

Oconee County, South Carolina

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2012



OCONEE COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2012

PREPARED BY THE FINANCE DEPARTMENT

**SCOTT MOULDER
COUNTY ADMINISTRATOR**

**SALLY LOWERY, CGFO
INTERIM FINANCE DIRECTOR**

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2012

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INTRODUCTORY SECTION

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T. Scott Moulder

County Administrator

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



December 21, 2012

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, 2012, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. 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, 2012. We believe that the 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 McAbee, Talbert, Halliday & Co., a firm of licensed certified public accountants. The auditors issued an unqualified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2012. 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 Appalachian foothills and mountains. There are five incorporated municipalities 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 74,418.

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

The Oconee County economy continues to feel the effects of a sluggish global economy. Oconee County has responded in numerous ways to promote economic development in the County and position the community for future economic development successes.

The County made a significant economic development decision in developing Phase I of the Echo Hills Industrial Park. This will give the county two “pad-ready” sites for a potential end user. This is a key step for the County in being prepared and helping to have product. The County also worked to have this industrial park classified through the SC Department of Commerce as a “Certified Industrial Park.”

After just eleven months on the market, the County sold the speculative building it built in 2011 to A.I.D. Company and this new company will invest \$7 million dollars and create 75 new jobs. This occurred not long after BorgWarner announced a \$25 million dollar investment with the creation of an additional 30 new jobs.

Along with these positive steps, the citizens of Oconee County passed a sewer referendum that will allow the county to use general fund monies to fund sewer infrastructure developments in the future. This is a monumental step for the future growth of the County and an important first step for the build out of the Golden Corner Commerce Park off SC Highway 59. This park has tremendous potential due to its proximity to Interstate 85 and now the county can work towards bringing the final crucial element, sewer, to this park.

The City of Seneca and Oconee County worked together through a public-private partnership to purchase a key asset for economic development purposes. The City purchased the former Propex facility and will make this a co-location facility for economic development purposes. The County bought the 100 acre tract of land adjacent to the building that is served by rail and sits within a New Market Tax Credit Zone. Both of these assets are now under public control and present a unique property type for future economic development purposes. Another sign of the County working with the City of Seneca to further enhance the quality of life of the overall community was again these two public entities working in a public-private partnership to bring a flagship hotel to SC Highway 123.

The positive developments illustrated above have helped create momentum for economic development in the County and given the County viable product to solicit to future economic development deals. There was one blemish to this positive energy being created and that with the decision of Covidien to close its Seneca location by the end of 2015 and move to Costa Rica. The County and many other officials worked to avoid this but due to global economic factors the decision could not have been altered.

The Oconee County manufacturing portfolio is diverse and technologically focused. Companies include those in the automotive, electronic, precision tooling, advanced materials, and specialized medical equipment industries. These industries benefit from the proximity to the Clemson University research facilities and the Tri-County Technical College training programs that provide a highly skilled manufacturing workforce.

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 two 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 began 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. Oconee County continues to support the Mountain Lakes Convention and Visitors Bureau. Several potential recreational developments have been put on hold due to the economy, and the County expects that as the economy improves there will be increased activity and investment in the tourism industry. The County has improved the method of allocating accommodation taxes to ensure the most effective use of these revenue sources to promote and develop the tourism sector of the County.

Long-term Financial Planning

The County Council created the 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.

Major Initiatives

The multi-million dollar Broadband Technology Opportunities Program grant has enabled the County to commence construction of a fiber optic backbone that will provide broadband capacity that will meet immediate and future communications needs while economically strengthening the County. This project is expected to provide high-speed fiber connections for community anchor organizations including the School District, public libraries, Clemson University, Tri-County Technical College, fire and rescue stations, EMS Stations and county offices as well as providing a middle-mile infrastructure for private internet service providers to provide retail connections for businesses and individuals. This service will greatly enhance the County's existing high-tech infrastructure and will provide opportunities to better support technologically advanced businesses that are located within the County.

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, 2011. 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 his 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 management of the Oconee County finances. We would also like to thank the accounting firm of McAbee, Talbert, Halliday & Co. for their assistance with this project.

Respectfully submitted,



T. Scott Moulder
County Administrator



Sally Lowery, CGFO
Interim Finance Director

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, 2011

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

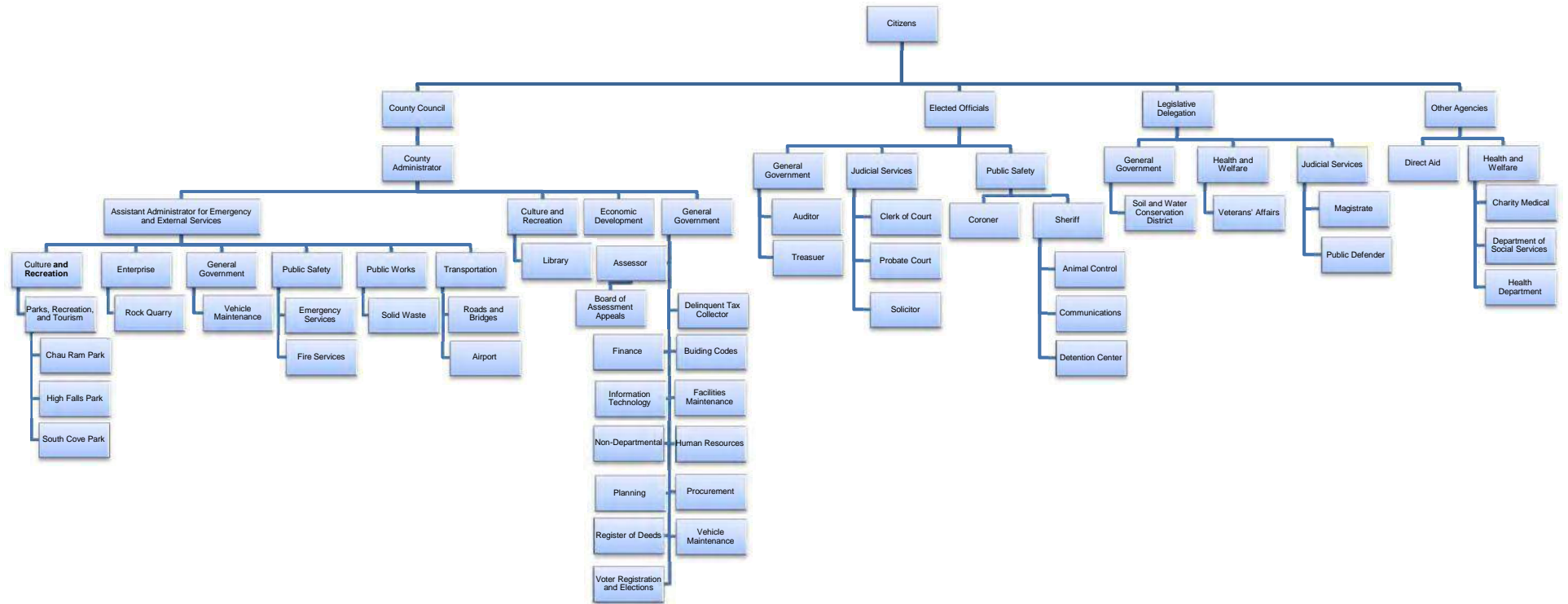


Christopher P. Moynell

President

Jeffrey R. Emer

Executive Director



OCONEE COUNTY, SOUTH CAROLINA
List of Principal Officials
June 30, 2012

Members of County Council

Joel Thrift
Paul Corbeil
Wayne McCall
Reg Dexter
Archie Barron

District IV - Chairman
District I - Vice Chairman
District II - Chairman Pro Tem
District V - Member
District III - Member

Legislative Delegation

Thomas C. Alexander
William R. Whitmire
William E. "Bill" Sandifer, III
Don Bowen

Senator
Representative
Representative
Representative

Appointed Official

Scott Moulder

County Administrator

Oconee County
SOUTH CAROLINA



County Council Districts
and Representatives

FY 2011-2012

Map 1

District 1



Mr. Paul Corbeil

District 2



Mr. Wayne McCall

District 1

Salem

District 2

Walhalla

West Union

District 3



Mr. Archie Barron

District 4

Westminster

District 3

Seneca

District 4



Mr. Joel Thrift

District 5

District 5



Mr. Reg Dexter

Legend

- Municipality
- Interstate 85
- Major Road
- Railroad



0 4
Miles

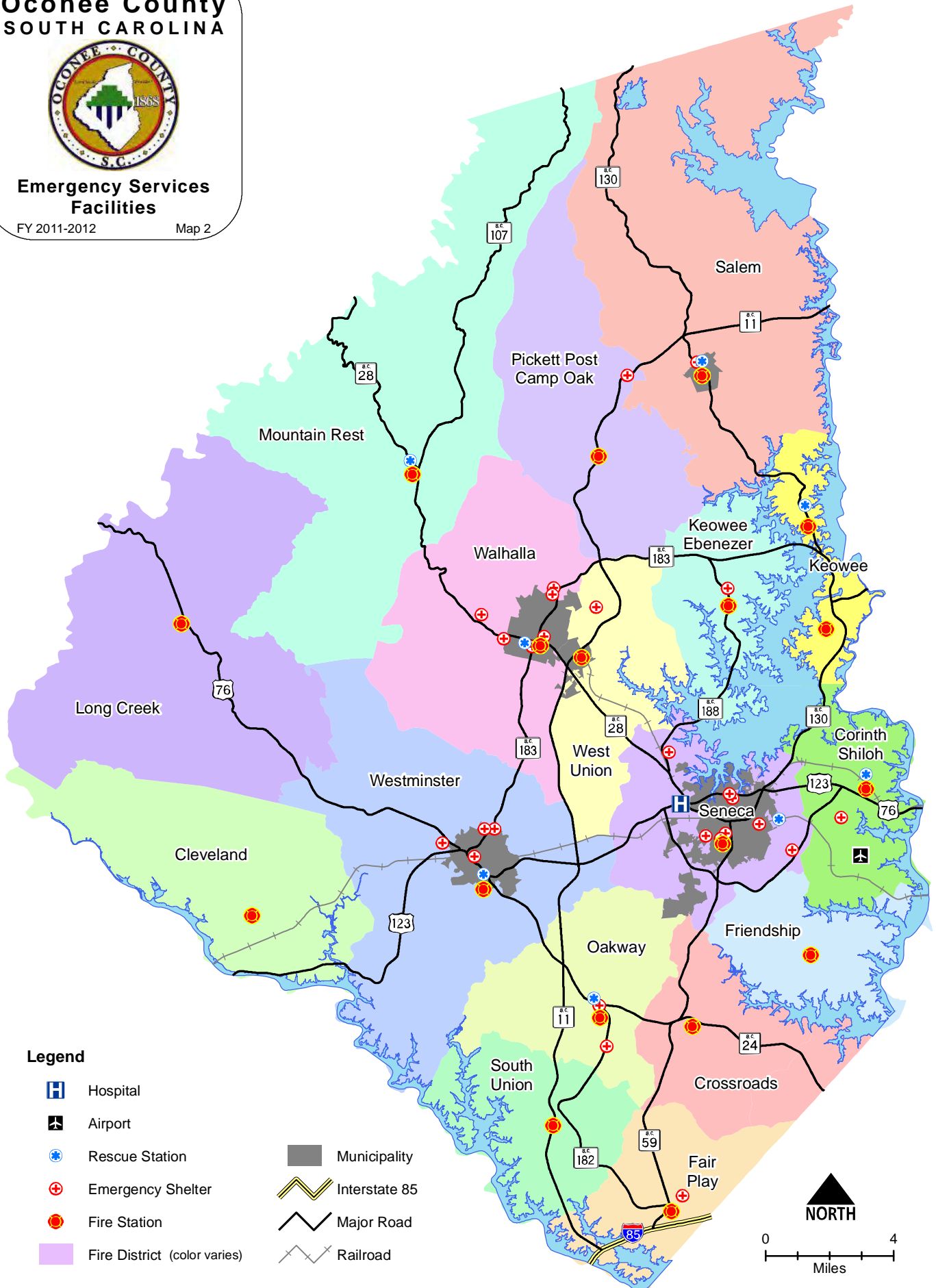
Oconee County SOUTH CAROLINA



Emergency Services Facilities

FY 2011-2012

Map 2



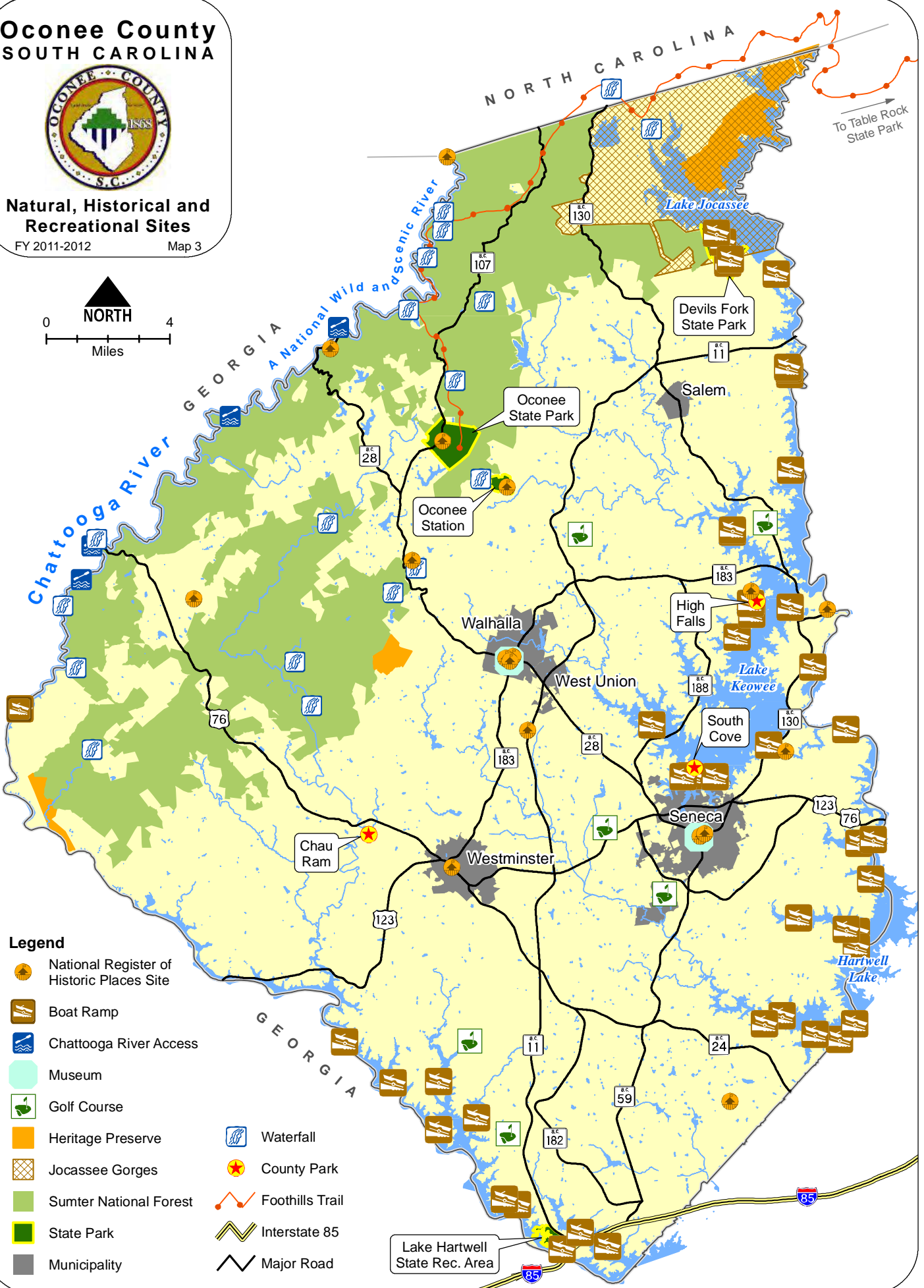
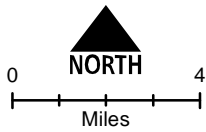
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY 2011-2012

Map 3



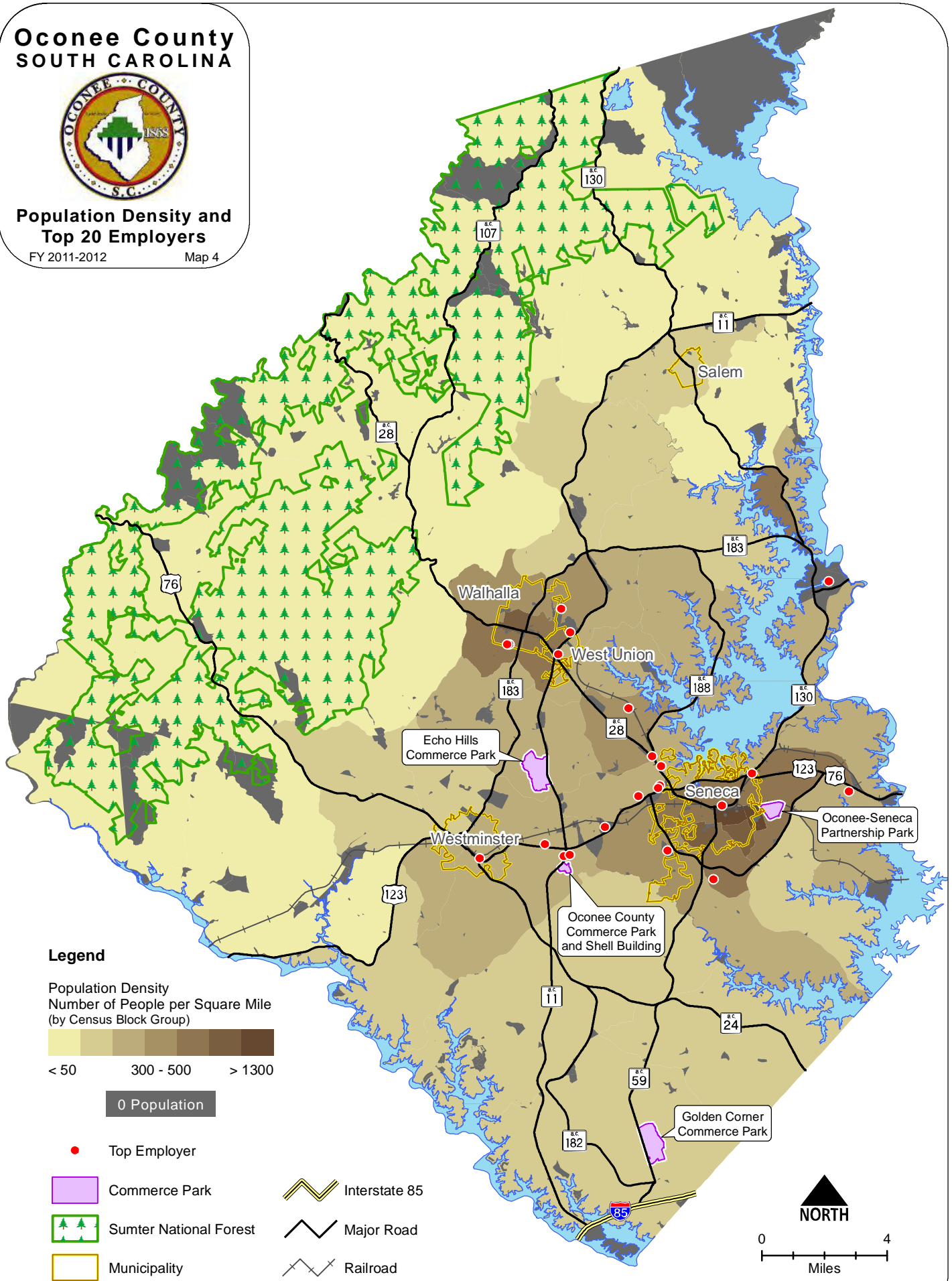
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY 2011-2012

Map 4



Legend

Population Density
Number of People per Square Mile
(by Census Block Group)

< 50 300 - 500 > 1300

0 Population

• Top Employer

Commerce Park

Sumter National Forest

Municipality

Interstate 85

Major Road

Railroad

NORTH

0 4
Miles

Source: S.C. Department of Employment and Workforce, 2012 Q3 and U.S. Census Bureau, 2010

FINANCIAL SECTION

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Oconee County Council
Oconee County
Walhalla, South Carolina

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying 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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oconee County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, on our consideration of Oconee County'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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 U.S. generally accepted auditing standards, 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.

