(28,430)	(5,916)	22,514
<b>FUND BALANCES, beginning of year</b>	25,695	25,695	25,695	-
<b>FUND BALANCES, end of year</b>	<u>\$ (2,735)</u>	<u>\$ (2,735)</u>	<u>\$ 19,779</u>	<u>\$ 22,514</u>

**OCONEE COUNTY, SOUTH CAROLINA  
LIBRARY STATE AID**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Intergovernmental	\$ 92,841	\$ 92,841	\$ 92,841	\$ -
Total revenues	<u>92,841</u>	<u>92,841</u>	<u>92,841</u>	<u>-</u>
<b>EXPENDITURES</b>				
Culture and recreation	67,388	61,388	60,273	1,115
Capital outlay	25,453	31,453	31,453	-
Total expenditures	<u>92,841</u>	<u>92,841</u>	<u>91,726</u>	<u>1,115</u>
Net change in fund balance	-	-	1,115	1,115
<b>FUND BALANCES, beginning of year</b>	<u>(1,115)</u>	<u>(1,115)</u>	<u>(1,115)</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ (1,115)</u>	<u>\$ (1,115)</u>	<u>\$ -</u>	<u>\$ 1,115</u>

**OCONEE COUNTY, SOUTH CAROLINA  
TRI-COUNTY TECH**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Property taxes	\$ 1,062,600	\$ 1,062,600	\$ 1,168,539	\$ 105,939
Total revenues	<u>1,062,600</u>	<u>1,062,600</u>	<u>1,168,539</u>	<u>105,939</u>
<b>EXPENDITURES</b>				
Education	1,086,000	1,086,000	1,086,000	-
Total expenditures	<u>1,086,000</u>	<u>1,086,000</u>	<u>1,086,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(23,400)	(23,400)	82,539	105,939
<b>Other financing uses</b>				
Transfers out	-	(700,000)	(700,000)	-
Total other financing uses	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Net change in fund balance	(23,400)	(723,400)	(617,461)	105,939
<b>FUND BALANCES, beginning of year</b>	<u>1,044,835</u>	<u>1,044,835</u>	<u>1,044,835</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,021,435</u>	<u>\$ 321,435</u>	<u>\$ 427,374</u>	<u>\$ 105,939</u>

**OCONEE COUNTY, SOUTH CAROLINA  
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>				
Property taxes	\$ 3,046,679	\$ 3,046,679	\$ 3,572,302	\$ 525,623
Interest revenue	-	-	30,056	30,056
Total revenues	<u>3,046,679</u>	<u>3,046,679</u>	<u>3,602,358</u>	<u>555,679</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	3,327,000	3,327,000	2,427,000	900,000
Interest	619,679	619,679	620,916	(1,237)
Total expenditures	<u>3,946,679</u>	<u>3,946,679</u>	<u>3,047,916</u>	<u>898,763</u>
Net change in fund balance	(900,000)	(900,000)	554,442	1,454,442
<b>FUND BALANCES, beginning of year</b>	<u>1,684,039</u>	<u>1,684,039</u>	<u>1,684,039</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 784,039</u>	<u>\$ 784,039</u>	<u>\$ 2,238,481</u>	<u>\$ 1,454,442</u>



**OCONEE COUNTY, SOUTH CAROLINA**  
**BRIDGES AND CULVERTS CAPITAL PROJECTS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>				
Property taxes	\$ 506,000	\$ 506,000	\$ 550,374	\$ 44,374
Total revenues	<u>506,000</u>	<u>506,000</u>	<u>550,374</u>	<u>44,374</u>
<b>EXPENDITURES</b>				
Transportation	-	834,843	21,627	813,216
Capital outlay	<u>1,725,000</u>	<u>1,224,082</u>	<u>818,449</u>	<u>405,633</u>
Total expenditures	<u>1,725,000</u>	<u>2,058,925</u>	<u>840,076</u>	<u>1,218,849</u>
Net change in fund balance	(1,219,000)	(1,552,925)	(289,702)	1,263,223
<b>FUND BALANCES, beginning of year</b>	<u>3,211,598</u>	<u>3,211,598</u>	<u>3,211,598</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 1,992,598</u>	<u>\$ 1,658,673</u>	<u>\$ 2,921,896</u>	<u>\$ 1,263,223</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2015	Increases	Decreases	June 30, 2016
<b>SDOC General Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 425,891	\$ 46,530,283	\$ (46,567,175)	\$ 388,999
Taxes receivable	1,888,799	-	(104,978)	1,783,821
Total assets	<u>\$ 2,314,690</u>	<u>\$ 46,530,283</u>	<u>\$ (46,672,153)</u>	<u>\$ 2,172,820</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 2,314,690	\$ 46,530,283	(46,672,153)	\$ 2,172,820
Total liabilities	<u>\$ 2,314,690</u>	<u>\$ 46,530,283</u>	<u>\$ (46,672,153)</u>	<u>\$ 2,172,820</u>
<b>SDOC Debt Retirement</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,529,587	\$ 100,511,161	\$ (101,575,808)	\$ 5,464,940
Taxes receivable	564,475	-	(31,499)	532,976
Total assets	<u>\$ 7,094,062</u>	<u>\$ 100,511,161</u>	<u>\$ (101,607,307)</u>	<u>\$ 5,997,916</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 7,094,062	\$ 100,511,161	(101,607,307)	\$ 5,997,916
Total liabilities	<u>\$ 7,094,062</u>	<u>\$ 100,511,161</u>	<u>\$ (101,607,307)</u>	<u>\$ 5,997,916</u>
<b>Family Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,072	\$ 5,011,040	\$ (5,012,834)	\$ 18,278
Total assets	<u>\$ 20,072</u>	<u>\$ 5,011,040</u>	<u>\$ (5,012,834)</u>	<u>\$ 18,278</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 20,072	\$ 5,011,040	\$ (5,012,834)	\$ 18,278
Total liabilities	<u>\$ 20,072</u>	<u>\$ 5,011,040</u>	<u>\$ (5,012,834)</u>	<u>\$ 18,278</u>
<b>Clerk of Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 309,655	\$ 1,580,584	\$ (1,825,429)	\$ 64,810
Total assets	<u>\$ 309,655</u>	<u>\$ 1,580,584</u>	<u>\$ (1,825,429)</u>	<u>\$ 64,810</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 309,655	\$ 1,580,584	\$ (1,825,429)	\$ 64,810
Total liabilities	<u>\$ 309,655</u>	<u>\$ 1,580,584</u>	<u>\$ (1,825,429)</u>	<u>\$ 64,810</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2015	Increases	Decreases	June 30, 2016
<b>Municipal Tax Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 78,957	\$ 3,292,577	\$ (3,337,796)	\$ 33,738
Taxes receivable	182,679	24,981	-	207,660
Total assets	<u>\$ 261,636</u>	<u>\$ 3,317,558</u>	<u>\$ (3,337,796)</u>	<u>\$ 241,398</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 261,636	\$ 3,317,558	\$ (3,337,796)	\$ 241,398
Total liabilities	<u>\$ 261,636</u>	<u>\$ 3,317,558</u>	<u>\$ (3,337,796)</u>	<u>\$ 241,398</u>
<b>Keowee Fire District</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,702	\$ 721,264	\$ (721,192)	\$ 8,774
Taxes receivable	8,189	85	(2,035)	6,239
Total assets	<u>\$ 16,891</u>	<u>\$ 721,349</u>	<u>\$ (723,227)</u>	<u>\$ 15,013</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 16,891	\$ 721,349	\$ (723,227)	\$ 15,013
Total liabilities	<u>\$ 16,891</u>	<u>\$ 721,349</u>	<u>\$ (723,227)</u>	<u>\$ 15,013</u>
<b>Magistrate Cash Bond/Juror Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,388	\$ 949,372	\$ (951,247)	\$ 27,513
Total assets	<u>\$ 29,388</u>	<u>\$ 949,372</u>	<u>\$ (951,247)</u>	<u>\$ 27,513</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 29,388	\$ 949,372	\$ (951,247)	\$ 27,513
Total liabilities	<u>\$ 29,388</u>	<u>\$ 949,372</u>	<u>\$ (951,247)</u>	<u>\$ 27,513</u>
<b>Delinquent Tax Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 644,776	\$ 3,759,469	\$ (3,639,772)	\$ 764,473
Total assets	<u>\$ 644,776</u>	<u>\$ 3,759,469</u>	<u>\$ (3,639,772)</u>	<u>\$ 764,473</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 644,776	\$ 3,759,469	\$ (3,639,772)	\$ 764,473
Total liabilities	<u>\$ 644,776</u>	<u>\$ 3,759,469</u>	<u>\$ (3,639,772)</u>	<u>\$ 764,473</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2015	Increases	Decreases	June 30, 2016
<b>Sheriff's Office</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 131,786	\$ 324,681	\$ (270,753)	\$ 185,714
Total assets	<u>\$ 131,786</u>	<u>\$ 324,681</u>	<u>\$ (270,753)</u>	<u>\$ 185,714</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 131,786	\$ 324,681	\$ (270,753)	\$ 185,714
Total liabilities	<u>\$ 131,786</u>	<u>\$ 324,681</u>	<u>\$ (270,753)</u>	<u>\$ 185,714</u>
<b>Fireman's Insurance and Inspection Fund</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 123	\$ 358,962	\$ (358,896)	\$ 189
Total assets	<u>\$ 123</u>	<u>\$ 358,962</u>	<u>\$ (358,896)</u>	<u>\$ 189</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 123	\$ 358,962	\$ (358,896)	\$ 189
Total liabilities	<u>\$ 123</u>	<u>\$ 358,962</u>	<u>\$ (358,896)</u>	<u>\$ 189</u>
<b>Probate Judge</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,884	\$ 13,909	\$ (13,894)	\$ 13,899
Total assets	<u>\$ 13,884</u>	<u>\$ 13,909</u>	<u>\$ (13,894)</u>	<u>\$ 13,899</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 13,884	\$ 13,909	\$ (13,894)	\$ 13,899
Total liabilities	<u>\$ 13,884</u>	<u>\$ 13,909</u>	<u>\$ (13,894)</u>	<u>\$ 13,899</u>
<b>Solicitor's Worthless Check Program</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 70	\$ 44,689	\$ (41,481)	\$ 3,278
Total assets	<u>\$ 70</u>	<u>\$ 44,689</u>	<u>\$ (41,481)</u>	<u>\$ 3,278</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 70	\$ 44,689	\$ (41,481)	\$ 3,278
Total liabilities	<u>\$ 70</u>	<u>\$ 44,689</u>	<u>\$ (41,481)</u>	<u>\$ 3,278</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2015	Increases	Decreases	June 30, 2016
<b>Retiree Health Reimbursement</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 348,548	\$ (348,548)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 348,548</u>	<u>\$ (348,548)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ -	\$ 348,548	\$ (348,548)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 348,548</u>	<u>\$ (348,548)</u>	<u>\$ -</u>
<b>Employee Health Flex Spending</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 127,180	\$ (126,890)	\$ 290
Total assets	<u>\$ -</u>	<u>\$ 127,180</u>	<u>\$ (126,890)</u>	<u>\$ 290</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ -	\$ 127,180	\$ (126,890)	\$ (290)
Total liabilities	<u>\$ -</u>	<u>\$ 127,180</u>	<u>\$ (126,890)</u>	<u>\$ (290)</u>
<b>Pickens County</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 30,972	\$ 113,246	\$ (87,595)	\$ 56,623
Total assets	<u>\$ 30,972</u>	<u>\$ 113,246</u>	<u>\$ (87,595)</u>	<u>\$ 56,623</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 30,972	\$ 113,246	\$ (87,595)	\$ 56,623
Total liabilities	<u>\$ 30,972</u>	<u>\$ 113,246</u>	<u>\$ (87,595)</u>	<u>\$ 56,623</u>
<b>Williamsburg County</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 22,308	\$ -	\$ (22,308)	\$ -
Total assets	<u>\$ 22,308</u>	<u>\$ -</u>	<u>\$ (22,308)</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 22,308	\$ -	\$ (22,308)	\$ -
Total liabilities	<u>\$ 22,308</u>	<u>\$ -</u>	<u>\$ (22,308)</u>	<u>\$ -</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	June 30, 2015	Increases	Decreases	June 30, 2016
<b>Community Development</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 44,348	\$ 3,869,161	\$ (3,674,932)	\$ 238,577
Total assets	<u>\$ 44,348</u>	<u>\$ 3,869,161</u>	<u>\$ (3,674,932)</u>	<u>\$ 238,577</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 44,348	\$ 3,869,161	\$ (3,674,932)	\$ 238,577
Total liabilities	<u>\$ 44,348</u>	<u>\$ 3,869,161</u>	<u>\$ (3,674,932)</u>	<u>\$ 238,577</u>
<b>Totals</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,290,519	\$ 167,556,126	\$ (168,576,550)	\$ 7,270,095
Taxes receivable	2,644,142	25,066	(138,512)	2,530,696
Total assets	<u>\$ 10,934,661</u>	<u>\$ 167,581,192</u>	<u>\$ (168,715,062)</u>	<u>\$ 9,800,791</u>
<b>LIABILITIES</b>				
Due to other taxing districts and agencies	\$ 10,934,661	\$ 167,581,192	\$ (168,715,062)	\$ 9,800,211
Total liabilities	<u>\$ 10,934,661</u>	<u>\$ 167,581,192</u>	<u>\$ (168,715,062)</u>	<u>\$ 9,800,211</u>