—SHAREHOLDERS—

HOMER E. McABEE, JR., CPA
CHARLES L. TALBERT, III, CPA
Q. STANFORD HALLIDAY, III, CPA
BRUCE W. SCHWARTZ, CPA

—PRINCIPAL—

RANDOLPH B. THOMAS, CPA

MEMBERS OF: AMERICAN INSTITUTE OF CERTIFIED PUBLIC
ACCOUNTANTS, PCPS AND SEC DIVISIONS; S.C. ASSOCIATION OF CERTIFIED
PUBLIC ACCOUNTANTS; N.C. ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS;
NATIONAL ASSOCIATED CPA FIRMS

824 E. MAIN STREET, 29302
SPARTANBURG, S.C.
SPARTANBURG (864) 583-0886
TOLL FREE (800) 788-3193
FAX NUMBER (864) 594-4365
E-MAIL mthcpa@mthcpa.com

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the 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.

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
December 21, 2012

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, 2012. Please read the information presented here in conjunction with additional information presented with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of Oconee County exceeded its liabilities as of June 30, 2012 by \$156,079,197, which was an increase from the prior year of 3.3 percent. Of this amount, \$29,648,446 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's governmental activities reported a decrease in net assets of \$1,512,261 from fiscal year 2011-2012 activity. Net assets of the business-type activities increased \$6,435,332 as a result of fiscal year 2011-2012 activity. Overall the County's net assets increased \$4,923,071.
- During the year, the County had expenses in governmental activities that were \$2,145,570 more than the \$49,942,266 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$1,808,225 less than the prior year revenues (before transfers and a special item) as reflected in the Changes in Net Assets (Figure 2).
- The General Fund reported a decrease in fund balance of \$538,902 from fiscal year 2011-2012 activity, resulting in an ending fund balance of \$24,633,149.
- In the General Fund, actual revenue sources available for appropriation were \$977,983 less than anticipated primarily due to licenses, permits, and fees revenues. Expenditures were \$2,221,490 less than budgeted. Actual revenues were \$2,634,268 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 Assets 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 assets 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 Assets 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 27. 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 Assets 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 Assets and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.
- 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 Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, 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 Assets and Liabilities where the assets equal the liabilities.

Following the financial statements, the Notes to the Financial Statements 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, capital assets, long-term debt, employee and post-employment health insurance plans, retirement plans, and more.

Finally, the County must include additional supplementary information. The General Fund Budgetary Comparison Schedule includes the original budget, final budget, as amended, and actual, all of which are required supplementary information. On this report, the County includes a variance column, which is not required. Also, the Schedule of Funding Progress and Employer Contributions - 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. Completing the requirements for this section are the detailed financial statements for the non-major funds, various schedules for state and federal requirements, compliance reports, and a schedule of findings. The completed financial report provides information indicating the accountability of the government and the County's resulting financial position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Oconee County's Net Assets
Figure 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 59,133,415	\$ 64,268,618	\$ 5,210,623	\$ 4,540,518	\$ 64,344,038	\$ 68,809,136
Capital assets	116,707,034	117,379,317	11,367,562	2,195,987	128,074,596	119,575,304
Total assets	<u>\$ 175,840,449</u>	<u>\$ 181,647,935</u>	<u>\$ 16,578,185</u>	<u>\$ 6,736,505</u>	<u>\$ 192,418,634</u>	<u>\$ 188,384,440</u>
Long-term liabilities debt	\$ 32,301,039	\$ 32,943,237	\$ 134,696	\$ 113,433	\$ 32,435,735	\$ 33,056,670
Other liabilities	(64,295)	3,588,732	3,967,997	582,912	3,903,702	4,171,644
Total liabilities	<u>\$ 32,236,744</u>	<u>\$ 36,531,969</u>	<u>\$ 4,102,693</u>	<u>\$ 696,345</u>	<u>\$ 36,339,437</u>	<u>\$ 37,228,314</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 110,258,142	\$ 109,846,322	\$ 11,367,562	\$ 2,195,987	\$ 121,625,704	\$ 112,042,309
Restricted	4,805,047	6,607,598	-	-	4,805,047	6,607,598
Unrestricted (deficit)	28,540,516	28,662,046	1,107,930	3,844,173	29,648,446	32,506,219
Total net assets	<u>\$ 143,603,705</u>	<u>\$ 145,115,966</u>	<u>\$ 12,475,492</u>	<u>\$ 6,040,160</u>	<u>\$ 156,079,197</u>	<u>\$ 151,156,126</u>

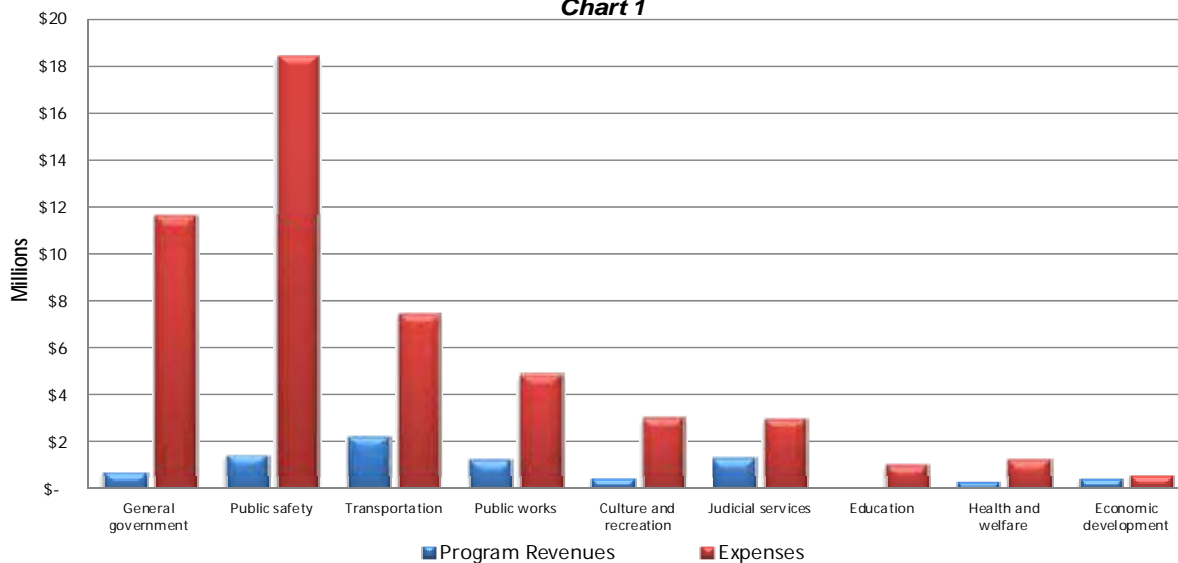
As noted earlier, net assets may serve over time as one of the most useful indicators of a government's financial condition. The government-wide financial statements for the fiscal year ended June 30, 2012 display combined net assets of \$156.1 million, or 3.3 percent above June 30, 2011. The largest portion of the net assets (77.9 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 assets (3.1 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (19.0 percent) is unrestricted net assets, with a balance of \$29,648,446 at June 30, 2012. Unrestricted net assets include \$7,136,478 of assets held for resale that are not available to satisfy the obligations of the County until those assets are sold.

Oconee County's Changes in Net Assets
Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues:						
Charges for services	\$ 4,951,514	\$ 4,623,458	\$ 2,855,490	\$ 3,242,740	\$ 7,807,004	\$ 7,866,198
Operating grants and contributions	1,391,801	2,658,014	-	-	1,391,801	2,658,014
Capital grants and contributions	1,899,031	3,943,974	6,455,725	210,434	8,354,756	4,154,408
General revenues:						
Property taxes	38,093,094	36,735,928	-	-	38,093,094	36,735,928
Other taxes	755,113	874,795	-	-	755,113	874,795
Grants and contributions not restricted to specific programs	2,286,169	2,577,854	-	-	2,286,169	2,577,854
Interest income	427,725	370,259	4,478	9,372	432,203	379,631
Miscellaneous	137,819	137,299	-	-	137,819	137,299
Total revenues	\$ 49,942,266	\$ 51,921,581	\$ 9,315,693	\$ 3,462,546	\$ 59,257,959	\$ 55,384,127
Program expenses						
General government	\$ 11,697,494	\$ 11,515,584	\$ -	\$ -	\$ 11,697,494	\$ 11,515,584
Public safety	18,483,001	17,597,428	-	-	18,483,001	17,597,428
Transportation	7,495,563	7,945,478	-	-	7,495,563	7,945,478
Public works	4,901,973	3,892,013	-	-	4,901,973	3,892,013
Culture and recreation	3,019,172	2,917,401	-	-	3,019,172	2,917,401
Judicial services	2,970,949	2,769,534	-	-	2,970,949	2,769,534
Education	1,048,376	1,112,556	-	-	1,048,376	1,112,556
Health and welfare	1,262,341	1,293,650	-	-	1,262,341	1,293,650
Economic development	617,995	756,688	-	-	617,995	756,688
Interest and fiscal charges	590,972	313,024	-	-	590,972	313,024
FOCUS	-	-	18,604	21,245	18,604	21,245
Rock quarry	-	-	2,228,448	2,310,280	2,228,448	2,310,280
Total expenses	\$ 52,087,836	\$ 50,113,356	\$ 2,247,052	\$ 2,331,525	\$ 54,334,888	\$ 52,444,881
Excess (deficiency) before special items and transfers	\$ (2,145,570)	\$ 1,808,225	\$ 7,068,641	\$ 1,131,021	\$ 4,923,071	\$ 2,939,246
Special item - Gain on sale of capital assets	-	944,370	-	-	-	944,370
Transfers	633,309	989,861	(633,309)	(989,861)	-	-
Increase (decrease) in net assets	\$ (1,512,261)	\$ 3,742,456	\$ 6,435,332	\$ 141,160	\$ 4,923,071	\$ 3,883,616

Expenses and Program Revenues - Governmental Activities

Chart 1



The Statement of Activities on page 26 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, increased to \$59.3 million, or 7 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 remained relatively unchanged (a decrease of 0.8 percent) from fiscal year 2011 to fiscal year 2012. 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, \$1.4 million, are used to fund the general operations of certain programs of the County. The operating grants decreased from the prior year by \$1.3 million (47.6 percent). This decrease is due to reduced funding from state and federal governments as a result of the economic downswing. Capital grants and contributions fund the purchase of capital assets and improvements. During 2012, the County received \$8.4 million in capital grants compared to the \$4.2 million received for fiscal year 2011, a 101.1 percent increase. The majority of this increase pertains to the business-type activities in the FOCUS fund and is related to the Broadband Technology Opportunities Program grant, part of the American Recovery and Reinvestment Act of 2009 (ARRA) stimulus opportunities, which reimburses the County for a portion of the broadband installation expenses. Property tax revenues increased by \$1.4 million, due to increased millage for debt service requirements.

Total program expenses increased \$1.9 million (3.6 percent) which is composed primarily of a \$1,009,960 increase in public works and an \$885,573 increase in public safety expenses. Increases in public works expenses resulted from purchases of several capital assets funded by capital lease purchase proceeds. Public safety program expenses increased mainly due to increases in employee salary and fringe costs and purchases of capital assets. The net expense, (difference between program revenues and program expenses), for all programs and services decreased 2.6 percent from the previous year, due to the increased expenses noted.

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

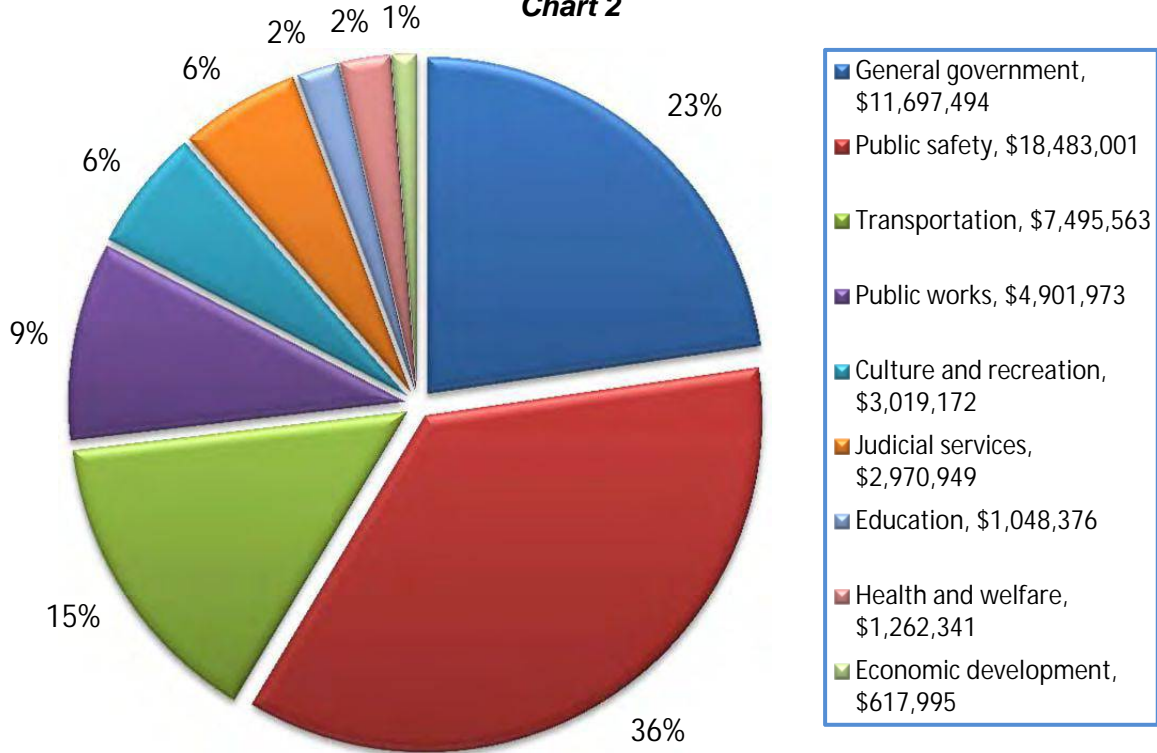
Governmental Activities

Net assets of the County's governmental activities decreased from \$145.1 to \$143.6 million, or by 1 percent, from 2011 to 2012. This \$1.5 million decrease in net assets is due to a combination of a decrease in both cash and investments of \$3.7 million and intergovernmental receivables of \$1.6 million offset by a decrease in liabilities of \$4.3 million. The governmental activities unrestricted net assets at June 30, 2012 totaled \$28.5 million, a decrease from the prior year of \$121,530. Additionally, the fiscal year 2011-2012 total net assets from the governmental activities operations included an increase in the net assets restricted for capital projects.

The cost of all governmental activities this year was \$52.1 million compared to \$50.1 million last year due to the increases in public works and public safety expenses noted previously.

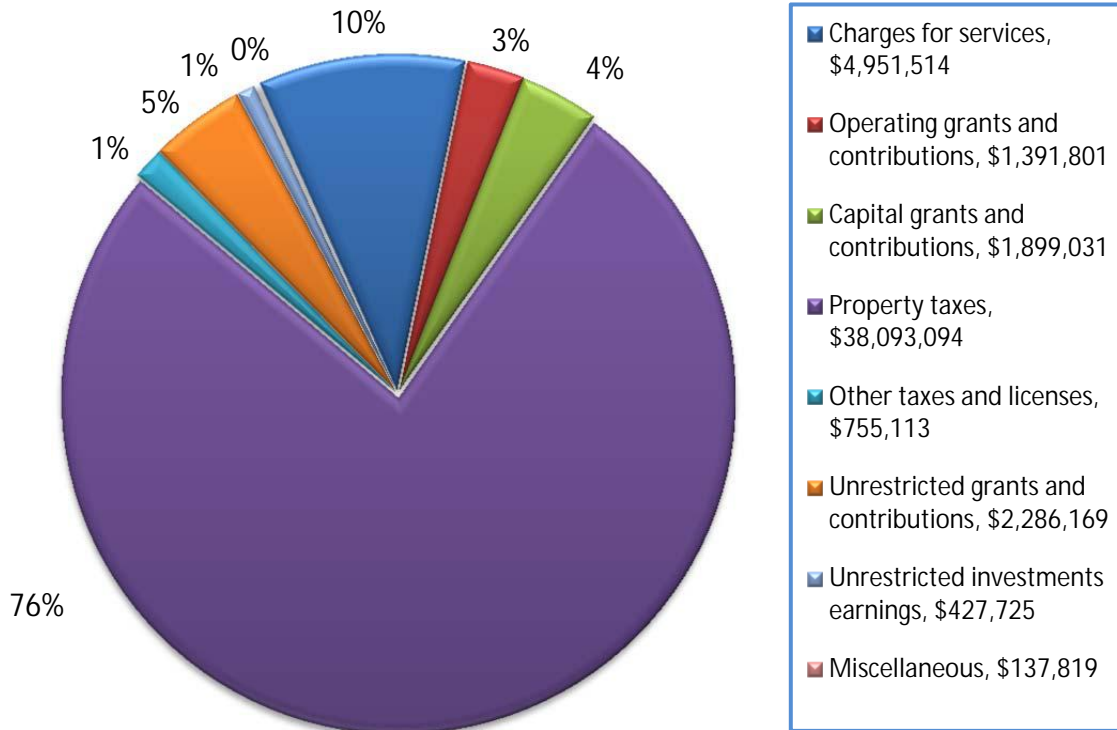
Expenses by Program - Governmental Activities

Chart 2



Revenues by Source - Governmental Activities

Chart 3



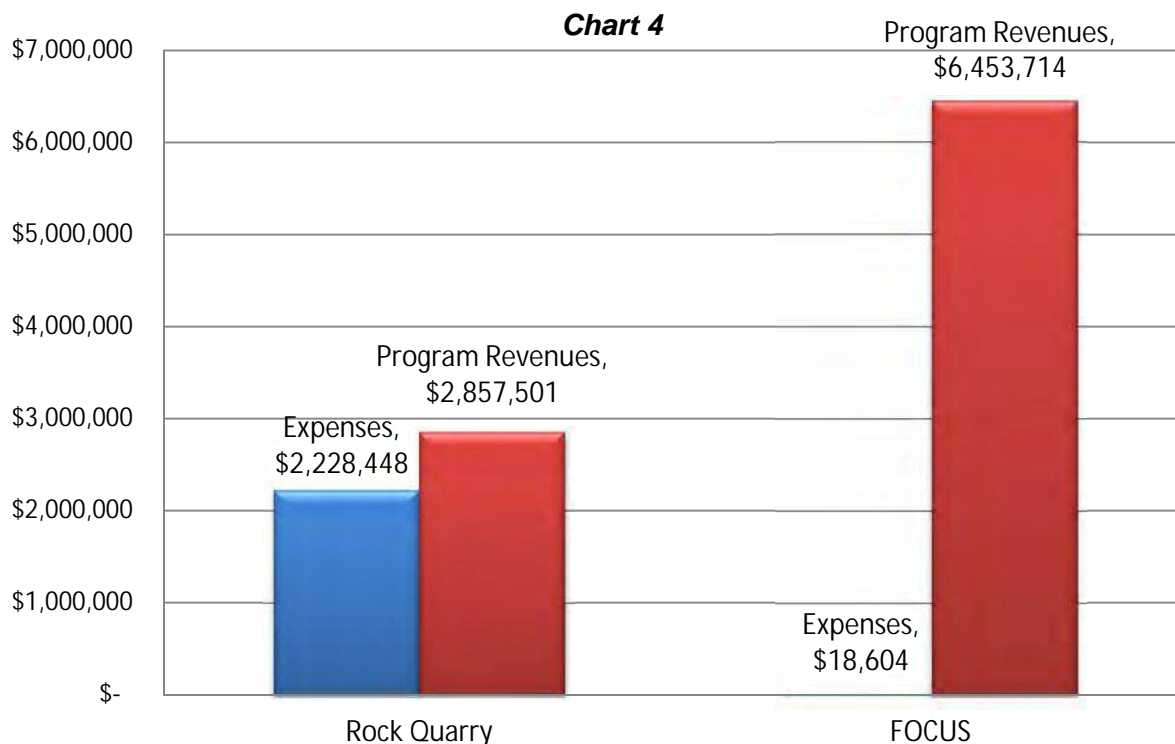
The amount that our taxpayers paid in County property taxes to finance the governmental activities was \$38.1 million. Some operating costs were paid either by those who directly benefited from the services offered (\$5.0 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$3.3 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, decreased from \$11.2 million in 2011 to \$8.2 million in 2012. The national economy contributed to the reduction in operating grants and contributions from state and federal governments.

Business-type Activities

Total net assets of the business-type activities increased by \$6.4 million or 106.5 percent. This increase is due to the FOCUS business-type program progress toward complete construction in preparation for the operation of a fiber optic broadband network in the County. This program is being partially funded by a Recovery Act grant. There was no change in the total net assets for the Rock Quarry because \$100,000 of the increase in net assets was transferred to the Bridges and Culverts Capital Projects fund and the remaining increase was transferred to the General Fund. The increase in Rock Quarry net assets before the transfer was \$633,309.

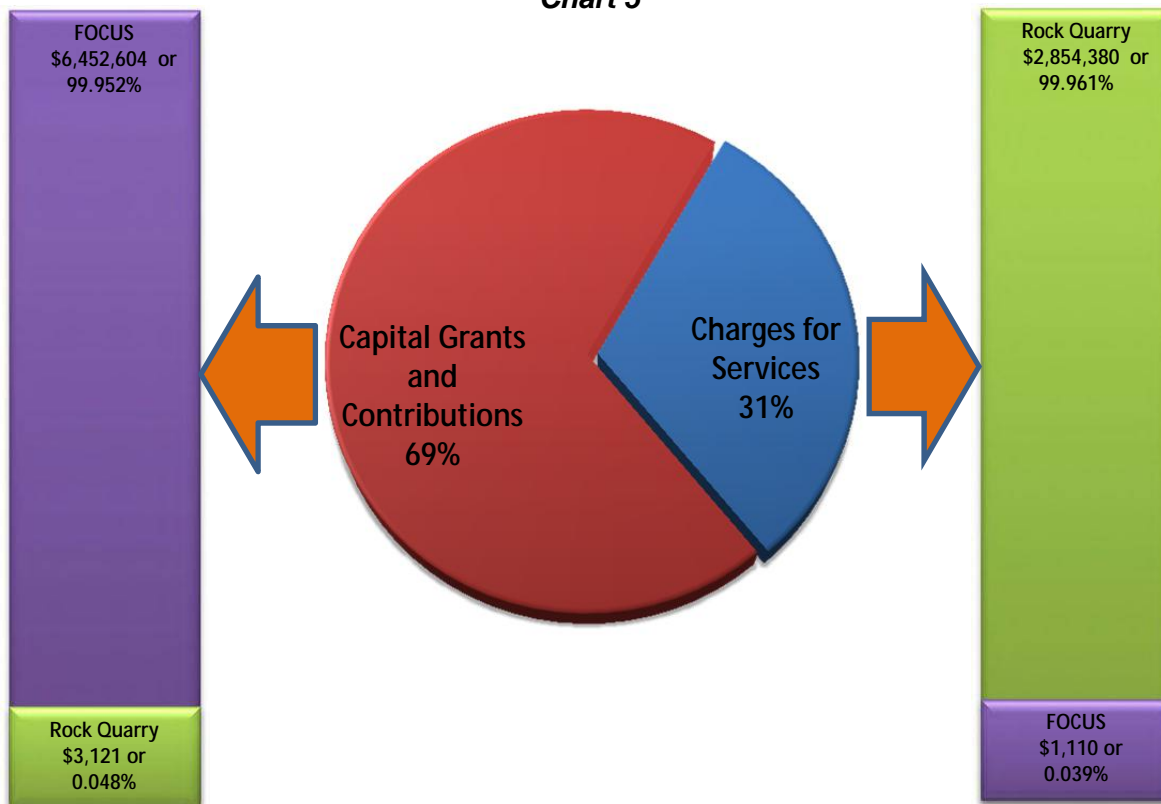
Fiscal year 2011-2012 business-type activities program revenues increased by \$5.9 million, or 169.0 percent, over fiscal year 2010-2011 mainly as a result of a federal capital grant. The Rock Quarry suffered another decrease in rock sales of \$388,360 due to the sluggish recovery of the housing construction industry. The business-type activities expenses decreased 3.6 percent, or \$84,473. This is primarily due to conservative efforts to reduce most expense categories.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities

Chart 5



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 59.

Governmental Funds

At completion of fiscal year 2011-2012, the County's governmental funds reported total fund balances of \$58 million, which was an increase over last year's total by \$582,480. This increase was primarily related to reimbursements received from the federal government for the airport improvement grants. Total governmental revenues increased of \$1.3 million, or 2.7 percent resulting from decreased property taxes for operations and increases in the debt services property taxes levied for additional debt. Total governmental funds expenditures decreased \$4.3 million, or 7.5 percent, from prior year, related to decreases in capital outlay in the Capital Projects fund.

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 \$7.5 million, while its total fund balance was \$24.6 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 total fund expenditures. The unassigned fund balance represents 17.9 percent of the total General Fund expenditures, while the total fund balance represents 58.7 percent of that same amount. The General Fund revenues have decreased by \$2.3 million due to decreases in property tax collections of \$2.0 million and 12.9 percent less state and federal funding. General Fund expenditures increased 4.5 percent across all programs.

The Emergency Services Protection District fund accounts for the activities of a special tax district established in 2007 to provide emergency services for the unincorporated areas of the County including fire, rescue, and hazardous materials squads. The June 30, 2012 fund balance was \$1.9 million, a decrease of \$267,579 from the June 30, 2011 fund balance.

The Capital Projects Fund accounts for the acquisition and construction of capital assets. The June 30, 2012 fund balance was \$20.0 million, a decrease of \$275,418 from the June 30, 2011 fund balance.

The Economic Development Capital Projects Fund accounts for property taxes, grants and other funding sources restricted or designated for the acquisition and development of economic development infrastructure. The revenues collected in fiscal year 2011-2012 were \$1,027,048. Utility Tax Credit revenue of \$360,000 was received during the year from utility companies reinvesting in the economic growth of the County.

Proprietary Funds

The County has two enterprise funds included in the proprietary funds. Those funds are the Rock Quarry fund and the FOCUS fund. The Rock Quarry produces and sells mined blue granite for construction and landscaping uses. The FOCUS fund is in the process of installing a fiber optics broadband network in the County. The total net assets for both proprietary funds at June 30, 2012 was \$12.5 million of which \$5.9 million related to the Rock Quarry and \$6.6 million related to FOCUS. The Rock Quarry transferred \$100,000 to the Bridge and Culvert Capital Projects fund and the remaining increase in net assets to the General Fund; therefore, there was no change in the Rock Quarry net assets from the previous year. The FOCUS fund's net assets increased \$6.4 million due to receipt of capital grant funding. See analysis of business-type activities above for further discussion of revenues and expenses for proprietary funds.

General Fund Budgetary Highlights

In the 2012 adopted budget, the General Fund's original budget totaled \$43,143,640. Encumbrances for purchase orders with an outstanding balance at fiscal year do not lapse and are allowed to roll forward to the next year as allowed in the budget provisos. The 2011 fiscal year end's encumbrances added \$759,388 to the estimated expenditures for 2012.

By the end of the year, General Fund actual revenues totaled \$39,315,207; \$977,983 less than budgeted due to reductions in all revenue categories. Actual expenditures totaled \$41,949,475, thus creating a budget variance in total expenditures of \$2,221,490. In addition, the purchase order encumbrances at June 30, 2012 were \$1,047,159. The remaining difference between actual and budgeted expenditures is composed of a number of other items including increased utility costs, increased tipping fees for solid waste, decreases for employee health insurance costs, increases in workers compensation and salary expenditures, unspent allocations to fire stations that carryover from year-to-year, and unspent contingency funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, totals \$128.1 million (net of accumulated depreciation and depletion). These assets include land, buildings and improvements, vehicles and equipment, construction in progress, infrastructure, and mineral interests. The net increase (including additions and deductions) is \$8.5 million, or 7.1 percent, over last year. The increase is due to the numerous capital projects expenditures.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Land	\$ 3,049,554	\$ 3,049,554	\$ 27,891	\$ 27,891	\$ 3,077,445	\$ 3,077,445
Infrastructure Land Rights	36,373,688	36,373,688	-	-	36,373,688	36,373,688
Construction in Progress	9,222,201	8,447,135	9,617,497	189,903	18,839,698	8,637,038
Building and Improvements	33,401,803	33,588,705	305,180	331,567	33,706,983	33,920,272
Equipment and Vehicles	11,406,534	11,605,792	1,114,211	1,336,942	12,520,745	12,942,734
Infrastructure	23,253,254	24,314,443	-	-	23,253,254	24,314,443
Mineral Interests	-	-	302,783	309,684	302,783	309,684
Total	<u>\$ 116,707,034</u>	<u>\$ 117,379,317</u>	<u>\$ 11,367,562</u>	<u>\$ 2,195,987</u>	<u>\$ 128,074,596</u>	<u>\$ 119,575,304</u>

Major capital asset transactions during the year include:

- Continuation of the Pointe West roads infrastructure project, \$947,403;
- Completion of the new Strawberry Farm Road's Manned Convenience Center, \$618,632;
- Construction of a new T-Hangar airplane storage facility at the Airport, \$382,685;
- Construction of the new residence for the Chau Ram Park superintendent, \$56,701;
- Purchase of 26 vehicles, 2 fire trucks, 3 heavy trucks, and 12 items of heavy equipment, \$2.2 million;
- Completion of the re-construction of four County roads, \$1,048,458; and
- Continued installation of the fiber optics broadband network installation; \$9.4 million.

Additional information on the County's capital assets can be found in Note 5 on pages 47 - 48 of the basic financial statements.

Long-term Debt

As of June 30, 2012, the County had outstanding a total bonded debt of approximately \$19.9 million, all of which is backed by the full faith and credit of the County.

Oconee County's Outstanding Debt
Figure 4

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 19,927,443	\$ 22,365,381	\$ -	\$ -	\$ 19,927,443	\$ 22,365,381
Capital lease obligations	1,928,251	617,659	-	-	1,928,251	617,659
Special source revenue bonds	3,315,000	3,500,000	-	-	3,315,000	3,500,000
Total	<u>\$ 25,170,694</u>	<u>\$ 26,483,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,170,694</u>	<u>\$ 26,483,040</u>

The County did not issue any general obligation or refunding debt in fiscal year 2011-2012.

The County routinely undergoes credit rating assessments by credit rating agencies. The two main credit rating agencies are Moody's Investors Service and Standard and Poor's. Each rating agency interprets the County's data slightly different resulting in possibly different ratings. In spite of the economic recession, the County's existing general obligation bond ratings remain as follows: Standard and Poor's, as "AA-/Stable"; and Moody's Investors Service as "Aa2". 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 \$21.2 million, which is a 1.4 percent increase from the prior year, due to the paying the principal down according to the debt schedules.

The County has special source revenue bonds for the Pointe West road project that will be repaid solely with specific fee in lieu taxes. Repayment of these bonds began in fiscal year 2012 and will end in 2025. Special source revenue bonds do not affect above stated bonded debt limits.

On October 7, 2011, the County entered into a capital lease purchase agreement for the purchase of various items of capital equipment for multiple departments. The amount for the 2011 lease purchase was \$1,614,812 and the final payment is scheduled for October 1, 2016.

Further, the 2008 capital lease obligation was \$313,439 at the close of 2012. The final payment on the 2008 lease purchase contract for the unincorporated fire equipment will be May 29, 2013.

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 2012, the estimated liability was increased. The balance of the estimated liability for closure and post closure care costs at June 30, 2012 remained stable from the prior year at \$4 million, with only a slight increase of \$1,959.

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 \$1,193,048 for the governmental funds and \$74,792 for the enterprise funds.

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 \$1,900,080, an increase of \$654,634 from the 2011. The business-type activities net post-employment benefit obligation increased \$19,010 during 2012 to \$59,904.

Additional information regarding the County's long-term debt obligations can be found in Note 6 on pages 48 - 51 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The national economy continues to impact Oconee County, although there are some signs of improvement. The unemployment rate, as of October 2012, was 8.4 percent which was lower than the October 2011 State average of 9.9 percent and the County's 9.5 percent in October 2011. 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.

The budget for fiscal year 2012-2013 provides for the maintenance of County operations at approximately the same level as 2011-2012. The County's operational millage decreased 2.2 mills from the prior year, while debt service millage increased 4.1 mills due to increased debt service requirements. Overall, the millage rate increased 1.9 mills. The General Fund budget for 2012-2013 totals \$43,179,332 a 0.1 percent increase from the 2011-2012 adopted budget. The property tax revenue in the General Fund is expected to decrease in light of the slow economic recovery, which has affected other General Fund revenues such as building permits, deed recording fees, and interest income. The 2012-2013 budget includes a reduction of fund balance of \$1,161,640.

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:

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

Or on the web at: www.OconeeSC.com

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 23,630,706	\$ 2,284,994	\$ 25,915,700
Investments	23,365,749	1,678,355	25,044,104
Receivables:			
Taxes - net	1,187,140	-	1,187,140
Accounts	506,250	186,917	693,167
Intergovernmental	1,715,721	470,353	2,186,074
Inventories	281,707	580,004	861,711
Prepays	1,033,114	10,000	1,043,114
Unamortized bond issue costs	173,390	-	173,390
Seized assets	103,160	-	103,160
Assets held for sale	7,136,478	-	7,136,478
Capital assets - not being depreciated	48,645,443	9,645,388	58,290,831
Capital assets - net of accumulated depreciation	68,061,591	1,722,174	69,783,765
	<u>\$ 175,840,449</u>	<u>\$ 16,578,185</u>	<u>\$ 192,418,634</u>
Liabilities			
Accounts payable	\$ 1,887,479	\$ 687,912	\$ 2,575,391
Bank overdrafts	31,168	-	31,168
Retainage payable	177,940	72,978	250,918
Accrued payroll liabilities	592,136	8,862	600,998
Unearned revenue	217,186	-	217,186
Accrued interest payable	228,041	-	228,041
Internal balances	(3,198,245)	3,198,245	-
Long-term liabilities:			
Due within one year	3,827,964	20,775	3,848,739
Due in more than one year	28,473,075	113,921	28,586,996
	<u>32,236,744</u>	<u>4,102,693</u>	<u>36,339,437</u>
Net Assets			
Invested in capital assets, net of related debt	110,431,532	11,367,562	121,799,094
Restricted for:			
Public safety	3,254,797	-	3,254,797
Capital projects	112,981	-	112,981
Debt service	1,287,049	-	1,287,049
Culture and recreation	113,196	-	113,196
Other purposes	37,024	-	37,024
Unrestricted	28,367,126	1,107,930	29,475,056
	<u>143,603,705</u>	<u>12,475,492</u>	<u>156,079,197</u>
	<u>\$ 175,840,449</u>	<u>\$ 16,578,185</u>	<u>\$ 192,418,634</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental activities							
General government	\$ 11,697,494	\$ 699,104	\$ 48,521	\$ -	\$ (10,949,869)	\$ -	\$ (10,949,869)
Public safety	18,483,001	545,666	508,358	381,404	(17,047,573)	-	(17,047,573)
Transportation	7,495,563	911,261	224,567	1,119,978	(5,239,757)	-	(5,239,757)
Public works	4,901,973	1,221,323	16,850	-	(3,663,800)	-	(3,663,800)
Culture and recreation	3,019,172	377,337	101,521	3,317	(2,536,997)	-	(2,536,997)
Judicial services	2,970,949	1,109,336	204,304	-	(1,657,309)	-	(1,657,309)
Education	1,048,376	-	-	-	(1,048,376)	-	(1,048,376)
Health and welfare	1,262,341	87,487	232,435	-	(942,419)	-	(942,419)
Economic development	617,995	-	55,245	394,332	(168,418)	-	(168,418)
Unallocated interest expense	590,972	-	-	-	(590,972)	-	(590,972)
	<u>52,087,836</u>	<u>4,951,514</u>	<u>1,391,801</u>	<u>1,899,031</u>	<u>(43,845,490)</u>	<u>-</u>	<u>(43,845,490)</u>
Business-type activities							
FOCUS	18,604	1,110	-	6,452,604	-	6,435,110	6,435,110
Rock quarry	2,228,448	2,854,380	-	3,121	-	629,053	629,053
	<u>2,247,052</u>	<u>2,855,490</u>	<u>-</u>	<u>6,455,725</u>	<u>-</u>	<u>7,064,163</u>	<u>7,064,163</u>
Total primary government	<u>\$ 54,334,888</u>	<u>\$ 7,807,004</u>	<u>\$ 1,391,801</u>	<u>\$ 8,354,756</u>	<u>\$ (43,845,490)</u>	<u>\$ 7,064,163</u>	<u>\$ (36,781,327)</u>
General Revenues							
Property taxes levied for:							
General purposes					\$ 31,122,090	\$ -	\$ 31,122,090
Public safety					1,375,570	-	1,375,570
Debt service					3,394,499	-	3,394,499
Capital projects					537,948	-	537,948
Economic development					537,925	-	537,925
Education					1,125,062	-	1,125,062
Other taxes and licenses					755,113	-	755,113
Unrestricted grants and contributions					2,286,169	-	2,286,169
Unrestricted investment earnings					427,725	4,478	432,203
Miscellaneous					137,819	-	137,819
Transfers					633,309	(633,309)	-
Total general revenues, special items and transfers					<u>42,333,229</u>	<u>(628,831)</u>	<u>41,704,398</u>
Change in net assets					(1,512,261)	6,435,332	4,923,071
Net assets - beginning of year					<u>145,115,966</u>	<u>6,040,160</u>	<u>151,156,126</u>
Net assets - end of year					<u>\$ 143,603,705</u>	<u>\$ 12,475,492</u>	<u>\$ 156,079,197</u>

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

FUND FINANCIAL STATEMENTS

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OCONEE COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General	Emergency Services Protection District	Capital Projects	Economic Development	Other Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 10,368,020	\$ 1,942,044	\$ 4,593,680	\$ 2,586,559	\$ 4,140,403	\$ 23,630,706
Investments	7,569,416	-	15,796,333	-	-	23,365,749
Receivables						
Taxes - net	1,002,507	37,905	-	16,497	130,231	1,187,140
Accounts	421,754	7,076	-	-	77,420	506,250
Intergovernmental	881,642	-	76,397	-	757,682	1,715,721
Advances to other funds	4,098,245	-	-	-	-	4,098,245
Prepays	264,713	-	-	-	768,401	1,033,114
Inventories	281,707	-	-	-	-	281,707
Seized assets	-	-	-	-	103,160	103,160
Assets held for sale	2,754,025	-	-	4,382,453	-	7,136,478
	<u>\$ 27,642,029</u>	<u>\$ 1,987,025</u>	<u>\$ 20,466,410</u>	<u>\$ 6,985,509</u>	<u>\$ 5,977,297</u>	<u>\$ 63,058,270</u>
Liabilities						
Accounts payable	\$ 1,535,080	\$ 86,940	\$ 166,079	\$ 2,970	\$ 96,410	\$ 1,887,479
Bank overdrafts	-	-	-	-	31,168	31,168
Retainage payable	80,854	10,036	87,050	-	-	177,940
Accrued payroll liabilities	589,979	-	-	-	2,157	592,136
Deferred revenue						
Property taxes	749,570	30,101	-	12,209	86,591	878,471
Intergovernmental	-	-	76,397	-	103,027	179,424
Other	53,397	-	-	-	103,160	156,557
Unearned revenues	-	-	144,707	-	72,479	217,186
Advances from other funds	-	-	-	750,000	150,000	900,000
	<u>3,008,880</u>	<u>127,077</u>	<u>474,233</u>	<u>765,179</u>	<u>644,992</u>	<u>5,020,361</u>
Fund Balances						
Nonspendable						
Inventories	281,707	-	-	-	-	281,707
Prepays	264,713	-	-	-	768,401	1,033,114
Assets held for resale	2,754,025	-	-	4,382,453	-	7,136,478
Long-term portion of receivables	105,094	-	-	-	-	105,094
Long-term portion of advances	4,068,245	-	-	-	-	4,068,245
Restricted						
Public safety	-	1,859,948	-	-	1,212,203	3,072,151
Debt service	-	-	-	-	1,235,487	1,235,487
Capital projects	1,401,505	-	17,320,297	-	-	18,721,802
Culture and recreation	-	-	-	-	96,139	96,139
Other purposes	-	-	-	-	37,024	37,024
Assigned						
Solid waste reserve	2,811,628	-	-	-	-	2,811,628
Health care reserve	3,215,644	-	-	-	-	3,215,644
Subsequent year's budget	2,208,799	-	-	-	-	2,208,799
Capital projects	-	-	2,671,880	1,837,877	1,663,817	6,173,574
Transportation	-	-	-	-	22,245	22,245
Public safety	-	-	-	-	94,241	94,241
Education	-	-	-	-	215,576	215,576
Other purposes	-	-	-	-	8,874	8,874
Unassigned	7,521,789	-	-	-	(21,702)	7,500,087
	<u>24,633,149</u>	<u>1,859,948</u>	<u>19,992,177</u>	<u>6,220,330</u>	<u>5,332,305</u>	<u>58,037,909</u>
	<u>\$ 27,642,029</u>	<u>\$ 1,987,025</u>	<u>\$ 20,466,410</u>	<u>\$ 6,985,509</u>	<u>\$ 5,977,297</u>	<u>\$ 63,058,270</u>