**OCONEE COUNTY, SOUTH CAROLINA**  
**SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES**  
**CLERK OF COURT AND MAGISTRATE COURT**  
**JUNE 30, 2016**

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victims' Services</u>
Clerk of Court				
Fines and Fees	\$ 17,033	\$ -	\$ 17,033	\$ -
Assessments	25,554	-	16,752	8,802
Surcharges	63,235	-	26,417	36,818
Totals	<u>\$ 105,822</u>	<u>\$ -</u>	<u>\$ 60,202</u>	<u>\$ 45,620</u>
Magistrate Court				
Fines and Fees	\$ 244,616	\$ 244,616	\$ -	\$ -
Assessments	285,274	-	255,264	30,010
Surcharges	145,666	-	118,727	26,939
Totals	<u>\$ 675,556</u>	<u>\$ 244,616</u>	<u>\$ 373,991</u>	<u>\$ 56,949</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ 21,380
Amounts allocated for victims' assistance - 7/1/15 - 6/30/16				
Assessments and surcharges				102,569
Amounts spent for victims' assistance in fiscal year 2016				
from assessments and surcharges				
Salaries and benefits				(209,698)
General fund subsidy				<u>83,000</u>
Balance for victims' assistance - end of year				<u>\$ (2,749)</u>

# STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends .....</b>	<b>102 - 108</b>
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity.....</b>	<b>109 - 112</b>
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
<b>Debt Capacity.....</b>	<b>113 - 117</b>
<i>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.</i>	
<b>Demographic and Economic Information .....</b>	<b>118 and 121</b>
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
<b>Operating Information.....</b>	<b>122 - 127</b>
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

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



# OCONEE COUNTY, SOUTH CAROLINA

## NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net investment in capital assets	\$ 95,790,297	\$ 106,195,121	\$ 107,401,916	\$ 104,968,618	\$ 109,846,322	\$ 110,258,142	\$ 95,788,551	\$ 98,724,529	\$ 115,776,114	\$ 117,641,741
Restricted	10,196,048	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846	3,974,459	4,547,704	11,572,618
Unrestricted	13,833,247	20,014,132	21,310,360	17,060,527	28,662,046	28,540,516	43,370,642	41,790,290	(2,830,210)	(9,444,689)
Total governmental activities net position	<u>\$ 119,819,592</u>	<u>\$ 137,475,046</u>	<u>\$ 142,618,804</u>	<u>\$ 141,373,510</u>	<u>\$ 145,115,966</u>	<u>\$ 143,603,705</u>	<u>\$ 143,587,039</u>	<u>\$ 144,489,278</u>	<u>\$ 117,493,608</u>	<u>\$ 119,769,670</u>
Business-type activities										
Net investment in capital assets	\$ 7,503,708	\$ 2,908,740	\$ 2,715,788	\$ 2,292,824	\$ 2,195,987	\$ 11,367,562	\$ 16,167,255	\$ 15,418,889	\$ 15,676,314	\$ 15,453,880
Unrestricted	5,987,762	3,008,070	3,201,022	3,606,176	3,844,173	1,107,930	(16,066)	(1,746,495)	(4,596,442)	(4,746,933)
Total business-type activities net position	<u>\$ 13,491,470</u>	<u>\$ 5,916,810</u>	<u>\$ 5,916,810</u>	<u>\$ 5,899,000</u>	<u>\$ 6,040,160</u>	<u>\$ 12,475,492</u>	<u>\$ 16,151,189</u>	<u>\$ 13,672,394</u>	<u>\$ 11,079,872</u>	<u>\$ 10,706,947</u>
Primary government										
Net investment in capital assets	\$ 103,294,005	\$ 109,103,861	\$ 110,117,704	\$ 107,261,442	\$ 112,042,309	\$ 121,625,704	\$ 111,955,806	\$ 114,143,418	\$ 131,452,428	\$ 133,095,621
Restricted	10,196,048	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846	3,974,459	4,547,704	11,572,618
Unrestricted	19,821,009	23,022,202	24,511,382	20,666,703	32,506,219	29,648,446	43,354,576	40,043,795	(7,426,652)	(14,191,622)
Total primary government net position	<u>\$ 133,311,062</u>	<u>\$ 143,391,856</u>	<u>\$ 148,535,614</u>	<u>\$ 147,272,510</u>	<u>\$ 151,156,126</u>	<u>\$ 156,079,197</u>	<u>\$ 159,738,228</u>	<u>\$ 158,161,672</u>	<u>\$ 128,573,480</u>	<u>\$ 130,476,617</u>