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

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

Fund Balances - Total Governmental Funds		\$ 58,037,909
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		116,707,034
Resources received but reflected as deferred revenues in fund statements		1,214,452
Other assets used in governmental activities are not financial resources and, therefore, not reported in the governmental funds:		
Deferred charge on debt issuance costs, net of accumulated amortization		173,390
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
General obligation bonds	(19,927,443)	
Capital lease obligation	(1,928,251)	
Special source revenue bonds	(3,315,000)	
Other post-employment benefits	(1,900,080)	
Post-closure care liabilities	(4,037,217)	
Compensated absences	(1,193,048)	
Accrued interest payable	(228,041)	(32,529,080)
Net Assets of Governmental Activities		<u>\$ 143,603,705</u>

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

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

	General	Emergency Services Protection District	Capital Projects	Economic Development	Other Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 31,099,988	\$ 1,370,334	\$ -	\$ 525,716	\$ 5,024,224	\$ 38,020,262
Other taxes	-	-	-	-	502,286	502,286
Intergovernmental	2,988,928	-	2,242,094	141,332	1,693,237	7,065,591
Licenses, permits and fees	2,658,935	-	-	-	-	2,658,935
Fines and forfeitures	368,911	-	-	-	116,987	485,898
Charges for services	1,681,043	-	-	-	-	1,681,043
Interest and investment income	375,681	-	49,034	-	3,460	428,175
Miscellaneous and other	141,721	-	1,104	360,000	109,207	612,032
	<u>39,315,207</u>	<u>1,370,334</u>	<u>2,292,232</u>	<u>1,027,048</u>	<u>7,449,401</u>	<u>51,454,222</u>
Expenditures						
Current						
General government	13,184,668	-	-	-	876	13,185,544
Public safety	13,758,949	1,520,298	-	-	605,850	15,885,097
Transportation	4,639,388	-	-	-	1,267,328	5,906,716
Public works	3,935,370	-	-	-	-	3,935,370
Culture and recreation	2,555,352	-	-	-	324,552	2,879,904
Judicial services	2,571,318	-	-	-	83,999	2,655,317
Education	-	-	-	-	1,013,376	1,013,376
Health and welfare	569,185	-	-	-	112,837	682,022
Economic development	412,310	-	-	141,114	54,958	608,382
Capital outlay	-	117,615	2,567,650	13,813	21,294	2,720,372
Debt service						
Principal retirement	304,220	-	-	-	2,585,000	2,889,220
Interest and fiscal charges	18,715	-	-	-	797,146	815,861
	<u>41,949,475</u>	<u>1,637,913</u>	<u>2,567,650</u>	<u>154,927</u>	<u>6,867,216</u>	<u>53,177,181</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,634,268)</u>	<u>(267,579)</u>	<u>(275,418)</u>	<u>872,121</u>	<u>582,185</u>	<u>(1,722,959)</u>
Other Financing Sources (Uses)						
Sale of capital assets	42,326	-	-	-	-	42,326
Insurance recoveries	14,992	-	-	-	-	14,992
Capital lease transaction	1,614,812	-	-	-	-	1,614,812
Transfers in	586,844	-	-	-	263,608	850,452
Transfers out	(163,608)	-	-	-	(53,535)	(217,143)
	<u>2,095,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,073</u>	<u>2,305,439</u>
Net Change in Fund Balances	(538,902)	(267,579)	(275,418)	872,121	792,258	582,480
Fund Balances - Beginning of Year	<u>25,172,051</u>	<u>2,127,527</u>	<u>20,267,595</u>	<u>5,348,209</u>	<u>4,540,047</u>	<u>57,455,429</u>
Fund Balances - End of Year	<u>\$ 24,633,149</u>	<u>\$ 1,859,948</u>	<u>\$ 19,992,177</u>	<u>\$ 6,220,330</u>	<u>\$ 5,332,305</u>	<u>\$ 58,037,909</u>

The accompanying notes are an integral part of the 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 YEAR ENDED JUNE 30, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 582,480

Amounts reported for governmental activities in the statement of activities
 are different because:

Governmental funds report capital outlay as expenditures. However,
 in the statement of activities, the cost of those assets is allocated
 over their estimated useful lives and reported as depreciation
 expense. This is the amount by which depreciation exceeded
 capital in the current period.

Capital outlay	5,529,862	
Depreciation expense	<u>(6,433,949)</u>	(904,087)

In the statement of activities, only the loss on the sale of assets is
 reported whereas in the governmental funds, the proceeds from the
 sale increase financial resources. Thus, the change in net assets
 differs from the change in fund balances by the net book value of
 the assets sold or contributed:

Net book value of asset donations	409,996	
Net book value of asset dispositions	<u>(178,192)</u>	231,804

Revenues in the statement of activities that do not provide current
 financial resources are not reported as revenues in the funds.

Property taxes	72,822	
Intergovernmental revenues	<u>(1,989,917)</u>	(1,917,095)

Repayment of debt principal is an expenditure in the governmental funds,
 but the repayment reduces long-term liabilities in the statement of net
 assets.

Principal repayments:		
General obligation bonds	2,400,000	
Special source revenue bonds	185,000	
Capital lease obligation	<u>304,220</u>	2,889,220

Proceeds from debt issues are an other financing source in the funds, but a
 debt issue increases long-term liabilities in the statement of net assets. (1,614,812)

Some expenses recorded in the statement of activities do not require
 the use of current financial resources and, therefore, are not reported as
 expenditures in governmental funds.

Amortization of bond premiums	57,313	
Amortization of deferred refunding costs	(19,375)	
Amortization of bond issuance costs	(14,227)	
Compensated absences	(13,555)	
Net post-employment benefit obligation	(654,634)	
Post-closure care expense	<u>(1,959)</u>	(646,437)

In the statement of activities, interest is accrued on outstanding bonds,
 whereas in governmental funds, interest is expensed when due. (133,334)

Change in Net Assets of Governmental Activities \$ (1,512,261)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2012

	ASSETS		
	FOCUS	Rock Quarry	Total
Current Assets			
Cash	\$ 308,457	\$ 1,976,537	\$ 2,284,994
Investments	-	1,678,355	1,678,355
Receivables			
Accounts - net of allowance of \$89,633	-	186,917	186,917
Intergovernmental	470,353	-	470,353
Prepays	-	10,000	10,000
Inventories	-	580,004	580,004
Total Current Assets	778,810	4,431,813	5,210,623
Capital Assets			
Land	-	27,891	27,891
Construction in progress	9,617,497	-	9,617,497
Buildings	-	544,786	544,786
Equipment and vehicles	83,087	5,739,596	5,822,683
Other capital assets	-	529,934	529,934
	9,700,584	6,842,207	16,542,791
Less accumulated depreciation and depletion	(12,961)	(5,162,268)	(5,175,229)
Total Capital Assets	9,687,623	1,679,939	11,367,562
Total Assets	\$ 10,466,433	\$ 6,111,752	\$ 16,578,185
	LIABILITIES AND NET ASSETS		
Current Liabilities			
Accounts payable	\$ 618,718	\$ 69,194	\$ 687,912
Retainage payable	72,978	-	72,978
Accrued payroll liabilities	-	8,862	8,862
Compensated absences	-	20,775	20,775
Total Current Liabilities	691,696	98,831	790,527
Noncurrent Liabilities			
Advances from other funds	3,198,245	-	3,198,245
Net post-employment benefit obligation	-	59,904	59,904
Compensated absences	-	54,017	54,017
Total Noncurrent Liabilities	3,198,245	113,921	3,312,166
Total Liabilities	3,889,941	212,752	4,102,693
Net Assets			
Investments in capital assets	9,687,623	1,679,939	11,367,562
Unrestricted net assets	(3,111,131)	4,219,061	1,107,930
Total Net Assets	6,576,492	5,899,000	12,475,492
Total Liabilities and Net Assets	\$ 10,466,433	\$ 6,111,752	\$ 16,578,185

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FOCUS	Rock Quarry	Total
Operating Revenues			
Outside customer sales	\$ 1,110	\$ 2,854,030	\$ 2,855,140
Miscellaneous operating revenues	-	350	350
	<u>1,110</u>	<u>2,854,380</u>	<u>2,855,490</u>
Operating Expenses			
Salaries and fringe benefits	-	874,003	874,003
Supplies	1,177	299,592	300,769
Electricity and natural gas	-	52,491	52,491
Petroleum, oil and lubricants	-	201,058	201,058
Water and sewer	-	3,844	3,844
Machinery, equipment repairs and maintenance	-	426,145	426,145
Building and grounds maintenance	-	5,223	5,223
Professional services	-	4,367	4,367
Miscellaneous	5,910	41,921	47,831
Depreciation and depletion	11,517	319,804	331,321
	<u>18,604</u>	<u>2,228,448</u>	<u>2,247,052</u>
Net Operating Income (Loss)	<u>(17,494)</u>	<u>625,932</u>	<u>608,438</u>
Nonoperating Revenues (Expenses)			
Grants	6,452,604	-	6,452,604
Gain on disposal of assets	-	3,121	3,121
Interest income	222	4,256	4,478
	<u>6,452,826</u>	<u>7,377</u>	<u>6,460,203</u>
Increase in Net Assets, Before Transfers	6,435,332	633,309	7,068,641
Transfers out	<u>-</u>	<u>(633,309)</u>	<u>(633,309)</u>
Change in Net Assets	6,435,332	-	6,435,332
Net Assets - Beginning of Year	<u>141,160</u>	<u>5,899,000</u>	<u>6,040,160</u>
Net Assets - End of Year	<u>\$ 6,576,492</u>	<u>\$ 5,899,000</u>	<u>\$ 12,475,492</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	FOCUS	Rock Quarry	Total
Cash Flows Provided (Used) by Operating Activities			
Cash received from customers	\$ 1,110	\$ 2,911,362	\$ 2,912,472
Cash paid to suppliers for goods and services	682,662	(1,241,474)	(558,812)
Cash paid to or for the benefit of employees	-	(851,226)	(851,226)
	<u>683,772</u>	<u>818,662</u>	<u>1,502,434</u>
Cash Flows from Noncapital Financing Activities			
Proceeds from interfund advance	2,664,281	-	2,664,281
Transfers to other funds	-	(633,309)	(633,309)
	<u>2,664,281</u>	<u>(633,309)</u>	<u>2,030,972</u>
Cash Flows Provided (Used) by Capital and Related Financing Activities			
Acquisition of capital assets	(9,482,036)	(20,860)	(9,502,896)
Intergovernmental grants	5,986,512	-	5,986,512
Proceeds from sale of capital assets	-	3,121	3,121
	<u>(3,495,524)</u>	<u>(17,739)</u>	<u>(3,513,263)</u>
Cash Flows from Investing Activities			
Investment income	222	4,899	5,121
Investments purchased	-	(1,678,355)	(1,678,355)
	<u>222</u>	<u>(1,673,456)</u>	<u>(1,673,234)</u>
Net Decrease in Cash	(147,249)	(1,505,842)	(1,653,091)
Cash - Beginning of Year	<u>455,706</u>	<u>3,482,379</u>	<u>3,938,085</u>
Cash - End of Year	<u>\$ 308,457</u>	<u>\$ 1,976,537</u>	<u>\$ 2,284,994</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Net operating income (loss)	\$ (17,494)	\$ 625,932	\$ 608,438
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities			
Depreciation and depletion	11,517	319,804	331,321
(Increase) decrease in assets			
Accounts receivable	-	56,982	56,982
Prepays	-	(10,000)	(10,000)
Inventories	-	(226,374)	(226,374)
Increase (decrease) in liabilities			
Accounts payable	616,771	29,541	646,312
Retainage payable	72,978	-	72,978
Accrued payroll liabilities	-	1,514	1,514
Compensated absences	-	2,253	2,253
Net post-employment benefit obligation	-	19,010	19,010
Net Cash Provided (Used) by Operating Activities	<u>\$ 683,772</u>	<u>\$ 818,662</u>	<u>\$ 1,502,434</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

Assets

Cash	\$ 9,853,430
Taxes receivable - net	<u>2,211,362</u>
	<u><u>\$ 12,064,792</u></u>

Liabilities

Due to other taxing districts and agencies	<u>\$ 12,064,792</u>
	<u><u>\$ 12,064,792</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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 County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. 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 are legally separate entities that meet any one of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County and is in a relationship of financial benefit or burden with the County, or (3) the financial statements would be misleading if data from the entity were not included. 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 County has no blended or discretely presented component units.

Basis of Presentation

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

Government-wide financial statements

The statement of net assets 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Government-wide financial statements - continued

The statement of net assets 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.

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. The County has the following major special revenue funds:

- 1) **Emergency Services Protection District** - is used to account for funds restricted to provide fire, rescue, HAZMAT, and emergency management services within the unincorporated areas of the County.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Basis of Presentation - Continued

Fund financial statements – continued

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 Funds - 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.

The County reports the following major enterprise funds:

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

The FOCUS 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 assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The agency fund is custodial in nature (assets equals 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.

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 of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities associated with the operation of the County are included on the statement of net assets.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

Government-wide financial statements - continued

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. 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 sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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 the relationship between the government-wide statements and the statements for governmental 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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. 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 nonoperating 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 on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

Fund financial statements - continued

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 deferred revenue, and in the presentation of expenses versus expenditures.

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 fiscal 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 sixty 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, entitlements 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, fees and charges for services.

Unearned revenue

The County reports unearned revenue on its statement of net assets 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 assets and governmental funds balance sheet and revenue is recognized.

Expenses/expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

Expenses/expenditures - continued

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 includes \$1,047,159 for outstanding encumbrances and \$1,161,640 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget.

Assets, Liabilities and Net Assets or Equity

Cash and investments

Cash includes demand deposits as well as cash equivalents, 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. The State Treasurer's Investment Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission (SEC), but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity - Continued

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.

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 government'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.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity - Continued

Interfund transactions - continued

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".

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

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 assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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 resale, 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity - Continued

Fund equity - continued

Restricted - This classification includes amounts for which constraints have been placed on the use of the resources through 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.

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. 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, 2012, the County did not maintain the minimum fund balance due to long-term advances to the FOCUS fund and amounts assigned for the subsequent year's budget.

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

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets or Equity - Continued

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.

Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of County management and that are either unusual in nature or infrequent in occurrence.

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. Actual results could differ from these estimates.

Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

County Council adopts annual budgets for General Fund, Emergency Services Protection District, 911 Fund, Sheriff's Victims' Assistance, Solicitor's Victims' Assistance, and Tri-County Tech 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 over several years. The capital projects funds are budgeted on a project basis and some projects span over several years.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2012, expenditures and other uses exceeded appropriations in the Sheriff's Victims' Assistance fund and the Solicitor's Victims' Assistance fund.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Deficit Fund Balances

As of June 30, 2012, the County had a deficit fund balance of \$21,702 in the Local Accommodation Tax fund.

NOTE 3 - CASH AND INVESTMENTS

Cash

Custodial credit risk 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, 2012, the carrying amount of the County's deposits was \$35,761,741 and the bank balance was \$37,783,721. 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 \$7,389 are reflected as cash.

Investments

As of June 30, 2012, 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	\$ 24,292,032	\$ 24,292,032	\$ -	\$ -
US Government Agency Obligations	752,072	-	502,240	249,832
	<u>\$ 25,044,104</u>	<u>\$ 24,292,032</u>	<u>\$ 502,240</u>	<u>\$ 249,832</u>

Interest rate risk is the risk that the market 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 structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools limiting the average maturity in accordance with the County's requirements.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. 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 U.S. Government Agency Obligations, including Federal Home Loan Bank (FHLB), Federal National Mortgage Association (FNMA), and Federal Home Loan Mortgage Corporation (FHLMC) were rated AAA by Standard and Poor's and Moody's Investors Services. As of June 30, 2012, Oconee County owned \$752,072 of government sponsored enterprise (GSE) debt securities. These bonds are the direct obligations of FHLB, FNMA and FHLMC which are rated AAA or equivalent by all rating agencies. The GSE's are directly or indirectly guaranteed by the US Treasury. 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 3 - CASH AND INVESTMENTS - Continued

Concentration of credit risk 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 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, and advisors with which the County will do business.

NOTE 4 - 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 sixty 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.

Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Property taxes receivable as of year-end for the government's individual major funds, nonmajor funds in the aggregate and agency funds including the applicable allowance for uncollectible accounts are as follows:

	General	Emergency Services Protection District	Economic Development	Nonmajor Governmental	Agency
Property Taxes Receivable	\$ 1,022,966	\$ 38,679	\$ 16,834	\$ 132,889	\$ 2,256,470
Less: Allowance	(20,459)	(774)	(337)	(2,658)	(45,108)
Net Taxes Receivable	<u>\$ 1,002,507</u>	<u>\$ 37,905</u>	<u>\$ 16,497</u>	<u>\$ 130,231</u>	<u>\$ 2,211,362</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 5 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2012 was as follows:

Governmental Activities	Balance June 30, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Capital Assets Not Being Depreciated					
Land	\$ 3,049,554	\$ -	\$ -	\$ -	\$ 3,049,554
other costs	36,373,688	-	-	-	36,373,688
Construction in progress	8,447,135	3,304,862	112,136	(2,417,660)	9,222,201
Total capital assets at historical cost not being depreciated	<u>47,870,377</u>	<u>3,304,862</u>	<u>112,136</u>	<u>(2,417,660)</u>	<u>48,645,443</u>
Capital Assets Being Depreciated					
Buildings and improvements	46,988,140	241,126	-	1,001,317	48,230,583
Equipment and vehicles	35,703,328	2,293,871	720,401	469,061	37,745,859
Infrastructure	70,164,367	99,999	179,166	948,459	71,033,659
Other	46,675	-	-	-	46,675
Total capital assets at historical cost being depreciated	<u>152,902,510</u>	<u>2,634,996</u>	<u>899,567</u>	<u>2,418,837</u>	<u>157,056,776</u>
Less Accumulated Depreciation					
Buildings and improvements	(13,399,435)	(1,429,345)	-	-	(14,828,780)
Equipment and vehicles	(24,097,536)	(2,954,984)	(714,372)	(1,177)	(26,339,325)
Infrastructure	(45,849,924)	(2,049,620)	(119,139)	-	(47,780,405)
Other	(46,675)	-	-	-	(46,675)
Total accumulated depreciation	<u>(83,393,570)</u>	<u>(6,433,949)</u>	<u>(833,511)</u>	<u>(1,177)</u>	<u>(88,995,185)</u>
Total capital assets being depreciated, net	<u>69,508,940</u>	<u>(3,798,953)</u>	<u>66,056</u>	<u>2,417,660</u>	<u>68,061,591</u>
Governmental activities capital assets, net	<u>\$ 117,379,317</u>	<u>\$ (494,091)</u>	<u>\$ 178,192</u>	<u>\$ -</u>	<u>\$ 116,707,034</u>

Depreciation expense was charged to functions as follows:

General Government	\$ 666,147
Public Safety	1,950,980
Transportation	2,537,985
Public Works	525,830
Culture and Recreation	263,180
Judicial Services	307,816
Health and Welfare	155,716
Economic Development	26,295
Total Governmental Activities Depreciation Expense	<u>\$ 6,433,949</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 5 - CAPITAL ASSETS - Continued

Business-Type Activities	Balance June 30, 2011	Additions	Deletions	Transfers	Balance June 30, 2012
Capital Assets Not Being Depreciated					
Land	\$ 27,891	\$ -	\$ -	\$ -	\$ 27,891
Construction in progress	189,903	9,427,594	-	-	9,617,497
Total capital assets at historical cost not being depreciated	217,794	9,427,594	-	-	9,645,388
Capital Assets Being Depreciated					
Buildings and improvements	544,786	-	-	-	544,786
Equipment and vehicles	5,748,558	75,302	-	(1,177)	5,822,683
Mineral interests	529,934	-	-	-	529,934
Total capital assets at historical cost being depreciated	6,823,278	75,302	-	(1,177)	6,897,403
Less Accumulated Depreciation					
Buildings and improvements	(213,219)	(26,387)	-	-	(239,606)
Equipment and vehicles	(4,411,616)	(298,033)	-	1,177	(4,708,472)
Mineral interests	(220,250)	(6,901)	-	-	(227,151)
Total accumulated depreciation	(4,845,085)	(331,321)	-	1,177	(5,175,229)
Total capital assets being depreciated, net	1,978,193	(256,019)	-	-	1,722,174
Business-type activities capital assets, net	\$ 2,195,987	\$ 9,171,575	\$ -	\$ -	\$ 11,367,562

NOTE 6 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Governmental Activities	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
General Obligation Bonds	\$ 22,365,381	\$ -	\$ 2,437,938	\$ 19,927,443	\$ 2,501,655
Capital Lease Obligations	617,659	1,614,812	304,220	1,928,251	627,297
Special Source Revenue Bonds	3,500,000	-	185,000	3,315,000	185,000
Post-Closure Care Costs	4,035,258	32,612	30,653	4,037,217	77,127
Annual Leave	1,179,493	563,732	550,177	1,193,048	436,885
Net Post-Employment Benefit Obligation	1,245,446	1,220,998	566,364	1,900,080	-
	\$ 32,943,237	\$ 3,432,154	\$ 4,074,352	\$ 32,301,039	\$ 3,827,964

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 6 - LONG-TERM LIABILITIES - Continued

Changes in Long-term Liabilities - Continued

Business-Type Activities	Balance 6/30/11	Additions	Reductions	Balance 6/30/12	Due Within One Year
Annual Leave	\$ 72,539	\$ 36,904	\$ 34,651	\$ 74,792	\$ 20,775
Net Post-Employment Benefit Obligation	40,894	44,809	25,799	59,904	-
	<u>\$ 113,433</u>	<u>\$ 81,713</u>	<u>\$ 60,450</u>	<u>\$ 134,696</u>	<u>\$ 20,775</u>

The General Fund has typically been used in prior years to liquidate the liability for compensated absences.