# OCONEE COUNTY, SOUTH CAROLINA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Primary government:										
Governmental activities:										
General government	\$ 13,295,214	\$ 16,628,618	\$ 18,548,180	\$ 12,779,958	\$ 11,515,584	\$ 11,697,494	\$ 11,261,859	\$ 10,047,351	\$ 10,126,223	\$ 15,373,751
Public safety	12,018,828	10,671,085	15,313,777	15,735,352	17,597,428	18,483,001	19,204,344	20,131,431	20,502,284	19,750,046
Transportation	693,254	5,327,716	5,036,913	6,618,188	7,945,478	7,495,563	7,372,983	8,008,004	6,916,146	6,360,354
Public works	-	-	-	3,728,944	3,892,013	4,901,973	1,930,852	3,897,503	3,887,619	2,218,478
Culture and recreation	2,859,466	3,069,785	2,037,675	2,857,679	2,917,401	3,019,172	2,986,367	3,213,785	3,343,201	3,314,681
Judicial	2,188,858	2,179,220	2,197,316	2,521,566	2,769,534	2,970,949	3,019,193	3,046,553	3,233,141	3,098,182
Education	-	-	-	972,117	1,112,556	1,048,376	1,036,754	1,041,785	1,066,000	1,086,000
Health and welfare	6,009,235	790,730	785,094	764,810	1,293,650	1,262,341	494,226	1,057,650	400,441	542,478
Economic development	-	-	-	553,264	756,688	617,995	1,517,386	2,454,331	1,291,090	891,864
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest and fiscal changes	560,882	445,295	447,120	384,690	313,024	590,972	854,537	852,127	642,981	648,480
Total governmental activities expenses	37,625,737	39,112,449	44,366,075	46,916,568	50,113,356	52,087,836	49,678,501	53,750,520	51,409,126	53,284,314
Business-type activities:										
Rock quarry	2,260,482	2,352,819	2,246,791	2,724,555	2,310,280	2,228,448	2,702,814	2,725,580	2,760,715	3,151,400
FOCUS	-	-	-	-	-	18,604	228,910	1,606,703	2,324,110	2,672,861
Solid waste	4,700,221	-	-	-	21,245	-	-	-	-	-
Total business-type activities expenses	6,960,703	2,352,819	2,246,791	2,724,555	2,331,525	2,247,052	2,931,724	4,332,283	5,084,825	5,824,261
Total primary government expenses	44,586,440	41,465,268	46,612,866	49,641,123	52,444,881	54,334,888	52,610,225	58,082,803	56,493,951	59,108,575
<b>Program revenues</b>										
Primary government:										
Governmental activities:										
Charges for services										
General government	4,473,204	5,138,752	4,657,574	635,354	682,115	699,104	721,041	743,811	957,289	1,102,851
Public safety	125,180	153,435	133,514	712,860	581,997	545,666	954,080	1,050,750	1,121,939	945,391
Transportation	-	-	-	549,140	689,700	911,261	954,518	842,073	840,747	839,311
Public works	-	-	-	861,453	1,186,979	1,221,323	1,145,528	1,202,131	1,143,107	1,321,487
Culture and recreation	-	-	-	348,402	376,308	377,337	358,074	377,862	378,066	468,321
Judicial	2,889	2,460	1,730	1,281,388	1,106,359	1,109,336	1,005,102	907,605	779,808	746,975
Health and welfare	-	-	-	33,670	-	87,487	-	-	-	-
Economic development	-	-	-	-	-	-	9,500	-	-	850
Operating grants and contributions	1,424,205	1,292,982	1,994,989	2,097,997	2,658,014	1,391,801	1,646,556	1,925,061	1,888,624	2,407,575
Capital grants and contributions	898,741	2,498,147	2,394,832	4,251,132	3,943,974	1,899,031	677,399	2,022,895	2,531,412	1,755,317
Total governmental activities program revenues	6,924,219	9,085,776	9,182,639	10,771,396	11,225,446	8,242,346	7,471,798	9,072,188	9,640,992	9,588,078

(Continued)

# OCONEE COUNTY, SOUTH CAROLINA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-type activities:										
Charges for services										
Rock quarry	2,771,383	3,082,349	3,037,173	3,404,756	3,242,740	2,854,380	2,779,245	3,393,169	478,009	907,397
FOCUS					-	1,110	913,801	44,879	4,166,519	5,021,553
Solid waste	1,125,509	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	20,115	-	-	-	210,434	6,455,725	3,141,110	-	-	-
Total business-type activities										
program revenues	3,917,007	3,082,349	3,037,173	3,404,756	3,453,174	9,311,215	6,834,156	3,438,048	4,644,528	5,928,950
Total primary government										
program revenues	10,841,226	12,168,125	12,219,812	14,176,152	14,678,620	17,553,561	14,305,954	12,510,236	14,285,520	15,517,028
Net (expense) revenue										
Governmental activities	\$ (30,701,518)	\$ (30,026,673)	\$ (35,183,436)	\$ (36,145,172)	\$ (38,887,910)	\$ (43,845,490)	\$ (42,206,703)	\$ (44,678,332)	\$ (41,768,134)	\$ (43,696,236)
Business-type activities	(3,043,696)	729,530	790,382	680,201	1,121,649	7,064,163	3,902,432	(894,235)	(440,297)	104,689
Total primary government	(33,745,214)	(29,297,143)	(34,393,054)	(35,464,971)	(37,766,261)	(36,781,327)	(38,304,271)	(45,572,567)	(42,208,431)	(43,591,547)
<b>General revenues and other changes in net position</b>										
Primary government:										
Governmental activities:										
Property taxes	30,079,163	32,121,201	33,947,622	35,671,288	36,735,928	38,093,094	37,638,742	39,926,946	40,208,079	41,172,258
Other taxes	1,203,630	1,221,173	1,231,011	848,922	874,795	755,113	772,729	843,741	883,996	896,899
Unrestricted grants and contributions	3,431,519	3,816,253	3,639,338	3,038,376	2,577,854	2,286,169	2,732,272	2,743,615	2,760,812	2,753,991
Unrestricted investment earnings	1,523,229	1,485,206	1,061,380	498,702	370,259	427,725	350,417	483,260	521,943	546,936
Sale of capital assets	(253,191)	(18,678)	(740,289)	-	-	-	-	-	-	-
Capital contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	762,775	641,535	287,463	161,281	137,299	137,819	-	-	-	-
Special items	-	-	-	825,000	944,370	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	232,576	-	203,750	118,692
Proceeds from legal settlement	-	-	-	-	-	-	375,000	-	-	-
Transfers	(2,846,497)	800,878	900,669	687,650	989,861	633,309	116,991	1,583,009	750,000	483,522
Total governmental activities general										
revenues and other changes in										
net position	33,900,628	40,067,568	40,327,194	41,731,219	42,630,366	42,333,229	42,218,727	45,580,571	45,328,580	45,972,298
Business-type activities:										
Unrestricted investment earnings	224,958	111,247	110,287	7,449	9,372	4,478	3,714	(1,552)	13,883	5,908
Miscellaneous	-	-	-	-	-	-	37,056	-	-	-
Transfers	2,846,497	(800,878)	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)	(1,583,009)	(750,000)	(483,522)
Total business type activities										
general revenues and other										
changes in net position	3,071,455	(689,631)	(790,382)	(680,201)	(980,489)	(628,831)	(76,221)	(1,584,561)	(736,117)	(477,614)
Total primary government general										
revenues and other changes										
in net position	\$ 36,972,083	\$ 39,377,937	\$ 39,536,812	\$ 41,051,018	\$ 41,649,877	\$ 41,704,398	\$ 42,142,506	\$ 43,996,010	\$ 44,592,463	\$ 45,494,684

# OCONEE COUNTY, SOUTH CAROLINA

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Change in net position</b>										
Governmental activities	3,199,110	10,040,895	5,143,758	5,586,047	3,742,456	(1,512,261)	12,024	902,239	3,560,446	2,276,062
Business-type activities	27,759	39,899	-	-	141,160	6,435,332	3,826,211	(2,478,796)	(1,176,414)	(372,925)
Total primary government										
change in net position	<u>\$ 3,226,869</u>	<u>\$ 10,080,794</u>	<u>\$ 5,143,758</u>	<u>\$ 5,586,047</u>	<u>\$ 3,883,616</u>	<u>\$ 4,923,071</u>	<u>\$ 3,838,235</u>	<u>\$ (1,576,557)</u>	<u>\$ 2,384,032</u>	<u>\$ 1,903,137</u>

# OCONEE COUNTY, SOUTH CAROLINA

## FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
General Fund										
Reserved	\$ 599,901	\$ 179,781	\$ 590,626	\$ 4,734,890						
Unreserved	12,868,375	18,107,692	22,832,404	19,663,178						
Total General fund	<u>\$ 13,468,276</u>	<u>\$ 18,287,473</u>	<u>\$ 23,423,030</u>	<u>\$ 24,398,068</u>						
All Other Governmental Funds										
Reserved	\$ 10,196,048	\$ 11,265,793	\$ 11,422,123	\$ 18,103,322						
Unreserved, reported in:										
Special revenue funds	-	-	-	2,471,822						
Debt service funds	-	-	-	-						
Capital projects funds	965,737	4,459,452	2,962,854	-						
Total all other governmental funds	<u>\$ 11,161,785</u>	<u>\$ 15,725,245</u>	<u>\$ 14,384,977</u>	<u>\$ 20,575,144</u>						
Total all governmental funds	<u>\$ 24,630,061</u>	<u>\$ 34,012,718</u>	<u>\$ 37,808,007</u>	<u>\$ 44,973,212</u>						
General Fund										
Nonspendable					\$ 4,824,890	\$ 7,473,784	\$ 7,575,436	\$ 7,974,903	\$ 7,893,345	\$ 10,178,225
Restricted					-	1,401,505	-	-	-	-
Assigned					7,338,896	8,236,071	6,319,226	6,201,707	5,859,340	6,305,588
Unassigned					13,008,265	7,521,789	7,912,690	7,956,354	7,680,785	5,778,824
Total General fund					<u>\$ 25,172,051</u>	<u>\$ 24,633,149</u>	<u>\$ 21,807,352</u>	<u>\$ 22,132,964</u>	<u>\$ 21,433,470</u>	<u>\$ 22,262,637</u>
All Other Governmental Funds										
Nonspendable					\$ 4,782,659	\$ 5,150,854	\$ 5,120,760	\$ 5,715,670	\$ 6,007,910	\$ 6,157,338
Restricted					23,000,044	21,761,098	31,810,874	23,056,108	12,010,393	11,572,618
Committed					-	-	-	-	1,830,000	1,900,000
Assigned					4,720,626	6,514,510	-	1,418,771	-	500,000
Unassigned					(219,951)	(21,702)	-	-	(5,430)	(22,528)
Total all other governmental funds					<u>\$ 32,283,378</u>	<u>\$ 33,404,760</u>	<u>\$ 36,931,634</u>	<u>\$ 30,190,549</u>	<u>\$ 19,842,873</u>	<u>\$ 20,107,428</u>
Total all governmental funds					<u>\$ 57,455,429</u>	<u>\$ 58,037,909</u>	<u>\$ 58,738,986</u>	<u>\$ 52,323,513</u>	<u>\$ 41,276,343</u>	<u>\$ 42,370,065</u>

Note: GASB 54 was implemented during fiscal year 2011.

# OCONEE COUNTY, SOUTH CAROLINA

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
				(1)						
<b>Revenues:</b>										
Property taxes	\$ 30,124,122	\$ 31,864,429	\$ 33,495,553	\$ 36,025,326	\$ 36,666,258	\$ 38,020,262	\$ 37,554,856	\$ 39,752,966	\$ 40,022,706	\$ 41,403,551
Other taxes	-	-	-	538,901	634,857	502,286	656,268	636,153	692,870	774,943
Intergovernmental	5,840,225	7,963,754	7,783,703	8,038,218	6,245,010	7,065,591	4,695,381	6,335,362	7,145,213	6,609,118
Licenses, permits and fees	3,163,299	3,649,173	3,041,597	3,062,181	2,649,168	2,658,935	2,846,954	2,942,232	3,136,565	3,329,718
Fines and forfeitures	581,574	704,937	639,085	582,737	522,071	485,898	442,930	462,505	397,280	349,825
Charges for services	-	-	-	855,538	1,449,809	1,681,043	1,714,530	1,706,415	1,511,531	1,548,745
County airport	585,237	649,305	475,413	-	-	-	-	-	-	-
PRT commission	271,163	291,232	300,169	-	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	897,146	771,530	971,447	-	-	-	-	-	-	-
Interest and investment income	1,523,229	1,486,802	1,061,380	498,704	370,260	428,175	350,414	483,260	521,943	546,936
Miscellaneous and other	942,750	844,500	1,129,037	453,342	1,581,827	612,032	620,736	563,502	402,341	626,619
Total revenues	43,928,745	48,225,662	48,897,384	50,054,947	50,119,260	51,454,222	48,882,069	52,882,395	53,830,449	55,189,455
<b>Expenditures:</b>										
General government	12,869,727	17,607,979	17,363,947	12,180,563	12,565,500	13,185,544	11,112,957	9,605,045	9,340,206	10,619,326
Public safety	10,691,330	12,185,492	13,760,420	15,442,607	15,700,587	15,885,097	17,965,052	18,289,706	19,528,060	19,259,455
Transportation	4,206,562	3,730,728	2,524,563	4,522,488	4,756,649	5,906,716	4,570,959	5,642,616	5,372,448	4,093,358
Public works	-	-	-	3,492,000	3,811,897	3,935,370	3,674,946	3,539,178	3,712,590	3,800,049
Culture and recreation	2,599,308	2,855,483	3,120,019	2,648,087	2,922,955	2,879,904	2,926,734	3,051,999	3,171,835	3,420,174
Judicial services	1,952,033	2,175,997	2,108,667	2,305,784	2,511,770	2,655,317	2,664,057	2,713,121	2,901,655	2,796,960
Education	-	-	-	972,117	1,049,556	1,013,376	1,036,754	1,041,785	1,066,000	1,086,000
Health and welfare	640,455	680,787	638,131	613,646	718,538	682,022	340,292	939,131	395,228	403,368
Economic development	-	-	-	353,204	745,294	608,382	1,497,332	8,809,901	1,885,090	884,078
Nondepartmental	-	-	-	-	-	-	-	-	-	-
Capital outlay	2,698,752	5,209,551	4,269,999	6,275,299	9,871,923	2,720,372	2,449,772	4,989,163	14,342,987	8,766,134
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	2,681,649	1,539,768	1,902,090	1,979,987	2,255,273	2,889,220	3,407,298	6,298,106	3,478,508	3,257,148
Interest and fiscal charges	555,532	460,619	447,120	376,340	393,536	815,861	905,084	856,521	743,870	645,774
Bond issue costs	-	-	-	-	195,907	-	79,154	102,756	-	50,500
Total expenditures	38,895,348	46,446,404	46,134,956	51,162,122	57,499,385	53,177,181	52,630,391	65,879,028	65,938,477	59,082,324
Excess (deficiency) of revenues over (under) expenditures	5,033,397	1,779,258	2,762,428	(1,107,175)	(7,380,125)	(1,722,959)	(3,748,322)	(12,996,633)	(12,108,028)	(3,892,869)
<b>Other financing sources (uses):</b>										
Sale of capital assets	1,085,324	13,210	132,196	18,307	57,868	42,326	31,171	-	107,108	165,899
Contributions - capital assets	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	74,504	-	14,992	232,576	-	203,750	118,692
Bonds and capital leases proceeds	-	1,477,683	-	3,500,000	22,300,000	1,614,812	2,638,954	4,998,150	-	4,200,000
Bond premium	-	-	-	-	981,266	-	-	-	-	-
Payments to refunding bonds escrow	-	-	-	-	(5,411,024)	-	-	-	-	-
Transfer in	8,918,044	9,062,204	3,535,668	6,772,402	7,282,318	850,452	5,188,897	3,100,368	894,582	1,317,121
Transfer out	(11,764,541)	(8,261,326)	(2,634,999)	(6,084,752)	(6,292,456)	(217,143)	(5,071,906)	(1,517,358)	(144,582)	(815,121)
Total other financing sources (uses)	(1,761,173)	2,291,771	1,032,865	4,280,461	18,917,972	2,305,439	3,019,692	6,581,160	1,060,858	4,986,591

**OCONEE COUNTY, SOUTH CAROLINA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Special items:</b>										
Gain on sale of land	-	-	-	-	944,370	-	-	-	-	-
Courthouse settlement	-	-	-	825,000	-	-	-	-	-	-
Total Special Items	-	-	-	825,000	944,370	-	-	-	-	-
Net change in fund balances	<u>\$ 3,272,224</u>	<u>\$ 4,071,029</u>	<u>\$ 3,795,293</u>	<u>\$ 3,998,286</u>	<u>\$ 12,482,217</u>	<u>\$ 582,480</u>	<u>\$ (728,630)</u>	<u>\$ (6,415,473)</u>	<u>\$ (11,047,170)</u>	<u>\$ 1,093,722</u>
Debt Service as a Percentage of										
Noncapital Expenditures	<u>12.86%</u>	<u>1.73%</u>	<u>1.95%</u>	<u>0.95%</u>	<u>0.75%</u>	<u>1.65%</u>	<u>9.28%</u>	<u>22.36%</u>	<u>8.71%</u>	<u>7.78%</u>

<sup>(1)</sup> For fiscal year ended June 30, 2010, fee in lieu of taxes and franchise fees were reclassified to property taxes and licenses, permits and fees, respectively.

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

Year	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate Applied	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
<b>2007</b>	\$ 255,586,460	\$ 39,243,746	\$ 141,572,055	\$ 436,402,261	73.0	\$ 7,787,962,417	5.60 %
<b>2008</b>	274,733,180	39,153,407	143,279,238	457,165,825	72.3	8,240,526,066	5.55
<b>2009</b>	295,542,685	37,818,501	139,742,088	473,103,274	72.3	8,465,109,305	5.59
<b>2010</b>	309,318,820	34,204,632	141,652,366	485,175,818	70.0	8,780,990,487	5.53
<b>2011</b>	308,416,974	32,632,445	173,553,229	514,602,648	67.1	8,896,160,854	5.78
<b>2012</b>	313,231,359	41,706,217	163,031,512	517,969,088	69.0	9,021,922,673	5.74
<b>2013</b>	318,171,344	35,811,449	161,574,917	515,557,710	69.0	9,047,217,892	5.70
<b>2014</b>	322,552,303	41,212,757	157,529,631	521,294,691	71.0	9,142,100,263	5.70
<b>2015</b>	320,742,833	40,299,075	164,301,126	525,343,034	71.0	9,169,352,176	5.73
<b>2016</b>	323,167,245	42,705,030	180,421,797	546,294,072	71.0	9,438,560,789	5.79

**Source:** Oconee County Auditor

Note: Property in the County was reassessed at December 31, 2005 and 2010, which is reflected in the taxable assessed values stated above for fiscal years ended June 30, 2007 and 2012.