Bonds

Bonds payable at June 30, 2012 are comprised of the following individual issues:

General Obligation Bonds	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Due Within One Year
\$5,300,000 2010 Refunding Bond					
Bonds due in annual installments of \$6,900 to \$1,298,325 for principal and interest through March 2017, interest at 2.00% to 5.00%	\$ 4,480,000	\$ -	\$ 1,235,000	\$ 3,245,000	\$ 610,000
\$17,000,000 Detention Center					
Bonds due in annual installments of \$16,600 to \$2,280,300 for principal and interest through October 2031, interest at 2.00% to 5.00%	17,000,000	-	1,165,000	15,835,000	1,905,000
Add: Premium on Bonds	953,688	-	57,313	896,375	-
Less: Deferred Loss on Refunding	(68,307)	-	(19,375)	(48,932)	(13,345)
	<u>\$ 22,365,381</u>	<u>\$ -</u>	<u>\$ 2,437,938</u>	<u>\$ 19,927,443</u>	<u>\$ 2,501,655</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2012, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
2013	\$ 2,515,000	\$ 681,700	\$ 3,196,700
2014	2,640,000	593,300	3,233,300
2015	1,875,000	500,300	2,375,300
2016	1,950,000	438,200	2,388,200
2017	1,065,000	373,600	1,438,600
2018-2022	2,650,000	1,608,200	4,258,200
2023-2027	3,260,000	1,032,800	4,292,800
2028-2032	3,125,000	318,800	3,443,800
	<u>\$ 19,080,000</u>	<u>\$ 5,546,900</u>	<u>\$ 24,626,900</u>

Debt service funds of \$1,235,487 are available to service the general obligation bonds.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 6 - LONG-TERM LIABILITIES - Continued

Bonds - Continued

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.

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, 2012:

Machinery and Equipment and Construction in Progress	\$ 2,607,191
Less: Accumulated Depreciation	<u>(1,622,178)</u>
	<u><u>\$ 985,013</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, 2012:

<u>Fiscal Year Ending June 30,</u>	Governmental Funds
2013	\$ 660,297
2014	337,360
2015	337,360
2016	337,360
2017	<u>337,360</u>
Total Minimum Lease Payments	\$ 2,009,737
Less: Amount Representing Interest	<u>(81,486)</u>
	<u><u>\$ 1,928,251</u></u>

Special Source Revenue Bonds

During 2010, the County issued special source revenue bonds payable of \$3,500,000 to finance the infrastructure improvements for 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 4.6 percent. For the year ended June 30, 2012, \$124,808 of interest expense was charged as a direct expense of economic development.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 6 - LONG-TERM LIABILITIES - Continued

Special Source Revenue Bonds - Continued

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

Year Ending June 30,	Special Source Revenue Bonds		
	Principal	Interest	Total
2013	\$ 185,000	\$ 157,490	\$ 342,490
2014	200,000	143,750	343,750
2015	210,000	134,550	344,550
2016	220,000	124,890	344,890
2017	230,000	114,770	344,770
2018-2022	1,320,000	405,260	1,725,260
2023-2025	950,000	83,320	1,033,320
	<u>\$ 3,315,000</u>	<u>\$ 1,164,030</u>	<u>\$ 4,479,030</u>

NOTE 7 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County has recorded a liability in the government-wide statement of net assets for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2012, calculated as follows:

	MSW	C&D I	C&D II	Total
Total Estimated Current Closure and Post-Closure Care Cost	\$ 2,864,409	\$ 997,076	\$ 1,087,076	
Percentage of Landfill Capacity Used to Date	100%	98%	18%	
Reported Liability for Closure and Post-Closure Care Cost	<u>\$ 2,864,409</u>	<u>\$ 977,134</u>	<u>\$ 195,674</u>	<u>\$ 4,037,217</u>
Total Estimated Current Closure and Post-Closure Care Cost Remaining to Be Recognized	<u>\$ -</u>	<u>\$ 19,942</u>	<u>\$ 891,402</u>	
Landfill's Approximate Remaining Life in Years	<u>-</u>	<u>2</u>	<u>18</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, 2012. 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 8 - EMPLOYEE BENEFITS

Retirement Plan

Substantially all County employees are members of the South Carolina Retirement System (SCRS) or the Police Officers Retirement System (PORS). These systems are cost-sharing multiple-employer plans administered by the Retirement Division of the State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The State is authorized by statute to establish and amend all plan provisions. Covered payroll was \$16,717,506, \$16,756,749, and \$16,053,849 for the years ended June 30, 2012, 2011 and 2010, respectively. Generally all employees are required to participate in the SCRS or PORS as a condition of employment.

Under SCRS, employees are eligible for normal retirement with no reduction of benefits upon reaching age sixty-five with five years of vestment or completion of twenty-eight years credited service regardless of age. The benefit formula effective July 1, 1989, for the System is 1.82 percent of an employee's average final compensation multiplied by the number of years of credited service. An early retirement option with reduced benefits is available as early as age sixty. Employees are vested for a deferred annuity after five years service and qualify for a survivor's benefit upon completion of fifteen years credited service. A group-life insurance benefit equal to an active employee's annual rate of compensation is payable upon the death of an employee with a minimum of one year of credited service. Employees are required to contribute 6.5 percent of their salary for the year ended June 30, 2012. The County is required to contribute 9.385 percent of employees' salary for the years ended June 30, 2012. In addition, the County pays 0.15 percent of payroll for group life contributions.

PORS - Participating employees contribute 6.5 percent of their annual covered payroll. The County contributes on their behalf 11.363 percent of annual payroll plus an additional 0.2 percent of payroll for accidental death contributions and another 0.2 percent of payroll for group life contributions. There are no early retirement provisions under SCPORS. A member must have twenty-five years of service for full retirement or must be age fifty-five with five years of service. Both criteria provide for full formula benefit, payable for life with an annual rate equal to 2.14 percent of average final compensation, for each year of credited service.

The Plans provide death and disability as well retirement benefits. Both employees and employers are required to contribute to the Plans at rates established under authority of Title 9 of the SC Code of Laws. Contribution information for the year ended June 30, 2012 and the two years prior were equal to the required contribution for each year-end and are as follows:

	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
SCRS					
June 30, 2012	\$ 737,622	6.50%	\$ 1,082,090	9.385%	\$ 1,819,712
June 30, 2011	728,278	6.50%	1,035,437	9.240%	1,763,715
June 30, 2010	693,886	6.50%	990,731	9.240%	1,684,617
PORS					
June 30, 2012	\$ 348,978	6.50%	\$ 631,543	11.363%	\$ 980,521
June 30, 2011	360,798	6.50%	617,795	11.130%	978,593
June 30, 2010	347,520	6.50%	569,398	10.650%	916,918

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 8 - EMPLOYEE BENEFITS - Continued

Retirement Plan - Continued

South Carolina Retirement System employees eligible for service retirement may participate in the Teacher and Retiree Incentive Program (TERI). TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits which will include any cost of living adjustments granted during the TERI period. During the TERI period, participants are eligible for the contributing retiree group life insurance benefit equaled to one year's salary, but are not eligible for disability retirement. Effective July 1, 2007, TERI participants who entered the program after July 1, 2006 are required to pay the same pre-tax contribution to SCRS during the TERI period, but do not earn service credit.

Ten year historical trend information presenting the retirement system's progress in accumulating sufficient assets to pay benefits when due is presented annually by the South Carolina Retirement System. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, PO Box 11960, Columbia, SC 29211-1960.

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 401k plan and 401k 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 twenty years of service with the County and qualify for SCRS or PORS service retirement. An employee retiring with twenty 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 ten years of County employment. To remain covered, retired employees must pay all applicable premiums and elect Medicare parts A and B at age sixty-five, 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 8 - EMPLOYEE BENEFITS - Continued

Other Post-Employment Healthcare Benefits (OPEB) - Continued

Plan description - continued

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 2012, there were eighty-two retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$592,163 for the fiscal year.

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 thirty 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:

	General Government	Rock Quarry	Total
Annual Required Contribution	\$ 1,216,893	\$ 44,659	\$ 1,261,552
Interest on OPEB Obligation	55,836	2,049	57,885
Adjustment to Annual Required Contribution	(51,731)	(1,899)	(53,630)
Annual OPEB Costs	1,220,998	44,809	1,265,807
Contributions Made	(566,364)	(25,799)	(592,163)
Increase in Net OPEB Obligation	654,634	19,010	673,644
Net OPEB Obligation - Beginning of Year	1,245,446	40,894	1,286,340
Net OPEB Obligation - End of Year	<u>\$ 1,900,080</u>	<u>\$ 59,904</u>	<u>\$ 1,959,984</u>

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

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	\$ 1,265,807	\$ 592,163	46.78%	\$ 1,959,984
2011	882,405	499,328	56.59%	1,286,340
2010	882,276	721,461	81.77%	903,263

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 8 - EMPLOYEE BENEFITS - Continued

Other Post-Employment Healthcare Benefits (OPEB) - Continued

Funding status and progress

As of June 30, 2009, 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 \$14,201,310. The covered payroll (annual payroll of active employees covered by the plan) was \$16,053,849; the ratio of the UAAL to the covered payroll was 88.46 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.

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 2009 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, an annual medical cost trend decrease of 9.0 percent to 4.5 percent per year over nine years, and an annual dental cost trend of 4.5 percent per year. 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 thirty year period.

NOTE 9 - 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. Two individuals were excluded from this stop-loss coverage and had different specific deductibles. All retirees Medicare eligible are excluded from any stop-loss coverage. For fiscal year 2012, sixty-three retirees were excluded. The estimated annual maximum cost to the County is \$5,744,242, for the year. At year-end claims due and payable equal approximately \$546,895 and are recorded as a liability and expenditure within the General Fund.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 9 - SELF INSURED HEALTH INSURANCE - Continued

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
2012	\$ 635,531	\$ 5,697,296	\$ 5,785,932	\$ 546,895
2011	584,570	5,264,878	5,213,917	635,531
2010	1,102,366	3,691,805	4,209,601	584,570

NOTE 10 - INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2012 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Accommodations Tax	\$ 150,000
General Fund	Economic Development	750,000
General Fund	FOCUS	3,198,245
		<u>\$ 4,098,245</u>

Advances are used for long-term interfund loans. The General Fund had three outstanding advances at June 30, 2012. One was a loan to the Local Accommodations Tax Fund which was used to fund the purchase of Stumphouse Mountain by the Nature Conservancy and the City of Walhalla to be repaid over a ten year period at \$30,000 annually. Another was to the Economic Development Fund to purchase the land for the Echo Hills (Project North) Commerce Park. There is not a fixed schedule for repayment as it will be based on the Utility Tax Credits received in the future. The final advance is to the FOCUS Fund to finance construction and operations. This too does not have a fixed schedule for repayment as it will be repaid from operating income as the project becomes self-sustaining.

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, 2012 consisted of the following individual amounts:

Transfer In Fund	Transfer Out Fund	Amount	Transfer Purpose
General Fund	Rock Quarry	\$ 533,309	Provide operational funds
General Fund	Miscellaneous Special Revenue	23,500	Salary subsidy
General Fund	Local Accommodations Tax	30,035	Reimburse operational expenditures
Bridge and Culvert	Rock Quarry	100,000	Provide operational funds
Sheriff's Victims' Assistance	General Fund	113,208	Provide operational funds
Solicitor's Victims' Assistance	General Fund	50,400	Provide operational funds
Total Transfers		<u>\$ 850,452</u>	

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 11 - 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 12 - 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
2013	\$ 72,725
2014	65,997
2015	37,299
2016	4,309
	<hr/>
	\$ 180,330

Construction commitments at June 30, 2012 totaled approximately \$6,450,329.

NOTE 13 - ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2012, the company paid property taxes in the amount of \$28.3 million based on assessed property value of \$143.4 million. This represents approximately 33 percent of the 2011 levy. Approximately \$19.1 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

NOTE 14 - 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, 2012, 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2012

NOTE 15 - 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.

NOTE 16 - SUBSEQUENT EVENTS

Subsequent to June 30, 2012, County Council approved issuance of General Obligation Bonds not to exceed \$1,600,000 to fund a new building for the Anderson Oconee Behavioral Health Program. The County also sold \$1,473,655 of the assets held for resale in the Economic Development fund subsequent to June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

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OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 31,315,601	\$ 31,315,601	\$ 31,099,988	\$ (215,613)
Intergovernmental	3,128,300	3,128,300	2,988,928	(139,372)
Licenses, permits and fees	3,115,386	3,115,386	2,658,935	(456,451)
Fines and forfeitures	600,500	600,500	368,911	(231,589)
Charges for services	1,378,640	1,553,640	1,681,043	127,403
Interest	400,000	400,000	375,681	(24,319)
Miscellaneous and other	179,763	179,763	141,721	(38,042)
	<u>40,118,190</u>	<u>40,293,190</u>	<u>39,315,207</u>	<u>(977,983)</u>
Expenditures				
Current				
General government				
County council	709,800	677,400	319,528	357,872
Legislative delegation	82,779	85,779	84,909	870
Finance department	560,895	590,299	542,630	47,669
Non-departmental expenditures	779,400	783,750	922,898	(139,148)
Human resources	885,481	902,661	889,516	13,145
Information technology	1,467,553	1,513,320	1,582,814	(69,494)
Planning commission	231,264	255,464	241,187	14,277
Procurement	191,964	199,799	193,055	6,744
Facilities maintenance	1,078,666	1,164,841	1,160,263	4,578
Registration and elections	175,294	195,424	200,374	(4,950)
Soil and water conservation	55,551	57,051	54,743	2,308
Administrator's office	695,109	541,876	479,131	62,745
Vehicle maintenance	843,471	867,171	847,424	19,747
Register of deeds	313,534	328,834	319,488	9,346
Assessor	1,275,756	1,385,398	1,315,143	70,255
Auditor	437,475	454,875	438,844	16,031
Board of assessment appeals	11,868	9,868	7,618	2,250
Tax collector	426,369	534,819	438,024	96,795
Treasurer	517,664	532,614	515,728	16,886
Direct aid	2,616,859	2,636,339	2,631,351	4,988
	<u>13,356,752</u>	<u>13,717,582</u>	<u>13,184,668</u>	<u>532,914</u>
Public safety				
Sheriff's department	6,411,305	6,705,672	6,591,718	113,954
Law enforcement center	3,221,756	2,953,269	2,761,947	191,322
Communications	1,739,957	1,778,576	1,382,445	396,131
Animal control	498,857	539,482	523,500	15,982
Coroner	155,992	165,172	158,267	6,905
Building codes	488,342	476,642	465,705	10,937
Emergency services	2,095,892	2,128,073	1,875,367	252,706
Emergency services - debt service	322,935	322,935	322,935	-
	<u>14,935,036</u>	<u>15,069,821</u>	<u>14,081,884</u>	<u>987,937</u>
Transportation				
County airport	815,767	1,007,162	1,020,818	(13,656)
Roads department	3,933,409	3,997,839	3,618,570	379,269
	<u>4,749,176</u>	<u>5,005,001</u>	<u>4,639,388</u>	<u>365,613</u>
Public works				
Solid waste	3,838,850	4,101,901	3,935,370	166,531
	<u>3,838,850</u>	<u>4,101,901</u>	<u>3,935,370</u>	<u>166,531</u>

OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Culture and recreation				
Library	1,342,010	1,344,235	1,304,984	39,251
Parks, recreation and tourism	535,547	528,126	534,890	(6,764)
High Falls Park	281,133	287,410	274,751	12,659
South Cove Park	291,019	284,719	248,583	36,136
Chau Ram Park	188,911	195,286	192,144	3,142
	<u>2,638,620</u>	<u>2,639,776</u>	<u>2,555,352</u>	<u>84,424</u>
Judicial services				
Clerk of court	705,248	744,058	713,845	30,213
Probate judge	360,440	381,107	373,911	7,196
Solicitor	597,956	629,456	623,978	5,478
Public defender	150,000	175,000	175,000	-
Magistrate office	670,238	690,688	684,584	6,104
	<u>2,483,882</u>	<u>2,620,309</u>	<u>2,571,318</u>	<u>48,991</u>
Health and welfare				
Charity medical	277,547	277,547	274,486	3,061
Department of social services	11,500	14,250	11,852	2,398
Health department	109,751	109,751	106,572	3,179
Veteran's affairs	176,586	182,541	176,275	6,266
	<u>575,384</u>	<u>584,089</u>	<u>569,185</u>	<u>14,904</u>
Economic development				
Economic development	484,136	432,486	412,310	20,176
	<u>484,136</u>	<u>432,486</u>	<u>412,310</u>	<u>20,176</u>
	<u>43,061,836</u>	<u>44,170,965</u>	<u>41,949,475</u>	<u>2,221,490</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,943,646)</u>	<u>(3,877,775)</u>	<u>(2,634,268)</u>	<u>1,243,507</u>
Other Financing Sources (Uses)				
Sale of capital assets	30,000	30,000	42,326	12,326
Insurance recoveries	-	-	14,992	14,992
Capital lease transaction	1,614,812	1,614,812	1,614,812	-
Transfers in	828,402	828,402	586,844	(241,558)
Transfers out	(81,804)	(81,804)	(163,608)	(81,804)
	<u>2,391,410</u>	<u>2,391,410</u>	<u>2,095,366</u>	<u>(296,044)</u>
Net Change in Fund Balance	<u>\$ (552,236)</u>	<u>\$ (1,486,365)</u>	<u>(538,902)</u>	<u>\$ 947,463</u>
Fund Balance - Beginning of Year			<u>25,172,051</u>	
Fund Balance - End of Year			<u>\$ 24,633,149</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
EMERGENCY SERVICES PROTECTION DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Taxes	\$ 1,278,874	\$ 1,278,874	\$ 1,370,334	\$ 91,460
	<u>1,278,874</u>	<u>1,278,874</u>	<u>1,370,334</u>	<u>91,460</u>
Expenditures				
Current				
Public safety				
Personnel	-	-	360	(360)
Grants to agencies	781,000	781,000	781,000	-
Basic station expenses	226,400	96,400	93,179	3,221
Volunteer compensation	150,000	150,000	148,692	1,308
Supplies	10,000	10,000	1,885	8,115
Maintenance	50,000	51,875	39,583	12,292
Fire trucks	450,000	450,000	360,682	89,318
Equipment	103,000	231,125	94,917	136,208
	<u>1,770,400</u>	<u>1,770,400</u>	<u>1,520,298</u>	<u>250,102</u>
Capital Outlay	<u>300,000</u>	<u>300,000</u>	<u>117,615</u>	<u>182,385</u>
	<u>2,070,400</u>	<u>2,070,400</u>	<u>1,637,913</u>	<u>432,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(791,526)</u>	<u>(791,526)</u>	<u>(267,579)</u>	<u>523,947</u>
Net Change in Fund Balance	<u>\$ (791,526)</u>	<u>\$ (791,526)</u>	<u>(267,579)</u>	<u>\$ 523,947</u>
Fund Balance - Beginning of Year			<u>2,127,527</u>	
Fund Balance - End of Year			<u>\$ 1,859,948</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS -
 OTHER POST-EMPLOYMENT BENEFITS
 FOR THE YEAR ENDED JUNE 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2007	\$ -	\$ 10,295,394	\$ 10,295,394	0%	\$ 16,231,313	63.43%
June 30, 2009	\$ -	\$ 14,201,310	\$ 14,201,310	0%	\$ 16,053,849	88.46%