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

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Oconee County:										
Operating	64.3	64.1	64.1	63.9	61.1	58.9	58.9	57.6	57.6	57.6
Debt service	4.1	4.1	4.1	1.4	1.9	6.0	6.0	6.0	6.0	6.0
Economic development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2	2.2	2.2
Bridges and culverts	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Road Maintenance	-	-	-	-	-	-	-	2.1	2.1	2.1
Tri-County Tech Operations	2.6	2.1	2.1	2.7	2.1	2.1	2.1	2.1	2.1	2.1
Total Oconee County	<u>73.0</u>	<u>72.3</u>	<u>72.3</u>	<u>70.0</u>	<u>67.1</u>	<u>69.0</u>	<u>69.0</u>	<u>71.0</u>	<u>71.0</u>	<u>71.0</u>
School District										
Operating	113.0	109.8	110.5	111.4	107.1	101.4	110.1	110.1	110.1	110.1
Debt Service	18.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Total School District	<u>131.0</u>	<u>140.8</u>	<u>141.5</u>	<u>142.4</u>	<u>138.1</u>	<u>132.4</u>	<u>141.1</u>	<u>141.1</u>	<u>141.1</u>	<u>141.1</u>
Special Districts										
City of Seneca	50.0	50.0	52.3	52.3	52.3	52.3	52.3	34.9	36.4	36.4
City of Salem	30.0	30.0	31.0	32.4	32.4	32.4	32.4	55.3	55.3	55.3
City of Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
City of West Union	39.0	39.0	40.3	41.3	41.3	42.0	45.0	46.0	46.0	48.3
City of Westminster	88.0	88.0	90.7	90.7	90.7	90.7	90.7	90.7	97.3	99.6
Emergency Services Protection District	-	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Keowee fire special district	13.7	14.0	13.5	14.5	14.4	14.5	14.5	14.5	14.5	14.5
Total Special Districts	<u>304.7</u>	<u>307.9</u>	<u>314.7</u>	<u>318.1</u>	<u>318.0</u>	<u>318.8</u>	<u>321.8</u>	<u>328.3</u>	<u>336.4</u>	<u>341.0</u>
Total direct and overlapping rates	<u>508.7</u>	<u>521.0</u>	<u>528.5</u>	<u>530.5</u>	<u>523.2</u>	<u>520.2</u>	<u>531.9</u>	<u>540.4</u>	<u>548.5</u>	<u>553.1</u>

**Source:** Oconee County Auditor

**Note:**  
Overlapping rates are those of local and county governments that apply to property owners within Oconee County, South Carolina. Not all overlapping rates apply to all of Oconee County, South Carolina property owners (e.g., the rates for the city or special district apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the city or special district).

# OCONEE COUNTY, SOUTH CAROLINA

## PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

2016				2007			
Rank	Taxpayer	Taxable Assessed Value*	Percentage of Total Taxable Assessed Value	Rank	Taxpayer	Taxable Assessed Value*	Percentage of Total Taxable Assessed Value
1	Duke Energy Corporation	\$ 143,912,170	26.34%	1	Duke Energy Corporation	\$ 134,274,650	30.77%
2	Blue Ridge Electric Coop Inc	6,960,720	1.27%	2	Blue Ridge Electric Coop Inc	5,441,710	1.25%
3	BASF Catalyst LLC	5,908,480	1.08%	3	Valenite LLC	3,781,687	0.87%
4	Sandvik, Inc	3,004,922	0.55%	4	Bellsouth Telecommunications Inc	3,432,700	0.79%
5	Cyrovac Inc	2,965,630	0.54%	5	BASF Catalyst LLC	3,333,020	0.76%
6	Borg Warner Torq Systems Inc	2,687,914	0.49%	6	Cyrovac Inc	3,071,480	0.70%
7	Itron Electricity Metering Inc.	1,876,649	0.34%	7	Itron Electricity Metering Inc.	2,659,750	0.61%
8	Bellsouth Telecommunications Inc	1,872,160	0.34%	8	US Engine Valve Company	1,646,640	0.38%
9	Johnson Controls Battery Group	1,750,098	0.32%	9	Square D Company	1,611,640	0.37%
10	Covidien LP	1,727,490	0.32%	10	Johnson Controls Battery Group	1,250,154	0.29%
		<u>\$ 172,666,233</u>	<u>31.61%</u>			<u>\$ 160,503,431</u>	<u>36.78%</u>
Total Gross Digest Assessment		<u>\$ 546,294,072</u>		Total Gross Digest Assessment		<u>\$ 436,402,261</u>	

Source: Oconee County Auditor

\* Actual

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

Fiscal Year Ended	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$	31,713,210	\$ 30,738,875	96.93%	\$ 758,149	\$ 31,497,024	99.32%
2008		33,109,438	32,008,545	96.67%	649,634	32,658,179	98.64%
2009		33,769,581	32,376,414	95.87%	737,626	33,114,040	98.06%
2010		35,142,666	33,697,683	95.89%	647,573	34,345,256	97.73%
2011		35,142,660	33,749,807	96.04%	720,960	34,470,767	98.09%
2012		37,241,977	35,899,993	96.40%	1,341,984	37,241,977	100.00%
2013		35,707,481	34,513,231	96.66%	901,118	35,414,349	99.18%
2014		36,786,238	35,519,419	96.56%	735,590	36,255,009	98.56%
2015		37,438,922	36,298,823	96.95%	703,580	37,002,403	98.83%
2016		40,371,126	39,275,957	97.29%	698,132	39,974,089	99.02%

**Sources:** Oconee County Treasurer

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

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation	Special Source	Special Source Refunding	Capital	Revenue	Capital			
	Bonds	Revenue Bonds	Revenue Bonds	Leases	Bond	Leases			
2007	10,275,000	-	-	1,047,143	-	-	11,322,143	0.5%	156
2008	9,075,000	-	-	2,185,058	-	-	11,260,058	0.5%	154
2009	7,800,000	-	-	1,557,968	-	-	9,357,968	0.4%	127
2010	6,465,000	3,500,000	-	912,932	-	-	10,877,932	0.5%	146
2011	22,365,381	3,500,000	-	617,659	-	-	26,483,040	1.1%	357
2012	19,927,443	3,315,000	-	1,928,251	-	-	25,170,694	1.1%	337
2013	20,806,549	3,125,000	-	1,300,953	-	-	25,232,502	1.0%	337
2014	17,839,292	-	2,993,000	2,987,997	-	-	23,820,289	0.9%	317
2015	15,645,178	-	2,758,000	1,844,489	-	-	20,247,667	0.7%	267
2016	13,380,747	-	2,516,000	5,214,340	-	-	21,111,087	n/a	n/a

Source: Oconee Finance Department

<sup>1</sup> See the table for Demographic and Economic Statistics for personal income and population data used for these calculations.

Notes:

Prior to fiscal year ended June 30, 2013, the County had used the straight-line method to amortize bond issue premiums/discounts. Generally accepted accounting principles require the use of the effective interest method of amortization. Beginning fiscal year ended June 30, 2013, the County started using the effective interest method for amortization of all bond issue premiums/discounts so as to comply with accounting principles generally accepted in the United States of America.

The Oconee County General Obligation Bond, Series 2007 for the Keowee Key Fire Special Tax District was not included above until the fiscal year 2013. Since this bond was issued for a special tax district, it does not impact the debt limit of the County.

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

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

Year	Population	Property Assessed Value	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross Bonded Debt	Restricted Debt Service Funds	Net Bonded Debt		
2007	72,407	\$ 436,402,261	\$ 10,275,000	\$ 1,613,985	\$ 8,661,015	1.98%	\$ 120
2008	73,089	457,165,825	9,075,000	1,880,690	7,194,310	1.57%	98
2009	73,829	473,103,274	7,800,000	2,210,845	5,589,155	1.18%	76
2010	74,364	485,175,818	6,465,000	1,607,112	4,857,888	1.00%	65
2011	74,226	514,602,648	22,365,381	1,218,659	21,146,722	4.11%	285
2012	74,583	517,969,088	19,927,443	1,235,487	18,691,956	3.61%	251
2013	74,913	515,557,710	20,806,549	1,440,108	19,366,441	3.76%	259
2014	75,232	521,294,691	17,839,292	1,095,802	16,743,490	3.21%	223
2015	75,713	525,343,034	15,645,178	1,682,706	13,962,472	2.66%	184
2016	n/a	546,294,072	13,380,747	1,628,323	11,752,424	2.15%	n/a

**Source:** Oconee County Finance Department

**Note:**

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

**OCONEE COUNTY, SOUTH CAROLINA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>1</sup></u>	<u>Estimated Share of Overlapping Debt</u>
<b>Direct debt:</b>			
Oconee County direct debt	\$ 20,516,087	100%	\$ 20,516,087
<b>Overlapping debt:</b>			
School District of Oconee County	48,190,075	100%	48,190,075
Incorporated Municipalities:			
Town of Westminster	162,610	1.19%	1,935
Town of West Union	-	0.29%	-
Town of Salem	-	0.14%	-
City of Walhalla	-	1.54%	-
City of Seneca	195,468	6.54%	12,784
Special Purpose District:			
Emergency Services Protection District	-	90.30%	-
Keowee Fire District	595,000	8.84%	52,598
Total overlapping debt			48,257,392
Total direct and overlapping debt			\$ 68,773,479

**SOURCES:**

Oconee County Auditor and Oconee County Finance Department

**NOTE:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Oconee County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the District's/Municipality's boundaries and dividing it by the County's total taxable assessed value.

# OCONEE COUNTY, SOUTH CAROLINA

## LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

### Legal Debt Margin Calculation for Fiscal Year 2016

Assessed valuation	\$ 546,294,072
Debt limit - eight percent of total assessed value	43,703,526
Debt applicable to limit:	
General obligation bonds	12,785,747
Less: amount set aside for repayment of general obligation bonds	<u>(1,628,323)</u>
Debt qualifying for margin	<u>11,157,424</u>
Legal debt margin	<u><u>\$ 32,546,102</u></u>

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Assessed Value of Taxable Property	\$ 436,402,261	\$ 457,165,825	\$ 473,103,274	\$ 485,175,818	\$ 514,602,648	\$ 517,969,088	\$ 515,557,710	\$ 521,294,691	\$ 525,343,034	\$ 546,294,072
Legal Debt Limit*	\$ 34,912,181	\$ 36,573,266	\$ 37,848,262	\$ 38,814,065	\$ 41,168,212	\$ 41,437,527	\$ 41,244,617	\$ 41,703,575	\$ 42,027,443	\$ 43,703,526
Net Debt Applicable to Limit	8,661,015	7,194,310	5,589,155	4,857,888	20,261,341	17,844,513	18,531,441	16,054,198	13,282,472	11,157,424
Legal debt margin	<u>\$ 26,251,166</u>	<u>\$ 29,378,956</u>	<u>\$ 32,259,107</u>	<u>\$ 33,956,177</u>	<u>\$ 20,906,871</u>	<u>\$ 23,593,014</u>	<u>\$ 22,713,176</u>	<u>\$ 25,649,377</u>	<u>\$ 28,744,971</u>	<u>\$ 32,546,102</u>
Total net debt applicable to the limit as a percentage of debt limit	24.81%	19.67%	14.77%	12.52%	49.22%	43.06%	44.93%	38.50%	31.60%	25.53%

### Source:

Oconee County Auditor and Oconee County Treasurer

\* Calculated at eight percent of the total taxable assessed value.

**Note:** Under South Carolina Constitution Article X, Section 14, 7(a), Oconee County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

# OCONEE COUNTY, SOUTH CAROLINA

## PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

2010 Special Source Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal <sup>1</sup>	Interest	Total	
2012	\$ 346,000	\$ 185,000	\$ 161,000	\$ 346,000	1.00
2013	342,490	190,000	152,490	342,490	1.00
2014 <sup>2</sup>	343,750	200,000	143,750	343,750	1.00
2014 Special Source Refunding Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal <sup>1</sup>	Interest	Total	
2015	\$ 320,301	\$ 235,000	\$ 85,301	\$ 320,301	1.00
2016	320,603	242,000	78,603	320,603	1.00

**Source:** Oconee County Finance Department

<sup>1</sup> Principal payments were not scheduled in the period in which the debt was issued.

<sup>2</sup> The 2010 Special Sources Revenue Bonds - Pointe West Project was advance refunded in 2014.

**Note:**

Additional details regarding the County's outstanding debt can be found on the notes to the financial statements.



# OCONEE COUNTY, SOUTH CAROLINA

## DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Population <sup>a</sup></b>	<b>Personal Income (in thousands) <sup>b</sup></b>	<b>Per Capita Personal Income <sup>b</sup></b>	<b>School Enrollment <sup>c</sup></b>	<b>County Median Age <sup>a</sup></b>	<b>County Unemployment Rate <sup>d</sup></b>
2007	72,407	2,218,736	30,601	10,411	41.3	6.9%
2008	73,089	2,342,766	32,970	10,377	41.6	7.3%
2009	73,829	2,324,139	31,599	10,402	42.4	13.3%
2010	74,364	2,304,809	31,655	10,629	43.4	11.4%
2011	74,226	2,378,718	33,988	10,570	42.8	10.0%
2012	74,583	2,345,709	34,387	10,546	43.2	8.8%
2013	74,913	2,595,710	34,650	10,567	43.4	7.7%
2014	75,232	2,691,445	35,794	10,548	44.2	6.3%
2015	75,713	2,858,965	37,761	10,441	44.3	5.6%
2016	n/a	n/a	n/a	10,404	n/a	5.2%

<sup>a)</sup> US Census Bureau, Population Division

<sup>b)</sup> US Department of Commerce, Bureau of Economic Analysis

<sup>c)</sup> School District of Oconee County, SC

<sup>d)</sup> US Department of Labor, Bureau of Labor Statistics

n/a - Not available

Note:

All data, except school enrollment, is based on calendar years and may not be available for the current year and/or some of the previous years.

**OCONEE COUNTY, SOUTH CAROLINA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<b>2016</b>				<b>2007</b>			
Rank	Employer	Number of Employees	% of Employed	Rank	Employer	Number of Employees	% of Employed
1	School District of Oconee County	1,605	5.09%	1	School District of Oconee County	1,600	7.26%
2	Duke Energy Corporation	1,500	4.75%	2	Duke Energy Corporation	1,500	6.81%
3	Oconee Medical Center	1,370	4.34%	3	Oconee Medical Center	1,370	6.22%
4	Borg Warner Torq Systems, Inc.	700	2.22%				
5	U.S. Engine Valve Corporation	647	2.05%				
6	Schneider Electric - Square D	600	1.90%	5	Schneider Electric - Square D	655	2.97%
7	Ittron, Inc.	550	1.74%	4	Ittron, Inc.	715	3.24%
8	Koyo Bearings USA, LLC	515	1.63%				
9	Oconee County Government	450	1.43%	7	Oconee County Government	441	2.00%
10	Sandvik, Inc.	315	1.00%				
	Timken US Corporation			6	Timken US Corporation	460	2.09%
	Kendall Company			8	Kendall Company	423	1.92%
	Valenite			9	Valenite	347	1.57%
	BASF Catalysts, LLC			10	BASF Catalysts, LLC	332	1.51%

Source: SC Appalachian Council of Governments

# OCONEE COUNTY, SOUTH CAROLINA

## COUNTY EMPLOYEES BY FUNCTION

### LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
<b>General Government</b>										
Administrative Services	-	-	-	-	-	-	-	11	11	-
Administrator	2	2	2	2	2	3	3	2	2	3
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	11	11	10	10	11	11	11	11	12	12
Finance	7	8	8	9	8	7	6	-	-	7
Human Resources	5	4	4	4	4	4	5	-	-	4
Information Technology	13	8	8	10	9	12	10	7	5	5
Planning	3	4	3	3	3	2	1	-	-	-
Procurement	4	3	3	3	3	3	2	2	2	2
Register of Deeds	5	5	5	4	4	4	4	4	4	4
Registration and Elections	2	2	2	2	2	2	2	2	2	2
Vehicle Maintenance	15	15	14	14	14	14	14	14	13	14
Assessor	14	18	21	17	18	18	18	18	19	17
Auditor	7	7	7	7	7	7	7	7	7	7
Delinquent Tax Collector	4	3	3	3	3	3	3	3	3	3
Treasurer	6	6	7	7	7	7	7	7	6	6
Total General Administration	99	97	98	96	96	98	94	89	87	87
<b>Public Safety</b>										
Animal Control	6	6	6	6	6	6	6	6	6	6
Community Development	10	11	11	9	9	7	9	9	11	12
Communications	19	18	18	18	18	22	22	22	21	21
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	27	28	36	36	36	31	35	36	50	48
Emergency Services	3	3	16	12	13	20	3	3	3	21
Rural Fire	4	4	-	-	-	-	17	17	17	-
Sheriff's Office	88	87	89	90	87	88	91	91	94	91
Total Public Safety	158	158	177	172	170	175	184	185	203	200
<b>Transportation</b>										
Airport	5	5	5	5	5	4	4	4	4	4
Roads and Bridges	37	38	38	38	38	36	37	37	38	38
Total Transportation	42	43	43	43	43	40	41	41	42	42

(Continued)

**OCONEE COUNTY, SOUTH CAROLINA**  
**COUNTY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental Activities (Continued)</b>										
<b>Judicial Services</b>										
Clerk of Court	10	11	10	10	10	10	10	11	12	12
Magistrate	9	9	9	9	9	9	9	9	9	9
Probate Court	5	5	6	6	7	6	6	6	6	6
Solicitor	7	7	8	10	10	10	10	10	9	9
Total Judicial Services	31	32	33	35	36	35	35	36	36	36
<b>Health and Welfare</b>										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veteran's Affairs	3	3	3	3	3	3	3	3	3	3
Total Health and Welfare	4	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	43	42	39	36	36	36	36	38	38	36
Total Public Works	44	43	40	37	37	37	37	39	39	37
<b>Culture and Recreation</b>										
Library	18	18	18	18	18	18	18	18	18	18
Parks, Recreation, and Tourism	13	13	13	14	13	13	13	14	10	17
Total Culture and Recreation	31	31	31	32	31	31	31	32	28	35
<b>Economic Development</b>	2	2	2	2	3	4	2	4	3	-
<b>Total Governmental Activities</b>	411	410	428	421	420	424	428	430	442	441
<b>Business-Type Activities</b>										
Rock Quarry	17	16	16	16	16	15	15	17	16	17
Oconee FOCUS	-	-	-	-	-	-	-	3	3	3
<b>Total Business-Type Activities</b>	17	16	16	16	16	15	15	20	19	20
<b>Total Primary Government</b>	428	426	444	437	436	439	443	450	461	461

Note:

The above counts are based on the actual number of full-time employees at June 30 for each fiscal year.