Fiscal Year Ending	Annual Required Contribution (ARC)	Actual Contributions	Percent Funded
June 30, 2009	\$ 855,300	\$ 457,104	53.4%
June 30, 2010	1,226,528	721,461	58.8%
June 30, 2011	880,556	499,328	56.7%
June 30, 2012	1,261,552	592,163	46.9%

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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

	Special Revenue Funds											Total Nonmajor Governmental Funds
	Debt Service Fund	Bridge and Culvert Capital Projects	Miscellaneous Special Revenue	911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	ARRA Funds	Library State Aid	Tri-County Tech	
Assets												
Cash	\$ 1,207,801	\$ 1,656,869	\$ -	\$ 848,288	\$ 17,787	\$ 106,364	\$ 55,331	\$ 39,324	\$ -	\$ 2,069	\$ 206,570	\$ 4,140,403
Receivables												
Taxes - net	79,248	15,865	-	-	-	-	-	-	-	-	35,118	130,231
Accounts	-	-	23,854	35,982	-	17,584	-	-	-	-	-	77,420
Intergovernmental	-	-	672,097	12,729	68,506	4,350	-	-	-	-	-	757,682
Prepays	-	-	-	-	-	-	-	-	-	-	768,401	768,401
Seized assets	-	-	103,160	-	-	-	-	-	-	-	-	103,160
	<u>\$ 1,287,049</u>	<u>\$ 1,672,734</u>	<u>\$ 799,111</u>	<u>\$ 896,999</u>	<u>\$ 86,293</u>	<u>\$ 128,298</u>	<u>\$ 55,331</u>	<u>\$ 39,324</u>	<u>\$ -</u>	<u>\$ 2,069</u>	<u>\$ 1,010,089</u>	<u>\$ 5,977,297</u>
Liabilities												
Accounts payable	\$ -	\$ -	\$ 75,726	\$ 94	\$ 20,552	\$ -	\$ -	\$ -	\$ -	\$ 38	\$ -	\$ 96,410
Bank overdrafts	-	-	31,168	-	-	-	-	-	-	-	-	31,168
Accrued payroll liabilities	-	-	272	-	-	-	1,306	579	-	-	-	2,157
Deferred revenue												
Property taxes	51,562	8,917	-	-	-	-	-	-	-	-	26,112	86,591
Intergovernmental	-	-	103,027	-	-	-	-	-	-	-	-	103,027
Other	-	-	103,160	-	-	-	-	-	-	-	-	103,160
Unearned revenues	-	-	70,448	-	-	-	-	-	-	2,031	-	72,479
Advances from other funds	-	-	-	-	-	150,000	-	-	-	-	-	150,000
	<u>51,562</u>	<u>8,917</u>	<u>383,801</u>	<u>94</u>	<u>20,552</u>	<u>150,000</u>	<u>1,306</u>	<u>579</u>	<u>-</u>	<u>2,069</u>	<u>26,112</u>	<u>644,992</u>
Fund Balances												
Nonspendable												
Prepays	-	-	-	-	-	-	-	-	-	-	768,401	768,401
Restricted												
Public safety	-	-	315,298	896,905	-	-	-	-	-	-	-	1,212,203
Debt service	1,235,487	-	-	-	-	-	-	-	-	-	-	1,235,487
Culture and recreation	-	-	30,398	-	65,741	-	-	-	-	-	-	96,139
Other purposes	-	-	37,024	-	-	-	-	-	-	-	-	37,024
Assigned												
Capital projects	-	1,663,817	-	-	-	-	-	-	-	-	-	1,663,817
Transportation	-	-	22,245	-	-	-	-	-	-	-	-	22,245
Public safety	-	-	1,471	-	-	-	54,025	38,745	-	-	-	94,241
Education	-	-	-	-	-	-	-	-	-	-	215,576	215,576
Other purposes	-	-	8,874	-	-	-	-	-	-	-	-	8,874
Unassigned	-	-	-	-	-	(21,702)	-	-	-	-	-	(21,702)
	<u>1,235,487</u>	<u>1,663,817</u>	<u>415,310</u>	<u>896,905</u>	<u>65,741</u>	<u>(21,702)</u>	<u>54,025</u>	<u>38,745</u>	<u>-</u>	<u>-</u>	<u>983,977</u>	<u>5,332,305</u>
	<u>\$ 1,287,049</u>	<u>\$ 1,672,734</u>	<u>\$ 799,111</u>	<u>\$ 896,999</u>	<u>\$ 86,293</u>	<u>\$ 128,298</u>	<u>\$ 55,331</u>	<u>\$ 39,324</u>	<u>\$ -</u>	<u>\$ 2,069</u>	<u>\$ 1,010,089</u>	<u>\$ 5,977,297</u>

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

	Debt Service Fund	Bridge and Culvert Capital Projects	Miscellaneous Special Revenue	911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	ARRA Funds	Library State Aid	Tri-County Tech	Total Nonmajor Governmental Funds
Revenues												
Property taxes	\$ 3,396,244	\$ 529,030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,098,950	\$ 5,024,224
Other taxes	-	-	-	334,984	-	167,302	-	-	-	-	-	502,286
Intergovernmental	-	-	1,197,315	122,700	125,698	-	-	-	189,555	57,969	-	1,693,237
Fines and forfeitures	-	-	-	-	-	-	70,388	46,599	-	-	-	116,987
Interest and investment income	2,730	-	-	536	34	160	-	-	-	-	-	3,460
Miscellaneous and other	-	-	109,207	-	-	-	-	-	-	-	-	109,207
	<u>3,398,974</u>	<u>529,030</u>	<u>1,306,522</u>	<u>458,220</u>	<u>125,732</u>	<u>167,462</u>	<u>70,388</u>	<u>46,599</u>	<u>189,555</u>	<u>57,969</u>	<u>1,098,950</u>	<u>7,449,401</u>
Expenditures												
Current												
General government	-	-	876	-	-	-	-	-	-	-	-	876
Public safety	-	-	245,768	229,593	-	-	130,489	-	-	-	-	605,850
Transportation	-	34,861	1,232,467	-	-	-	-	-	-	-	-	1,267,328
Culture and recreation	-	-	52,907	-	67,609	155,451	-	-	3,317	45,268	-	324,552
Judicial services	-	-	24,128	-	-	-	-	59,871	-	-	-	83,999
Education	-	-	-	-	-	-	-	-	-	-	1,013,376	1,013,376
Health and welfare	-	-	112,837	-	-	-	-	-	-	-	-	112,837
Economic development	-	-	54,958	-	-	-	-	-	-	-	-	54,958
Capital outlay	-	-	8,593	-	-	-	-	-	-	12,701	-	21,294
Debt service												
Principal retirement	2,585,000	-	-	-	-	-	-	-	-	-	-	2,585,000
Interest and fiscal charges	797,146	-	-	-	-	-	-	-	-	-	-	797,146
	<u>3,382,146</u>	<u>34,861</u>	<u>1,732,534</u>	<u>229,593</u>	<u>67,609</u>	<u>155,451</u>	<u>130,489</u>	<u>59,871</u>	<u>3,317</u>	<u>57,969</u>	<u>1,013,376</u>	<u>6,867,216</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>16,828</u>	<u>494,169</u>	<u>(426,012)</u>	<u>228,627</u>	<u>58,123</u>	<u>12,011</u>	<u>(60,101)</u>	<u>(13,272)</u>	<u>186,238</u>	<u>-</u>	<u>85,574</u>	<u>582,185</u>
Other Financing Sources (Uses)												
Transfers in	-	100,000	-	-	-	-	113,208	50,400	-	-	-	263,608
Transfers out	-	-	(23,500)	-	(30,035)	-	-	-	-	-	-	(53,535)
	<u>-</u>	<u>100,000</u>	<u>(23,500)</u>	<u>-</u>	<u>(30,035)</u>	<u>-</u>	<u>113,208</u>	<u>50,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,073</u>
Net Change in Fund Balances	16,828	594,169	(449,512)	228,627	28,088	12,011	53,107	37,128	186,238	-	85,574	792,258
Fund Balances - Beginning of Year	<u>1,218,659</u>	<u>1,069,648</u>	<u>864,822</u>	<u>668,278</u>	<u>37,653</u>	<u>(33,713)</u>	<u>918</u>	<u>1,617</u>	<u>(186,238)</u>	<u>-</u>	<u>898,403</u>	<u>4,540,047</u>
Fund Balances - End of Year	<u>\$ 1,235,487</u>	<u>\$ 1,663,817</u>	<u>\$ 415,310</u>	<u>\$ 896,905</u>	<u>\$ 65,741</u>	<u>\$ (21,702)</u>	<u>\$ 54,025</u>	<u>\$ 38,745</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 983,977</u>	<u>\$ 5,332,305</u>

OCONEE COUNTY, SOUTH CAROLINA
911 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Other taxes	\$ 331,337	\$ 331,337	\$ 334,984	\$ 3,647
Intergovernmental	136,514	136,514	122,700	(13,814)
Investment income	-	-	536	536
	<u>467,851</u>	<u>467,851</u>	<u>458,220</u>	<u>(9,631)</u>
Expenditures				
Current				
Public safety				
Personnel	20,000	20,000	6,048	13,952
Maintenance on equipment	148,267	146,652	99,673	46,979
Operational	-	1,615	1,658	(43)
Small capital	-	-	1,609	(1,609)
Telecommunications	134,400	134,400	120,605	13,795
	<u>302,667</u>	<u>302,667</u>	<u>229,593</u>	<u>73,074</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>165,184</u>	<u>165,184</u>	<u>228,627</u>	<u>63,443</u>
Net Change in Fund Balance	<u>\$ 165,184</u>	<u>\$ 165,184</u>	<u>228,627</u>	<u>\$ 63,443</u>
Fund Balance - Beginning of Year			<u>668,278</u>	
Fund Balance - End of Year			<u>\$ 896,905</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
SHERIFF'S VICTIMS' ASSISTANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Fines and forfeitures	\$ 77,000	\$ 77,000	\$ 70,388	\$ (6,612)
	<u>77,000</u>	<u>77,000</u>	<u>70,388</u>	<u>(6,612)</u>
Expenditures				
Current				
Public safety				
Personnel	126,521	126,521	130,489	(3,968)
	<u>126,521</u>	<u>126,521</u>	<u>130,489</u>	<u>(3,968)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(49,521)</u>	<u>(49,521)</u>	<u>(60,101)</u>	<u>(10,580)</u>
Other Financing Sources (Uses)				
Transfers in	56,604	56,604	113,208	56,604
	<u>56,604</u>	<u>56,604</u>	<u>113,208</u>	<u>56,604</u>
Net Change in Fund Balance	<u>\$ 7,083</u>	<u>\$ 7,083</u>	53,107	<u>\$ 46,024</u>
Fund Balance - Beginning of Year			<u>918</u>	
Fund Balance - End of Year			<u>\$ 54,025</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
SOLICITOR'S VICTIMS' ASSISTANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Fines and forfeitures	\$ 30,500	\$ 30,500	\$ 46,599	\$ 16,099
	<u>30,500</u>	<u>30,500</u>	<u>46,599</u>	<u>16,099</u>
Expenditures				
Current				
Judicial services				
Personnel	54,359	54,359	59,871	(5,512)
	<u>54,359</u>	<u>54,359</u>	<u>59,871</u>	<u>(5,512)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(23,859)</u>	<u>(23,859)</u>	<u>(13,272)</u>	<u>10,587</u>
Other Financing Sources (Uses)				
Transfers in	25,200	25,200	50,400	25,200
	<u>25,200</u>	<u>25,200</u>	<u>50,400</u>	<u>25,200</u>
Net Change in Fund Balance	<u>\$ 1,341</u>	<u>\$ 1,341</u>	37,128	<u>\$ 35,787</u>
Fund Balance - Beginning of Year			<u>1,617</u>	
Fund Balance - End of Year			<u>\$ 38,745</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
 TRI-COUNTY TECH
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 1,029,151	\$ 1,029,151	\$ 1,098,950	\$ 69,799
	<u>1,029,151</u>	<u>1,029,151</u>	<u>1,098,950</u>	<u>69,799</u>
Expenditures				
Current				
Education				
College operations	1,013,376	1,013,376	1,013,376	-
	<u>1,013,376</u>	<u>1,013,376</u>	<u>1,013,376</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>15,775</u>	<u>15,775</u>	<u>85,574</u>	<u>69,799</u>
Net Change in Fund Balance	<u>\$ 15,775</u>	<u>\$ 15,775</u>	<u>85,574</u>	<u>\$ 69,799</u>
Fund Balance - Beginning of Year			<u>898,403</u>	
Fund Balance - End of Year			<u>\$ 983,977</u>	

Note: The budget is prepared and monitored on a US generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2012

	SDOC General Fund	SDOC Debt Retirement	Family Court	Clerk of Court	Municipal Tax Fund	Magistrate Cash Bond/ Juror Fund	Tax Collector Property Sold	Keowee Fire District	Sheriff's Office	Firemen's Insurance and Inspection Fund	Probate Judge	Register of Deeds	Solicitor's Worthless Check Program	Total
Assets														
Cash and cash equivalents	\$ 330,073	\$ 7,408,805	\$ 19,489	\$ 1,076,953	\$ 44,680	\$ 102,622	\$ 592,948	\$ 2,177	\$208,665	\$ 42	\$ 13,842	\$ 22,368	\$ 30,766	\$ 9,853,430
Taxes receivable - net	1,553,492	496,723	-	-	151,687	-	-	9,460	-	-	-	-	-	2,211,362
	<u>\$ 1,883,565</u>	<u>\$ 7,905,528</u>	<u>\$ 19,489</u>	<u>\$ 1,076,953</u>	<u>\$ 196,367</u>	<u>\$ 102,622</u>	<u>\$ 592,948</u>	<u>\$ 11,637</u>	<u>\$208,665</u>	<u>\$ 42</u>	<u>\$ 13,842</u>	<u>\$ 22,368</u>	<u>\$ 30,766</u>	<u>\$12,064,792</u>
Liabilities														
Due to other taxing districts and agencies	\$ 1,883,565	\$ 7,905,528	\$ 19,489	\$ 1,076,953	\$ 196,367	\$ 102,622	\$ 592,948	\$ 11,637	\$208,665	\$ 42	\$ 13,842	\$ 22,368	\$ 30,766	\$12,064,792
	<u>\$ 1,883,565</u>	<u>\$ 7,905,528</u>	<u>\$ 19,489</u>	<u>\$ 1,076,953</u>	<u>\$ 196,367</u>	<u>\$ 102,622</u>	<u>\$ 592,948</u>	<u>\$ 11,637</u>	<u>\$208,665</u>	<u>\$ 42</u>	<u>\$ 13,842</u>	<u>\$ 22,368</u>	<u>\$ 30,766</u>	<u>\$12,064,792</u>

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

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
SDOC General Fund				
Assets				
Cash and cash equivalents	\$ 366,436	\$ 64,772,583	\$ 64,808,946	\$ 330,073
Taxes receivable - net	1,512,547	40,945	-	1,553,492
	<u>\$ 1,878,983</u>	<u>\$ 64,813,528</u>	<u>\$ 64,808,946</u>	<u>\$ 1,883,565</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 1,878,983</u>	<u>\$ 64,813,528</u>	<u>\$ 64,808,946</u>	<u>\$ 1,883,565</u>
SDOC Debt Retirement				
Assets				
Cash and cash equivalents	\$ 8,239,327	\$ 35,385,821	\$ 36,216,343	\$ 7,408,805
Taxes receivable - net	454,280	42,443	-	496,723
	<u>\$ 8,693,607</u>	<u>\$ 35,428,264</u>	<u>\$ 36,216,343</u>	<u>\$ 7,905,528</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 8,693,607</u>	<u>\$ 35,428,264</u>	<u>\$ 36,216,343</u>	<u>\$ 7,905,528</u>
Family Court				
Assets				
Cash and cash equivalents	<u>\$ 22,649</u>	<u>\$ 4,844,840</u>	<u>\$ 4,848,000</u>	<u>\$ 19,489</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 22,649</u>	<u>\$ 4,844,840</u>	<u>\$ 4,848,000</u>	<u>\$ 19,489</u>
Clerk of Court				
Assets				
Cash and cash equivalents	<u>\$ 1,066,703</u>	<u>\$ 3,702,321</u>	<u>\$ 3,692,071</u>	<u>\$ 1,076,953</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 1,066,703</u>	<u>\$ 3,702,321</u>	<u>\$ 3,692,071</u>	<u>\$ 1,076,953</u>
Municipal Tax Fund				
Assets				
Cash and cash equivalents	\$ 31,055	\$ 8,782,087	\$ 8,768,462	\$ 44,680
Taxes receivable - net	151,882	-	195	151,687
	<u>\$ 182,937</u>	<u>\$ 8,782,087</u>	<u>\$ 8,768,657</u>	<u>\$ 196,367</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 182,937</u>	<u>\$ 8,782,087</u>	<u>\$ 8,768,657</u>	<u>\$ 196,367</u>

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

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Magistrate Cash Bond/Juror Fund				
Assets				
Cash and cash equivalents	\$ 16,499	\$ 1,303,336	\$ 1,217,213	\$ 102,622
Liabilities				
Due to other taxing districts and agencies	\$ 16,499	\$ 1,303,336	\$ 1,217,213	\$ 102,622
Tax Collector Property Sold				
Assets				
Cash and cash equivalents	\$ 275,643	\$ 3,373,698	\$ 3,056,393	\$ 592,948
Liabilities				
Due to other taxing districts and agencies	\$ 275,643	\$ 3,373,698	\$ 3,056,393	\$ 592,948
Keowee Fire District				
Assets				
Cash and cash equivalents	\$ 4,593	\$ 709,750	\$ 712,166	\$ 2,177
Taxes receivable - net	9,089	371	-	9,460
	\$ 13,682	\$ 710,121	\$ 712,166	\$ 11,637
Liabilities				
Due to other taxing districts and agencies	\$ 13,682	\$ 710,121	\$ 712,166	\$ 11,637
Sheriff's Office				
Assets				
Cash and cash equivalents	\$ 197,477	\$ 11,347	\$ 159	\$ 208,665
Liabilities				
Due to other taxing districts and agencies	\$ 197,477	\$ 11,347	\$ 159	\$ 208,665
Firemen's Insurance and Inspection Fund				
Assets				
Cash and cash equivalents	\$ 25	\$ 243,598	\$ 243,581	\$ 42
Liabilities				
Due to other taxing districts and agencies	\$ 25	\$ 243,598	\$ 243,581	\$ 42
Probate Judge				
Assets				
Cash and cash equivalents	\$ 13,788	\$ 5,401	\$ 5,347	\$ 13,842
Liabilities				
Due to other taxing districts and agencies	\$ 13,788	\$ 5,401	\$ 5,347	\$ 13,842