Source: Oconee County Finance Department

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government</b>										
<b>County Council</b>										
Regular meetings	24	22	24	22	24	21	22	19	21	22
Special meetings	8	15	14	15	10	9	7	7	7	5
<b>Administrative Services</b>										
Accounts payable disbursements	-	-	-	-	-	-	-	14,770	-	-
Payroll disbursements	-	-	-	-	-	-	-	12,542	-	-
Employment applications processed	-	-	-	-	-	-	-	1,483	-	-
Employment terminations processed	-	-	-	-	-	-	-	94	-	-
<b>Finance</b>										
Accounts payable disbursements	10,516	10,767	10,939	10,869	10,338	10,775	10,012	-	7,811	4,705
Payroll disbursements	12,532	12,753	12,298	12,427	13,103	12,700	13,235	-	12,770	13,086
<b>Human Resources</b>										
Employment applications processed	2,568	2,621	2,832	3,148	3,300	2,321	1,510	-	2,133	1,709
Employment terminations processed	72	62	90	108	115	97	93	-	68	47
<b>Procurement</b>										
Number of requests for proposals (RFP)	2	7	8	8	11	13	15	3	18	18
Number of purchase orders	875	1,020	1,002	1,002	872	846	820	923	687	587
<b>Register of Deeds</b>										
Recorded documents	23,458	20,226	15,832	15,832	15,502	16,746	16,262	16,695	16,097	16,435
<b>Registration and Elections</b>										
Current registered voters	39,244	44,233	50,000	46,785	44,844	47,000	46,000	49,000	48,476	49,486
<b>Vehicle Maintenance</b>										
Repair orders processed	2,640	2,600	1,272	1,272	2,420	2,311	2,225	2,460	2,409	2,686
<b>Assessor</b>										
Assessment appeals processed	6,500	800	500	1,205	6,200	1,274	730	650	716	747
Deeds processed	-	-	-	-	-	-	4,885	5,474	6,502	7,405
Legal residence applications	-	-	-	-	-	-	1,428	2,692	3,500	2,606
Department of Revenue Applications	-	-	-	-	-	-	845	894	1,148	951
Agricultural applications	-	-	-	-	-	-	1,100	1,250	1,400	1,320
Building permits processed	-	-	-	-	-	-	985	808	1,070	838
Assessable transfers of interest	-	-	-	-	-	-	1,785	2,404	2,575	2,660
Plats	-	-	-	-	-	-	574	548	691	701
Home Site Visits	-	-	-	-	-	-	14,430	14,500	14,650	14,400
<b>Auditor</b>										
Real estate, vehicle, and business property notices	141,037	145,712	148,031	156,190	149,521	150,169	149,251	79,063	152,947	155,622
Temporary tags	1,272	1,223	1,167	1,144	1,170	1,045	1,033	984	4,885	5,100
<b>Board of Assessment and Appeals</b>										
Appeals filed	131	180	100	25	61	n/a	15	-	9	34
Hearings held	25	-	29	6	30	38	4	-	4	14
<b>Delinquent Tax Collector</b>										
Records processed	9,085	6,892	7,551	8,080	6,719	6,216	6,680	6,156	7,100	6,866
<b>Treasurer</b>										
Tax notices mailed	129,137	n/a	n/a	n/a	152,011	175,572	193,569	203,247	144,604	140,400

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public Safety</b>										
<b>Animal control</b>										
Animals received	5,198	5,433	5,434	5,241	5,300	4,540	4,416	3,808	3,820	3,812
Animals adopted	721	767	965	1,029	1,200	912	1,079	1,143	1,160	1,238
<b>Community Development</b>										
Land use/Subdivision reviews	154	156	209	150	278	400	420	450	522	525
Permits issued	1,667	2,207	1,338	1,000	1,076	1,185	1,200	1,483	1,792	2,208
<b>Coroner</b>										
Deaths	366	496	547	559	619	677	641	675	700	672
<b>Detention Center</b>										
Average daily population	139	154	159	159	149	129	135	157	162	158
<b>Emergency services</b>										
Medical rescue call responses	4,457	4,379	4,509	4,521	4,764	5,129	5,022	4,807	5,261	3,626
Special rescue call responses	29	31	62	53	10	27	31	43	79	51
Fire call responses	1,812	1,306	2,133	3,330	5,522	5,800	5,670	5,670	4,504	3,094
Hazardous material call responses	n/a	n/a	n/a	32	20	n/a	n/a	-	13	13
<b>Sheriff's office</b>										
Service calls	n/a	48,000	37,666	6,023	35,519	48,570	45,477	48,742	48,742	50,004
Arrest warrants served	3,548	3,382	3,700	3,700	3,407	3,217	3,353	3,291	3,291	2,676
<b>Transportation</b>										
<b>Roads and bridges</b>										
Work orders	4,849	2,775	6,938	6,938	7,262	8,709	8,709	12,189	5,429	3,962
Tons of gravel hauled	42,007	42,400	32,763	32,263	44,198	29,873	19,995	18,826	31,321	29,660
<b>Judicial services</b>										
<b>Clerk of court</b>										
Foreclosure auctions	138	118	63	393	420	237	201	140	135	118
Cases processed	6,769	6,810	3,966	6,147	6,810	5,585	4,796	5,493	4,893	3,878
<b>Magistrate</b>										
Traffic cases	5,526	6,670	1,162	2,236	2,034	1,730	7,796	10,700	2668	2,792
Criminal cases	9,794	11,752	7,250	14,903	13,461	10,305	11,632	11,042	10,958	7,366
<b>Health and welfare</b>										
<b>Department of social services</b>										
Food stamps cases	2,975	3,100	3,800	4,390	4,450	5,223	5,006	5,102	5,200	4,555
Family independence cases	-	-	-	-	-	175	106	136	170	107
Child protective services investigations	368	310	213	259	270	175	318	334	677	635
Adult protective services investigations	-	-	-	-	-	20	9	41	110	125
Children in foster care	-	-	-	-	-	52	94	91	54	120
<b>Public works</b>										
<b>Solid waste</b>										
Municipal solid waste (MSW) tons	35,816	37,773	36,779	36,779	34,101	36,632	36,982	37,520	37,691	39,309
Construction and demolition (C&D) tons	23,440	25,014	21,308	21,308	17,905	14,870	16,023	18,165	22,133	22,763

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Culture and recreation</b>										
<b>Library</b>										
Computer users	27,880	39,838	44,556	54,441	53,169	57,095	54,459	47,665	42,803	36,164
Registered patrons	33,131	33,428	32,941	37,370	41,229	49,125	44,640	47,417	33,866	41,499
<b>Enterprise fund</b>										
<b>Rock quarry</b>										
Tons shot	489,316	552,517	499,084	392,630	450,000	301,140	477,732	497,295	495,622	532,797
Tons sold/used	435,554	493,165	452,608	497,819	458,000	418,614	421,468	381,182	482,620	560,809

Source: Oconee County Administrative Services Department

Note: Not all departments have maintained workload indicator data for each year above

Due to unavailability of actual numbers, projected numbers may have been used for 2015

n/a - Data not readily available

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government</b>										
<b>Nondepartmental</b>										
Buildings	4	4	4	4	4	4	4	4	8	7
Heavy equipment	5	5	5	3	3	3	2	4	4	3
Land (acres)	17.912	17.912	17.912	17.912	17.912	17.912	17.912	18.846	20.581	20.113
Vehicles	47	45	58	48	46	48	39	37	38	55
<b>Culture and Recreation</b>										
<b>Nondepartmental</b>										
Buildings	1	1	1	-	-	-	-	-	-	-
Land (acres)	0.75	0.75	0.75	-	-	-	-	-	-	-
<b>Library</b>										
Buildings - branches	3	3	3	3	3	3	3	3	3	3
Land (acres)	2.59	2.59	2.59	2.59	2.705	2.705	2.705	4.298	4.298	3.291
Vehicles	1	2	2	2	2	2	3	3	3	3
<b>Parks, Recreation, and Tourism</b>										
Buildings	18	18	18	18	17	18	18	18	17	16
Heavy equipment	3	4	4	4	5	5	5	4	4	4
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171
Vehicles	10	12	10	12	12	10	12	14	15	14
<b>Economic Development</b>										
<b>Economic Development</b>										
Buildings	1	1	1	1	2	2	2	1	1	-
Land (acres)	0.5	0.5	0.5	0.5	3.33	3.33	3.33	2.831	2.831	61.541
Vehicles	1	1	1	1	1	1	1	1	1	2
<b>Industrial Development Land for Resale (acres)</b>										
Land - Echo Hills Commerce Park	-	-	-	-	406.71	406.71	398.107	397.16	397.16	397.16
Land - Golden Corner Commerce Center Park	397.226	397.226	397.226	397.226	397.226	397.226	366.800	360.87	360.87	360.87
Land - Oconee County Commerce Center	33.17	33.17	33.17	33.17	33.17	33.17	13.38	13.38	13.381	13.381
Land - Propex	-	-	-	-	-	111.082	111.082	111.082	111.082	111.082
<b>Health and Welfare</b>										
<b>Nondepartmental</b>										
Buildings										
Health clinic	1	1	1	1	1	1	1	1	1	1
Nursing home	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
Land (acres)										
Health clinic	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521
Nursing home	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Other	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665



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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Department of Social Services</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472
<b>Health Department</b>										
Buildings	2	2	2	2	2	2	2	2	1	1
Land (acres)	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198
<b>Judicial Services</b>										
<b>Nondepartmental</b>										
Buildings	3	3	3	3	3	3	2	2	2	2
Land (acres)	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785
<b>Magistrate</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.8	0.8	0.8
Vehicles	2	2	2	1	1	2	2	3	3	3
<b>Solicitor</b>										
Vehicles	1	2	1	2	2	1	1	1	1	1
<b>Public Safety</b>										
<b>Nondepartmental</b>										
Buildings	4	4	4	4	4	3	7	7	7	8
Land (acres)	11.486	11.486	11.486	11.486	11.71	11.71	39.115	39.675	39.675	28.817
Vehicles	3	3	1	9	11	9	9	9	9	10
<b>Animal Control</b>										
Buildings	1	1	2	2	2	2	2	2	2	2
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Vehicles	6	8	8	8	8	9	5	6	8	8
<b>Coroner</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.07	-	-
Vehicles	2	2	1	1	1	1	1	1	1	1
<b>Emergency/Fire Services <sup>1</sup></b>										
Land (acres)	-	-	-	-	-	-	-	-	-	4.112
Buildings	2	2	2	2	2	2	2	6	6	6
Patrol boats	3	3	3	3	3	3	8	3	3	3
Vehicles	82	87	91	96	103	110	114	121	125	186
<b>Sheriff's Department</b>										
Land (acres)	1	1	1	1	1	1	1	1	1	7.756
Aircraft	-	-	1	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	2	2	2	2
Patrol boats	1	1	2	2	2	2	5	3	3	3
Vehicles	106	118	120	122	119	118	123	136	137	145