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

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
Register of Deeds				
Assets				
Cash and cash equivalents	\$ 37,234	\$ 10,986	\$ 25,852	\$ 22,368
Liabilities				
Due to other taxing districts and agencies	\$ 37,234	\$ 10,986	\$ 25,852	\$ 22,368
Solicitor's Worthless Check Program				
Assets				
Cash and cash equivalents	\$ -	\$ 63,319	\$ 32,553	\$ 30,766
Liabilities				
Due to other taxing districts and agencies	\$ -	\$ 63,319	\$ 32,553	\$ 30,766
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 10,271,429	\$ 123,209,087	\$ 123,627,086	\$ 9,853,430
Taxes receivable - net	2,127,798	83,759	195	2,211,362
	<u>\$ 12,399,227</u>	<u>\$ 123,292,846</u>	<u>\$ 123,627,281</u>	<u>\$ 12,064,792</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 12,399,227</u>	<u>\$ 123,292,846</u>	<u>\$ 123,627,281</u>	<u>\$ 12,064,792</u>

**SUPPLEMENTARY INFORMATION REQUIRED
BY STATE OF SOUTH CAROLINA**

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OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2012

	<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	\$ 25,184	\$ -	\$ 25,184	\$ -
Assessments	18,111	-	11,959	6,152
Surcharges	<u>42,569</u>	<u>-</u>	<u>20,969</u>	<u>21,600</u>
Totals	<u>\$ 85,864</u>	<u>\$ -</u>	<u>\$ 58,112</u>	<u>\$ 27,752</u>
Magistrate Court:				
Fines and Fees	\$ 368,001	\$ 368,001	\$ -	\$ -
Assessments	395,216	-	353,933	41,283
Surcharges	<u>200,034</u>	<u>-</u>	<u>153,306</u>	<u>46,728</u>
Totals	<u>\$ 963,251</u>	<u>\$ 368,001</u>	<u>\$ 507,239</u>	<u>\$ 88,011</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ 2,535
Plus: Amounts allocated for victims' assistance - 7/1/11 - 6/30/12				
Assessments and surcharges			115,763	
Miscellaneous			<u>1,224</u>	<u>116,987</u>
Less: Amounts spent for victims' assistance in the fiscal year 2012 from assessments and surcharges:				
Salaries and benefits				(190,360)
Plus: General fund subsidy				<u>163,608</u>
Balance for victims' assistance - end of year				<u>\$ 92,770</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends Information	75-80
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity Information	81-84
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity Information	85-89
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.	
Demographic and Economic Information	90-93
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	94-100
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

Table 1

Oconee County, South Carolina
Net Assets by Component
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental Activities										
Invested in capital assets, net of related debt	\$ 110,258,142	\$ 109,846,322	\$ 104,968,618	\$ 107,401,916	\$ 106,195,121	\$ 95,790,297	\$ 43,464,806	\$ 31,090,351	\$ 29,641,543	\$ 24,052,990
Restricted	4,805,047	6,607,598	19,344,365	13,906,528	11,265,793	10,196,048	1,382,218	2,048,916	2,327,107	4,091,840
Unrestricted	28,540,516	28,662,046	17,060,527	21,310,360	20,014,132	13,833,247	19,461,663	11,764,876	7,356,900	4,247,343
Total Governmental Activities Net Assets	<u>143,603,705</u>	<u>145,115,966</u>	<u>141,373,510</u>	<u>142,618,804</u>	<u>137,475,046</u>	<u>119,819,592</u>	<u>64,308,687</u>	<u>44,904,143</u>	<u>39,325,550</u>	<u>32,392,173</u>
Business-type Activities										
Invested in capital assets, net of related debt	11,367,562	2,195,987	2,292,824	2,715,788	2,908,740	7,503,708	8,043,088	8,905,344	8,786,497	8,757,999
Unrestricted	1,107,930	3,844,173	3,606,176	3,201,022	3,008,070	5,987,762	5,420,623	4,442,223	4,378,532	7,377,743
Total Business-type Activities Net Assets	<u>12,475,492</u>	<u>6,040,160</u>	<u>5,899,000</u>	<u>5,916,810</u>	<u>5,916,810</u>	<u>13,491,470</u>	<u>13,463,711</u>	<u>13,347,567</u>	<u>13,165,029</u>	<u>16,135,742</u>
Primary Government										
Invested in capital assets, net of related debt	121,625,704	112,042,309	107,261,442	110,117,704	109,103,861	103,294,005	51,507,894	39,995,695	38,428,040	32,810,989
Restricted	4,805,047	6,607,598	19,344,365	13,906,528	11,265,793	10,196,048	1,382,218	2,048,916	2,327,107	4,091,840
Unrestricted	29,648,446	32,506,219	20,666,703	24,511,382	23,022,202	19,821,009	24,882,286	16,207,099	11,735,432	11,625,086
Total Primary Government Net Assets	<u>\$ 156,079,197</u>	<u>\$ 151,156,126</u>	<u>\$ 147,272,510</u>	<u>\$ 148,535,614</u>	<u>\$ 143,391,856</u>	<u>\$ 133,311,062</u>	<u>\$ 77,772,398</u>	<u>\$ 58,251,710</u>	<u>\$ 52,490,579</u>	<u>\$ 48,527,915</u>

Note:

This report is retroactive to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Table 2

Oconee County, South Carolina
Change in Net Assets
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 11,697,494	\$ 11,515,584	\$ 12,779,958	\$ 18,548,180	\$ 16,628,618	\$ 13,295,214	\$ 9,703,484	\$ 10,633,510	\$ 10,684,415	\$ 8,565,435
Public safety	18,483,001	17,597,428	15,735,352	15,313,777	10,671,085	12,018,828	11,385,230	10,442,183	9,275,364	9,420,466
Transportation	7,495,563	7,945,478	6,618,188	5,036,913	5,327,716	693,254	3,073,462	2,590,376	3,031,502	3,624,861
Public works	4,901,973	3,892,013	3,728,944	-	-	-	-	-	-	-
Culture and recreation	3,019,172	2,917,401	2,857,679	2,037,675	3,069,785	2,859,466	3,102,417	2,318,058	2,378,922	2,268,503
Judicial services	2,970,949	2,769,534	2,521,566	2,197,316	2,179,220	2,188,858	2,144,967	2,260,841	2,280,117	1,886,421
Education	1,048,376	1,112,556	972,117	-	-	-	-	-	-	-
Health and welfare	1,262,341	1,293,650	764,810	785,094	790,730	6,009,235	717,572	1,001,238	1,137,429	5,222,929
Economic development	617,995	756,688	553,264	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	899,571	-	-	-
Unallocated interest expense	590,972	313,024	384,690	447,120	445,295	560,882	722,418	1,365,084	918,428	1,010,485
Total Governmental Activities Expenses	52,087,836	50,113,356	46,916,568	44,366,075	39,112,449	37,625,737	31,749,121	30,611,290	29,706,177	31,999,100
<u>Business-type Activities:</u>										
Rock Quarry	2,228,448	2,310,280	2,724,555	2,246,791	2,352,819	2,260,482	2,480,151	1,820,869	1,954,729	1,822,609
FOCUS	18,604	21,245	-	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	4,700,221	4,429,812	3,703,326	3,440,710	3,940,812
Total Business-type Activities Expense	2,247,052	2,331,525	2,724,555	2,246,791	2,352,819	6,960,703	6,909,963	5,524,195	5,395,439	5,763,421
Total Primary Government Expenses	54,334,888	52,444,881	49,641,123	46,612,866	41,465,268	44,586,440	38,659,084	36,135,485	35,101,616	37,762,521
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	699,104	682,115	635,354	4,657,574	5,138,752	4,473,204	4,272,850	2,338,113	1,998,099	1,615,153
Public safety	545,666	581,997	712,860	133,514	153,435	125,180	137,139	572,175	139,713	136,472
Transportation	911,261	689,700	549,140	-	-	-	-	-	-	-
Public works	1,221,323	1,186,979	861,453	-	-	-	-	-	-	-
Culture and recreation	377,337	376,308	348,402	-	-	-	-	274,896	286,017	295,930
Judicial services	1,109,336	1,106,359	1,281,388	1,730	2,460	2,889	1,860	1,108,509	1,104,109	996,250
Education	-	-	-	-	-	-	-	-	-	-
Health and welfare	87,487	-	33,670	-	-	-	-	19,967	19,066	18,711
Economic development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	1,391,801	2,658,014	2,097,997	1,994,989	1,292,982	1,424,205	1,366,838	1,462,414	1,809,439	1,344,873
Capital grants and contributions	1,899,031	3,943,974	4,251,132	2,394,832	2,498,147	898,741	2,149,799	644,983	2,292,924	1,765,114
Total Governmental Activities Program Revenues	8,242,346	11,225,446	10,771,396	9,182,639	9,085,776	6,924,219	7,928,486	6,421,057	7,649,367	6,172,503
<u>Business-type Activities:</u>										
Charges for services										
Rock Quarry	2,854,380	3,242,740	3,404,756	3,037,173	3,082,349	2,771,383	2,993,067	2,985,868	3,294,420	2,917,458
FOCUS	1,110	-	-	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	1,125,509	1,014,610	1,411,017	883,830	774,774
Operating grants and contributions	-	-	-	-	-	-	25,062	7,388	6,853	25,058
Capital grants and contributions	6,455,725	210,434	-	-	-	20,115	-	-	-	-
Total Business-type Activities Program Revenues	9,311,215	3,453,174	3,404,756	3,037,173	3,082,349	3,917,007	4,032,739	4,404,273	4,185,103	3,717,290

Table 2 - Continued

Oconee County, South Carolina
Change in Net Assets
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Total Primary Government Program Revenues	17,553,561	14,678,620	14,176,152	12,219,812	12,168,125	10,841,226	11,961,225	10,825,330	11,834,470	9,889,793
Net (Expense) Revenue										
Governmental Activities	(43,845,490)	(38,887,910)	(36,145,172)	(35,183,436)	(30,026,673)	(30,701,518)	(23,820,635)	(24,190,233)	(22,056,810)	(25,826,597)
Business-type Activities	7,064,163	1,121,649	680,201	790,382	729,530	(3,043,696)	(2,877,224)	(1,119,922)	(1,210,336)	(2,046,131)
Total Primary Government	<u>\$ (36,781,327)</u>	<u>\$ (37,766,261)</u>	<u>\$ (35,464,971)</u>	<u>\$ (34,393,054)</u>	<u>\$ (29,297,143)</u>	<u>\$ (33,745,214)</u>	<u>\$ (26,697,859)</u>	<u>\$ (25,310,155)</u>	<u>\$ (23,267,146)</u>	<u>\$ (27,872,728)</u>
General Revenues and Other Changes in Net Assets										
<u>Governmental Activities:</u>										
Taxes										
Property taxes	\$ 38,093,094	\$ 36,735,928	\$ 35,671,288	\$ 33,947,622	\$ 32,121,201	\$ 30,079,163	\$ 29,468,762 ²	\$ 23,424,084	\$ 21,674,814	\$ 21,322,657
Other taxes and licenses	755,113	874,795	848,922	1,231,011	1,221,173	1,203,630	1,241,952	1,038,757	1,030,042	975,016
Unrestricted grants and contributions	2,286,169	2,577,854	3,038,376	3,639,338	3,816,253	3,431,519	3,119,522	2,992,182	2,955,527	2,931,443
Unrestricted investment earnings	427,725	370,259	498,702	1,061,380	1,485,206	1,523,229	1,117,714	465,943	211,288	579,433
Sale of capital assets	-	-	-	(740,289)	(18,678)	(253,191)	(1,112)	9,048	-	-
Capital contributions	-	-	-	-	-	-	7,567,013	-	-	-
Miscellaneous	137,819	137,299	161,281	287,463	641,535	762,775	4,286,662	541,575	399,956	981,957
Special items	-	944,370	825,000	-	-	-	-	-	-	-
Transfers	633,309	989,861	687,650	900,669	800,878	(2,846,497)	(3,021,235)	1,297,237	1,817,093	(1,799,274)
Total Governmental Activities	<u>42,333,229</u>	<u>42,630,366</u>	<u>41,731,219</u>	<u>40,327,194</u>	<u>40,067,568</u>	<u>33,900,628</u>	<u>43,779,278</u>	<u>29,768,826</u>	<u>28,088,720</u>	<u>24,991,232</u>
<u>Business-type Activities:</u>										
Investment earnings	4,478	9,372	7,449	110,287	111,247	224,958	208,908	98,239	56,716	108,550
Miscellaneous	-	-	-	-	-	-	-	2,501,458 ¹	-	-
Transfers	(633,309)	(989,861)	(687,650)	(900,669)	(800,878)	2,846,497	3,021,235	(1,297,237)	(1,817,093)	1,799,274
Total Business-type Activities	<u>(628,831)</u>	<u>(980,489)</u>	<u>(680,201)</u>	<u>(790,382)</u>	<u>(689,631)</u>	<u>3,071,455</u>	<u>3,230,143</u>	<u>1,302,460</u>	<u>(1,760,377)</u>	<u>1,907,824</u>
Total Primary Government	<u>41,704,398</u>	<u>41,649,877</u>	<u>41,051,018</u>	<u>39,536,812</u>	<u>39,377,937</u>	<u>36,972,083</u>	<u>47,009,421</u>	<u>31,071,286</u>	<u>26,328,343</u>	<u>26,899,056</u>
Change in Net Assets										
Governmental Activities	(1,512,261)	3,742,456	5,586,047	5,143,758	10,040,895	3,199,110	19,958,643	5,578,593	6,031,910	(835,365)
Business-type Activities	<u>6,435,332</u>	<u>141,160</u>	<u>-</u>	<u>-</u>	<u>39,899</u>	<u>27,759</u>	<u>352,919</u>	<u>182,538</u>	<u>(2,970,713)</u>	<u>(138,307)</u>
Total Primary Government	<u>\$ 4,923,071</u>	<u>\$ 3,883,616</u>	<u>\$ 5,586,047</u>	<u>\$ 5,143,758</u>	<u>\$ 10,080,794</u>	<u>\$ 3,226,869</u>	<u>\$ 20,311,562</u>	<u>\$ 5,761,131</u>	<u>\$ 3,061,197</u>	<u>\$ (973,672)</u>

¹ Total is due to a reduction in the post-closure liability estimate.

² Increase due to collection of Duke Energy Corporation taxes.

Note:

This report is retroactive to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Table 3

Oconee County, South Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Fund										
Reserved	\$ -	\$ -	\$ 4,734,890	\$ 590,626	\$ 179,781	\$ 599,901	\$ 679,695	\$ 891,340	\$ 1,663,936	\$ 2,335,930
Unreserved	-	-	19,663,178	22,832,404	18,107,692	12,868,375	13,918,914	10,530,439	8,888,837	7,910,410
Nonspendable	7,473,784	4,824,890	-	-	-	-	-	-	-	-
Restricted	1,401,505	-	-	-	-	-	-	-	-	-
Assigned	8,236,071	7,338,896	-	-	-	-	-	-	-	-
Unassigned	7,521,789	13,008,265	-	-	-	-	-	-	-	-
Total General Fund	<u>24,633,149</u>	<u>25,172,051</u>	<u>24,398,068</u>	<u>23,423,030</u>	<u>18,287,473</u>	<u>13,468,276</u>	<u>14,598,609</u>	<u>11,421,779</u>	<u>10,552,773</u>	<u>10,246,340</u>
All Other Governmental Funds										
Reserved	-	-	18,103,322	11,422,123	11,265,793	10,196,048	1,885,917	1,181,612	2,664,108	6,067,052
Unreserved, reported in:										
Capital projects	-	-	-	2,962,854	4,459,452	965,737	1,026,126	999,227	699,946	670,992
Debt service funds	-	-	-	-	-	-	-	1,193,315	1,950,290	3,836,757
Special revenue funds	-	-	2,471,822	-	-	-	3,847,185	5,646,333	3,798,916	1,189,989
Nonspendable	5,150,854	4,782,659	-	-	-	-	-	-	-	-
Restricted	21,761,098	23,000,044	-	-	-	-	-	-	-	-
Assigned	6,514,510	4,720,626	-	-	-	-	-	-	-	-
Unassigned	(21,702)	(219,951)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>33,404,760</u>	<u>32,283,378</u>	<u>20,575,144</u>	<u>14,384,977</u>	<u>15,725,245</u>	<u>11,161,785</u>	<u>6,759,228</u>	<u>9,020,487</u>	<u>9,113,260</u>	<u>11,764,790</u>
Total Governmental Fund Balance	<u>\$ 58,037,909</u>	<u>\$ 57,455,429</u>	<u>\$ 44,973,212</u>	<u>\$ 37,808,007</u>	<u>\$ 34,012,718</u>	<u>\$ 24,630,061</u>	<u>\$ 21,357,837</u>	<u>\$ 20,442,266</u>	<u>\$ 19,666,033</u>	<u>\$ 22,011,130</u>

Note:

The presentation of fund balance changed in 2011 as a result of the implementation of GASB 54.

Table 4

Oconee County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues										
Property taxes	\$ 38,020,262	\$ 36,666,258	\$ 36,025,326	\$ 33,495,553	\$ 31,864,429	\$ 30,124,122	\$ 29,054,678	\$ 23,424,083	\$ 21,674,813	\$ 21,322,657
Other taxes	502,286	634,857	538,901	-	-	-	-	-	-	-
Intergovernmental	7,065,591	6,245,010	8,038,218	7,783,703	7,963,754	5,840,225	6,920,124	5,207,115	5,851,569	6,619,463
Licenses, permits and fees	2,658,935	2,649,168	3,062,181	3,041,597	3,649,173	3,163,299	2,992,392	2,864,269	2,078,369	1,706,902
Fines and forfeitures	485,898	522,071	582,737	639,085	704,937	581,574	584,120	534,514	574,901	545,475
Charges for services	1,681,043	1,449,809	855,538	-	-	-	-	-	-	-
County airport	-	-	-	475,413	649,305	585,237	570,288	499,601	496,575	408,065
PRT commission	-	-	-	300,169	291,232	271,163	265,049	238,384	251,514	255,405
Fee in lieu of taxes and franchise fees	-	-	-	971,447	771,530	897,146	967,047	776,413	793,200	758,995
Interest and investment income	428,175	370,260	498,704	1,061,380	1,486,802	1,523,229	1,117,714	465,942	211,288	579,431
Miscellaneous and other	612,032	1,581,827	453,342	1,129,037	844,500	942,750	4,399,713	559,655	795,676	379,180
Total Revenues	51,454,222	50,119,260	50,054,947	48,897,384	48,225,662	43,928,745	46,871,125	34,569,976	32,727,905	32,575,573
Expenditures										
General government	13,185,544	12,565,500	12,180,563	17,363,947	17,607,979	12,869,727	11,049,484	10,325,962	10,303,363	8,261,688
Public safety	15,885,097	15,700,587	15,442,607	13,760,420	12,185,492	10,691,330	10,289,924	9,381,796	8,235,944	8,486,939
Transportation	5,906,716	4,756,649	4,522,488	2,524,563	3,730,728	4,206,562	4,377,000	2,293,659	2,710,659	3,276,007
Public works	3,935,370	3,811,897	3,492,000	-	-	-	-	-	-	-
Culture and recreation	2,879,904	2,922,955	2,648,087	3,120,019	2,855,483	2,599,308	2,788,495	2,055,322	2,086,792	2,028,110
Judicial services	2,655,317	2,511,770	2,305,784	2,108,667	2,175,997	1,952,033	1,913,542	2,021,352	2,047,691	1,811,856
Education	1,013,376	1,049,556	972,117							
Health and welfare	682,022	718,538	613,646	638,131	680,787	640,455	675,870	933,955	1,068,048	5,180,992
Economic development	608,382	745,294	353,204	-	-	-	-	-	-	-
Nondepartmental	-	-	-	-	-	-	899,571	-	-	-
Capital outlay	2,720,372	9,871,923	6,275,299	4,269,999	5,209,551	2,698,752	3,836,198	6,953,668	8,334,381	10,441,404
Debt service										
Principal retirement	2,889,220	2,255,273	1,979,987	1,902,090	1,539,768	2,681,649	5,735,001	1,590,939	2,860,858	2,254,623
Interest and fiscal charges	815,861	393,536	376,340	447,120	460,619	555,532	828,607	1,353,157	1,084,336	867,458
Bond issue costs	-	195,907	-	-	-	-	-	-	12,622	29,414
Total Expenditures	53,177,181	57,499,385	51,162,122	46,134,956	46,446,404	38,895,348	42,393,692	36,909,810	38,744,694	42,638,491
Excess of Revenues Over										
(Under) Expenditures	(1,722,959)	(7,380,125)	(1,107,175)	2,762,428	1,779,258	5,033,397	4,477,433	(2,339,834)	(6,016,789)	(10,062,918)

Table 4 - Continued

Oconee County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Other Financing Sources (Uses)										
Sale of capital assets	42,326	57,868	18,307	132,196	13,210	1,085,324	13,472	9,915	-	-
Contributions - capital assets	-	-	-	-	-	-	-	108,915	1,254,599	467,847
Insurance recoveries	14,992	-	74,504	-	-	-	-	-	-	-
Bonds and capital leases	1,614,812	22,300,000	3,500,000	-	1,477,683	-	-	1,700,000	600,000	7,677,015
Bond premium	-	981,266	-	-	-	-	-	-	-	2,750
Payments to refunding bonds escrow	-	(5,411,024)	-	-	-	-	-	-	-	-
Transfer in	850,452	7,282,318	6,772,402	3,535,668	9,062,204	8,918,044	2,899,534	4,840,005	7,805,463	2,304,753
Transfer out	(217,143)	(6,292,456)	(6,084,752)	(2,634,999)	(8,261,326)	(11,764,541)	(5,920,769)	(3,542,768)	(5,988,370)	(4,104,027)
Total Other Financing Sources (Uses)	2,305,439	18,917,972	4,280,461	1,032,865	2,291,771	(1,761,173)	(3,007,763)	3,116,067	3,671,692	6,348,338
Special Items										
Gain on sale of land	-	944,370	-	-	-	-	-	-	-	-
Courthouse settlement	-	-	825,000	-	-	-	-	-	-	-
Total Special Items	-	944,370	825,000	-	-	-	-	-	-	-
Net Change in Fund Balance	\$ 582,480	\$ 12,482,217	\$ 3,998,286	\$ 3,795,293	\$ 4,071,029	\$ 3,272,224	\$ 1,469,670	\$ 776,233	\$ (2,345,097)	\$ (3,714,580)
Debt Service as a Percentage of Noncapital Expenditures*	7.78%	6.12%	5.54%	5.80%	4.85%	8.94%	17.02%	9.83%	13.01%	9.79%

* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net assets) and expenditures for capitalized assets included within the functional expenditure categories. This formula adds "functional" and "principal" and divides them by the "total expenditures" minus the "capital outlay."