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

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Public Works</b>										
<b>Solid Waste</b> <sup>2, 3</sup>										
Land - Acres	11	11	11	11	11	11	11	11	11	197.713
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	5
Construction and demolition (C&D) landfill (acres)	2	2	2	2	2	2	2	2	2	-
Closed municipal solid waste (MSW) landfill (acres)	1	1	1	1	1	1	1	1	1	-
Heavy equipment	12	15	16	16	16	17	56	64	66	67
Vehicles	15	16	16	17	16	18	15	15	15	15
<b>Transportation</b>										
<b>Airport</b>										
Buildings	5	5	5	4	4	4	4	5	3	3
Heavy equipment	-	1	1	1	1	1	1	2	3	3
Land (acres)	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.722	304.536	361.931
Vehicles	6	7	7	6	6	6	6	6	7	6
<b>Roads and Bridges</b>										
Buildings	4	4	4	4	4	4	4	4	4	3
Heavy equipment	38	45	49	54	55	62	60	64	63	68
Land (acres)	314.836	314.836	314.836	314.836	314.836	314.836	314.836	312.864	312.864	335.62
Vehicles	47	53	53	49	51	46	45	47	46	49
<b>Enterprise Funds</b>										
<b>FOCUS</b>										
Vehicles	-	-	-	-	-	1	1	1	1	1
<b>Rock Quarry</b>										
Buildings	4	4	4	4	4	3	3	3	3	3
Heavy equipment	21	24	25	18	19	18	17	17	20	21
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	28.118	29.098	29.098	30.131
Vehicles	12	13	15	10	12	12	11	10	10	10

Source: Oconee County Administrative Services

<sup>1</sup> In fiscal year 2008-2009, Rural Fire was merged into Emergency Services.

<sup>2</sup> During fiscal year 2007-2008, Solid Waste was reclassified from an enterprise fund to the General Fund under the General Government function.

<sup>3</sup> During fiscal year 2009-2010, Solid Waste was reclassified from the General Government function to the Public Works function.

## **COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S 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***

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**Oconee County Council  
of Oconee County  
Walhalla, South Carolina**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Oconee County, South Carolina's basic financial statements and have issued our report thereon dated December 19, 2016. Our report also includes a reference to other auditors who audited the financial statements of the Keowee Fire Tax District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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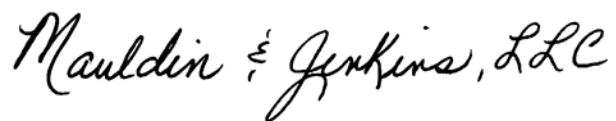
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Oconee 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*.

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly prominent.

Macon, Georgia  
December 19, 2016



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

---

**Oconee County Council  
of Oconee County  
Walhalla, South Carolina**

**Report on Compliance for Each Major Federal Program**

We have audited Oconee County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2016. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on the Major Federal Program***

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2016.

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## Report on Internal Control Over Compliance

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

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

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

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

*Mauldin & Jenkins, LLC*

**OCONEE COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Identification Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b><u>Appalachian Regional Commission</u></b> (Passed through the SC Department of Commerce)				
Appalachian Area Development				
Passed through to the Oconee County, SC School District	23.002	4-G-12-001	\$ 232,728	\$ 232,728
<b>Total Appalachian Regional Commission</b>			<u>232,728</u>	<u>232,728</u>
<b><u>U.S. Department of Agriculture</u></b> (Passed through the SC Department of Social Services)				
<b>SNAP Cluster:</b>				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	N/A	26,297	-
(Passed through the SC State Treasurer's Office)				
<b>Forest Service Schools and Roads Cluster:</b>				
Secure Payments for States and Counties Containing Federal Land	10.665	N/A	226,697	-
<b>Total U.S. Department of Agriculture</b>			<u>252,994</u>	<u>-</u>
<b><u>Environmental Protection Agency</u></b>				
Congressionally Mandated Projects	66.202	XP00D18214	310,608	-
<b>Total Environmental Protection Agency</b>			<u>310,608</u>	<u>-</u>
<b><u>U.S. Department of Justice</u></b> (Passed through the SC Department of Public Safety)				
Crime Victim Assistance	16.575	1V14133	19,519	-
Bulletproof Vest Partnership Program	16.607	N/A	3,187	-
<b>JAG Program Cluster:</b>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-MU-BX-0408	79,283	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX-0035	21,521	-
<b>Total U.S. Department of Justice</b>			<u>123,510</u>	<u>-</u>
<b><u>U.S. Department of Transportation</u></b>				
Airport Improvement Program	20.106	3-45-0016-021-2015	607,789	-
Airport Improvement Program	20.106	3-45-0016-022-2015	172,860	-
(Passed through the SC Department of Public Safety)				
<b>Highway Safety Cluster:</b>				
State and Community Highway Safety	20.600	2JC15010	10,473	-
State and Community Highway Safety	20.600	2JC16010	7,042	-
<b>Total U.S. Department of Transportation</b>			<u>798,164</u>	<u>-</u>
<b><u>Institute of Museum and Library Services</u></b> (Passed through the SC State Library)				
Grants to States	45.310	IIA-15- 05	875	-
Grants to States	45.310	IIA-15-22	1,229	-
Grants to States	45.310	IID-14-07	14,105	-
Grants to States	45.310	IID-14-137	1,000	-
Grants to States	45.310	IID-15-117	1,000	-
Grants to States	45.310	IID-15-408	786	-
Grants to States	45.310	IIIA-15-301	1,400	-
<b>Total Institute of Museum and Library Services</b>			<u>20,395</u>	<u>-</u>
<b><u>U.S. Department of Homeland Security</u></b> (Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	14EMPG01	27,578	-
Emergency Management Performance Grants	97.042	15EMPG01	63,633	-
Hazard Mitigation Grant	97.039	4166-SC-002	5,583	-
<b>Total U.S. Department of Homeland Security</b>			<u>96,794</u>	<u>-</u>

(continued)



**OCONEE COUNTY, SOUTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Grant Identification Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Health and Human Services</b>				
<b>(Passed through the SC Department of Alcohol and Other Drug Abuse Services)</b>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3B08TI010048-14S1	\$ 2,728	\$ -
<b>(Passed through the SC Department of Social Services)</b>				
Child Support Enforcement - Transaction Reimbursement	93.563	G1501SC1401	100,103	-
Child Support Enforcement - Incentive Payments	93.563	G1501SC1401	35,623	-
Child Support Enforcement - Service of Process Payments	93.563	G1501SC1401	9,818	-
Child Support Enforcement - Filing Fees	93.563	G1501SC1401	16,500	-
Administration for Children and Families Program	93.563	G1501SC1401	38	-
<b>(Passed through the SC Department of Social Services)</b>				
Promoting Safe and Stable Families Program	93.556	G1510SCFPSS	208	-
Foster Care - Title IV-E (Recovery)	93.658	G1501SC1401	12,736	-
Social Services Block Grant	93.667	G1502SCSOSR	27,433	-
<b>CCDF Cluster:</b>				
Child Care Mandatory and Matching Funds	93.596	N/A	217	-
<b>TANF Cluster:</b>				
Administration for Children and Families Program	93.558	G1502SCTANF	23,655	-
<b>Medicaid Cluster:</b>				
Medical Assistance Program	93.778	N/A	4,110	-
<b>Total U.S. Department of Health and Human Services</b>			<u>233,169</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 2,068,362</u>	<u>\$ 232,728</u>

## OCONEE COUNTY, SOUTH CAROLINA

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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#### **NOTE I. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lancaster County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1 to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **NOTE II. DE MINIMIS INDIRECT COST RATE**

The County chose not to use the ten percent de minimis cost rate for the year ended June 30, 2016.

#### **NOTE III. NONCASH ASSISTANCE AND LOANS**

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year-end.

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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SECTION I  
SUMMARY OF AUDIT RESULTS

**Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

\_\_\_ yes  X  no

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ yes  X  none reported

Noncompliance material to financial statements noted?

\_\_\_ yes  X  no

**Federal Awards**

Internal Control over major programs:

Material weaknesses identified?

\_\_\_ yes  X  no

Significant deficiencies identified not considered to be material weaknesses?

\_\_\_ yes  X  none reported

Type of auditor's report issued on compliance for major programs

Unmodified

Any audit findings disclosed that are required to be reported in  
accordance with the Uniform Guidance?

\_\_\_ yes  X  no

Identification of major programs:

CFDA Number

20.106

Name of Federal Program or Cluster

U.S. Department of Transportation – Airport  
Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X  yes \_\_\_ no

**OCONEE COUNTY, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

**SECTION III  
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None reported.

**SECTION IV  
SCHEDULE OF PRIOR YEAR FINDINGS**

None reported.