Note:

Revenue categories changed for fiscal year ended June 30, 2003 as a result of GASB 34 implementation.

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.

Table 5

Oconee County, South Carolina
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2003	153,714,440	42,937,485	153,188,478	349,840,403	63.3	5,794,628,310	6.04%
2004	163,279,640	41,923,931	136,897,152	342,100,723	65.8	6,001,869,805	5.70%
2005	173,662,370	42,187,445	136,610,252	352,460,067	68.5	6,126,381,738	5.75%
2006	183,221,480	40,272,285	183,827,876	407,321,641	73.5	6,925,984,344	5.88%
2007	255,586,460	39,243,746	141,572,055	436,402,261	70.4	7,787,962,417	5.60%
2008	274,733,180	39,153,407	143,279,238	457,165,825	70.2	8,240,526,066	5.55%
2009	295,542,685	37,818,501	139,742,088	473,103,274	70.2	8,465,109,305	5.59%
2010	309,318,820	34,204,632	141,652,366	485,175,818	67.3	8,780,990,487	5.53%
2011	308,416,974	32,632,445	173,553,229	514,602,648	70.0	8,896,160,854	5.78%
2012	313,231,359	41,706,217	163,031,512	517,969,088	71.9	9,021,922,673	5.74%

Source: Oconee County Auditor

Note:

Property in the County was reassessed in fiscal year ended June 30, 2007.

Table 6

Oconee County, South Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Oconee County Direct Rates										
Operating	58.9	61.1	63.9	64.1	64.1	64.3	68.0	64.0	61.8	54.7
Debt service	6.0	1.9	1.4	4.1	4.1	4.1	4.5	3.5	3.0	7.6
Economic development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bridges and culverts	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-	-
Tri-County Tech operations	2.1	2.1	2.7	2.1	2.1	2.6	2.1	2.1	2.2	1.8
Total County Millage	69.0	67.1	70.0	72.3	72.3	73.0	75.6	70.6	68.0	65.1
Overlapping Rates										
School District										
Operating	101.4	107.1	111.4	110.5	109.8	113.0	123.0	120.5	126.0	117.3
Debt service	31.0	31.0	31.0	31.0	31.0	18.0	18.0	13.9	11.0	14.6
Total School Millage	132.4	138.1	142.4	141.5	140.8	131.0	141.0	134.4	137.0	131.9
Special District Rates										
City of Seneca	52.3	52.3	52.3	52.3	50.0	50.0	50.0	50.0	50.0	50.0
City of Salem	32.4	32.4	32.4	31.0	30.0	30.0	30.0	30.0	30.0	30.0
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	42.0	41.3	41.3	40.3	39.0	39.0	39.0	39.0	39.0	39.0
City of Westminster	90.7	90.7	90.7	90.7	88.0	88.0	88.0	88.0	88.0	88.0
Emergency Services Protection District	2.9	2.9	2.9	2.9	2.9	-	-	-	-	-
Keowee Fire Special District	14.5	14.4	14.5	13.5	14.0	13.7	14.5	14.5	14.5	-
Total Direct and Overlapping Rates	520.2	523.2	530.5	528.5	521.0	508.7	522.1	510.5	510.5	488.0

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 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).

Table 7

Oconee County, South Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 143,386,470	1	27.68%	\$ 118,160,010	1	33.78%
Blue Ridge Electric Co-op Inc.	5,930,310	2	1.14%	4,554,900	3	1.30%
Sandvik, Inc.	4,281,005	3	0.83%			
Itron, Inc.	3,528,060	4	0.68%			
BASF Corporation	3,485,820	5	0.67%			
Cryovac, Inc.	2,797,590	6	0.54%	4,536,040	4	1.30%
Bellsouth Telecom, Inc.	2,352,000	7	0.45%	3,408,030	5	0.97%
BorgWarner Drivetrain Systems	2,351,392	8	0.45%			
High Point, LLC	1,997,960	9	0.39%			
Johnson Controls Battery	1,609,000	10	0.31%			
Westpoint Stevens, Inc.				6,357,501	2	1.82%
Engelhard Corporation				3,295,970	6	0.94%
Crescent Resources, Inc.				2,514,980	7	0.72%
Square D Co.				2,193,950	8	0.63%
Valenite, Inc.				1,928,710	9	0.55%
US Engine Valve Company				1,742,190	10	0.50%
Total	<u>\$ 171,719,607</u>		<u>33.14%</u>	<u>148,692,281</u>		<u>42.51%</u>

Source: Oconee County Auditor

Table 8

Oconee County, South Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	23,694,113	21,287,292	89.84%	419,972	21,707,264	91.61%
2004	23,698,683	21,766,648	91.85%	645,300	22,411,948	94.57%
2005	23,967,285	23,150,413	96.59%	574,694	23,725,107	98.99%
2006	29,734,480	28,537,940	95.98%	898,377	29,436,317	99.00%
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%	1,508,064	37,408,057	100.45%

Source: Oconee County Treasurer

Table 9

Oconee County, South Carolina
Ratio 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 ¹	Per Capita ¹
	General Obligation	Special Source	Capital	Revenue	State Revolving	Capital			
	Bonds	Revenue Bonds	Leases	Bond	Fund Loan	Leases			
2003	19,215,000	231,127	2,919,464	-	-	-	22,365,591	1.2%	325
2004	17,165,000	772,639	2,167,094	-	-	-	20,104,733	1.1%	289
2005	15,940,000	716,394	3,082,399	-	-	-	19,738,793	1.0%	280
2006	11,415,000	640,977	1,947,815	-	-	-	14,003,792	0.7%	196
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	n/a	146
2011	21,480,000	3,500,000	617,659	-	-	-	25,597,659	n/a	345
2012	19,080,000	3,315,000	1,928,251	-	-	-	24,323,251	n/a	327

Source: Oconee County Finance Department

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

Note:

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

Table 10

Oconee County, South Carolina
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ¹	Per Capita ²
	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total		
2003	19,215,000	3,836,757	15,378,243	4.40%	223
2004	17,165,000	2,302,062	14,862,938	4.34%	214
2005	15,940,000	1,193,315	14,746,685	4.18%	209
2006	11,415,000	1,382,218	10,032,782	2.46%	140
2007	10,275,000	1,613,985	8,661,015	1.98%	120
2008	9,075,000	1,880,690	7,194,310	1.57%	98
2009	7,800,000	2,210,845	5,589,155	1.18%	76
2010	6,465,000	1,607,112	4,857,888	1.00%	65
2011	21,480,000	1,218,659	20,261,341	3.94%	273
2012	19,080,000	1,235,487	17,844,513	3.45%	240

Source: Oconee County Finance Department

¹ See the table for Assessed Value and Estimated Actual Value of Taxable Property for total taxable assessed value used for these calculations.

² See the table for Demographic and Economic Statistics for the population used for these calculations.

Note:

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

Table 11

Oconee County, South Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Jurisdiction	Debt Outstanding	Estimated Percent Applicable ¹	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Oconee County	\$ 24,323,251	100.00%	<u>\$ 24,323,251</u>
Overlapping Debt:			
School District of Oconee County	48,830,000	100.00%	48,830,000
<u>Incorporated Municipalities</u>			
Town of Westminster	308,511	1.24%	3,640
Town of West Union	-	0.34%	-
Town of Salem	-	0.15%	-
City of Walhalla	-	1.52%	-
City of Seneca	-	6.46%	-
<u>Special Purpose District</u>			
Keowee Fire District	910,000	8.56%	77,896
Total Overlapping Debt			<u>48,911,536</u>
Total Direct and Overlapping Debt			<u><u>\$ 73,234,787</u></u>

Sources: Oconee County Auditor

¹ Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to the valuation of property subject to taxation in the County.

Table 12

Oconee County, South Carolina
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed valuation	\$ 517,969,088
Debt limit - 8 percent of total assessed value	\$ 41,437,527
Debt applicable to limit:	
General obligation bonds	19,080,000
Less: amount set aside for repayment of general obligation bonds	<u>(1,235,487)</u>
Debt qualifying for margin	<u>17,844,513</u>
Legal debt margin	<u><u>\$ 23,593,014</u></u>

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
∞ Debt Limit*	<u>\$ 41,437,527</u>	<u>\$ 41,168,212</u>	<u>\$ 38,814,065</u>	<u>\$ 37,768,262</u>	<u>\$ 36,573,266</u>	<u>\$ 34,912,181</u>	<u>\$ 32,585,731</u>	<u>\$ 28,186,805</u>	<u>\$ 27,368,058</u>	<u>\$ 28,012,006</u>
Total Net Debt Applicable to Limit	<u>17,844,513</u>	<u>20,261,341</u>	<u>4,857,888</u>	<u>5,589,155</u>	<u>7,194,310</u>	<u>8,661,015</u>	<u>10,032,782</u>	<u>15,940,000</u>	<u>17,165,000</u>	<u>19,215,000</u>
Legal Debt Margin	<u><u>\$ 23,593,014</u></u>	<u><u>\$ 20,906,871</u></u>	<u><u>\$ 33,956,177</u></u>	<u><u>\$ 32,179,107</u></u>	<u><u>\$ 29,378,956</u></u>	<u><u>\$ 26,251,166</u></u>	<u><u>\$ 22,552,949</u></u>	<u><u>\$ 12,246,805</u></u>	<u><u>\$ 10,203,058</u></u>	<u><u>\$ 8,797,006</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	43.06%	49.22%	12.52%	14.80%	19.67%	24.81%	30.79%	56.55%	62.72%	68.60%

Source: Oconee County Auditor and Oconee County Treasurer

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

Note:

Under South Carolina State 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.

Table 13

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 ¹	Interest	Total	
2003	n/a	n/a	n/a	n/a	n/a
2004	n/a	n/a	n/a	n/a	n/a
2005	n/a	n/a	n/a	n/a	n/a
2006	n/a	n/a	n/a	n/a	n/a
2007	n/a	n/a	n/a	n/a	n/a
2008	n/a	n/a	n/a	n/a	n/a
2009	n/a	n/a	n/a	n/a	n/a
2010	n/a	n/a	n/a	n/a	n/a
2011	127,458	-	127,458	127,458	1.00
2012	346,000	185,000	161,000	346,000	1.00

Source: Oconee County Finance Department

¹ Principal payments were not scheduled in the period in which the debt was issued nor in the subsequent.

Note:

Bonds were issued June 16, 2010. Fee in lieu of taxes are the funding source for this bond. Additional details regarding the County's outstanding debt can be found on the notes to the financial statements.

Table 14

Oconee County, South Carolina
Demographic and Economic Statistics
Last Ten Years

Year	Population ¹	Personal Income* ³	Per Capita Personal Income ³	Median Age ¹	School Enrollment ⁴	Unemployment Rate ²
2003	68,900	1,789,340	26,257	39.5	10,097	7.5%
2004	69,615	1,888,562	27,525	40.3	10,344	7.4%
2005	70,581	1,952,432	28,177	40.6	10,406	8.7%
2006	71,490	2,101,697	30,047	40.9	10,474	8.8%
2007	72,407	2,218,736	31,388	41.3	10,411	6.8%
2008	73,089	2,342,766	32,954	41.6	10,377	7.3%
2009	73,829	2,324,139	32,499	42.4	10,402	13.4%
2010	74,273	n/a	n/a	43.4	10,629	11.8%
2011	74,300	n/a	20,907	n/a	10,570	11.9%
2012	74,418	2,378,718	31,964	43.4	10,564	10.1%

Sources: ¹ US Census Bureau, Population Division

² US Department of Labor, Bureau of Labor Statistics

³ US Department of Commerce, Bureau of Economic Analysis

⁴ School District of Oconee County, SC

* in thousands of dollars

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.

Table 15

Oconee County, South Carolina
Principal Employers
Current Year and Nine Years Ago

Company or Organization	2012			2003		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
School District of Oconee County	1,607	1	7.39%	1,650	3	6.74%
Duke Energy Corporation	1,459	2	6.71%	1,770	2	7.24%
Oconee Medical Center	1,409	3	6.48%	974	5	3.98%
Schneider Electric - Square D	600	4	2.76%	500	9	2.04%
BorgWarner Automotive, Inc.	590	5	2.71%			
Covidien	578	6	2.66%			
Itron, Inc.	550	7	2.53%			
Oconee County Government	493	8	2.27%	447	10	1.83%
Koyo Bearings USA, LLC	460	9	2.11%			
BASF Catalysts, LLC	410	10	1.88%			
Westpoint Stevens, Inc. - Finishing				2,000	1	8.18%
SC State Budget and Control Board				1,089	4	4.45%
Westpoint Stevens, Inc. - Fabrication				866	6	3.54%
Schlumberger Electricity, Inc.				855	7	3.50%
Dunlop Slaxenger Group				600	8	2.45%
	<u>8,156</u>		<u>37.50%</u>	<u>10,751</u>		<u>43.95%</u>

Source: SC Appalachian Council of Governments

Table 16

Oconee County, South Carolina
County Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Administrator	3	2	2	2	2	2	3	4	2	2
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	11	11	10	10	11	11	10	10	10	10
Finance	7	8	9	8	8	7	7	7	8	7
Human Resources	4	4	4	4	4	5	5	5	5	5
Information Technology	12	9	10	8	8	13	11	11	9	3
Planning	2	3	3	3	4	3	2	2	2	2
Procurement	3	3	3	3	3	4	4	5	5	5
Register of Deeds	4	4	4	5	5	5	5	5	5	5
Registration and Elections	2	2	2	2	2	2	2	2	2	2
Vehicle Maintenance	14	14	14	14	15	15	15	16	15	15
Assessor	18	18	17	21	18	14	14	13	13	15
Auditor	7	7	7	7	7	7	7	7	6	16
Delinquent Tax Collector	3	3	3	3	3	4	4	4	4	4
Treasurer	7	7	7	7	6	6	6	6	6	6
Public Safety										
Animal Control	6	6	6	6	6	6	6	5	3	3
Building Codes	7	9	9	11	11	10	10	9	9	10
Communications	22	18	18	18	18	19	17	17	16	16
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	31	36	36	36	28	27	25	25	25	25
Emergency Services	20	13	12	16	3	3	3	4	3	3
Rural Fire	-	-	-	-	4	4	4	4	4	3
Sheriff's Office	88	87	90	89	87	88	84	83	80	80
Transportation										
Airport	4	5	5	5	5	5	5	5	5	5
Roads and Bridges	36	38	38	38	38	37	37	36	40	39

Table 16 - Continued

Oconee County, South Carolina
County Employees by Function
Last Ten Fiscal Years

	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Judicial Services										
Clerk of Court	10	10	10	10	11	10	10	10	10	9
Magistrate	9	9	9	9	9	9	9	10	11	11
Probate Court	6	7	6	6	5	5	5	5	5	5
Solicitor	10	10	10	8	7	7	6	6	6	6
Health and Welfare										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veteran's Affairs	3	3	3	3	3	3	3	3	3	2
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	36	36	36	39	42	43	43	49	49	49
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	18
Parks, Recreation, and Tourism	13	13	14	13	13	13	10	15	14	14
Economic Development	4	3	2	2	2	2	2	2	2	2
Enterprise Fund										
Rock Quarry	15	16	16	16	16	17	17	18	17	17
	<u>439</u>	<u>436</u>	<u>437</u>	<u>444</u>	<u>426</u>	<u>428</u>	<u>413</u>	<u>425</u>	<u>416</u>	<u>418</u>

Source: Oconee County Human Resources

Note:

The above counts are based on the actual number of employees at each fiscal year-end.

Table 17

Oconee County, South Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
County Council										
Regular meetings	30	24	22	24	22	24	24	24	24	24
Special meetings	12	14	15	14	15	8	6	6	4	4
Finance										
Accounts payable disbursements	10,775	10,338	10,869	10,939	10,767	10,516	9,541	10,100	10,025	8,864
Payroll disbursements	12,606	13,103	12,427	12,298	12,753	12,532	11,530	11,858	11,619	11,334
Human Resources										
Applications processed	2,652	3,300	3,148	2,832	2,621	2,568	1,656	2,182	1,503	n/a
Terminations	105	115	108	90	62	72	72	80	65	n/a
Planning										
Land use/Subdivision reviews	400	95	150	209	156	154	n/a	n/a	n/a	n/a
Procurement										
Number of requests for proposals (RFP)	13	15	5	8	7	2	8	6	n/a	15
Number of purchase orders	843	900	1,180	1,002	1,020	875	698	712	n/a	12
Register of Deeds										
Recorded documents	16,074	15,540	16,229	15,832	20,226	23,458	23,884	21,758	23,761	21,819
Registration and Elections										
Current registered voters	43,465	n/a	46,785	50,000	44,233	39,244	38,391	36,076	33,076	n/a
Vehicle Maintenance										
Repair orders processed	2,300	2,580	2,400	1,272	2,600	2,640	2,421	2,800	2,700	n/a
Assessor										
Assessment appeals processed	1,200	12,000	1,205	500	800	6,500	6,500	800	n/a	n/a
Auditor										
Real estate, vehicle, and business property notices	150,500	159,000	156,190	148,031	145,712	141,037	n/a	n/a	n/a	n/a
Temporary tags	1,200	1,040	1,144	1,167	1,223	1,272	n/a	n/a	n/a	n/a
Board of Assessment and Appeals										
Appeals filed	n/a	61	25	100	180	131	8	7	7	179
Hearings held	38	30	6	29	-	25	3	2	1	75
Delinquent Tax Collector										
Records processed	6,805	8,645	8,080	7,551	6,892	9,085	5,955	5,094	5,097	n/a
Treasurer										
Tax notices mailed	159,611	152,011	151,974	n/a	n/a	129,137	141,805	145,900	n/a	n/a

Table 17 - Continued

Oconee County, South Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety										
Animal Control										
Animals received	4,000	5,300	5,241	5,434	5,433	5,198	5,234	5,198	5,234	n/a
Animals adopted	1,000	1,200	1,029	965	767	721	n/a	n/a	n/a	n/a
Building Codes										
Permits issued	1,208	1,000	1,000	1,338	2,207	1,667	2,100	2,197	2,200	1,996
Coroner (Based on a calendar year.)										
Deaths	575	560	559	547	496	366	362	329	198	195
Detention Center										
Average daily population	n/a	162	161	159	154	139	130	118	96	86
Emergency Services (Based on a calendar year.)										
Medical rescue call responses	4,800	4,090	4,521	4,509	4,379	4,457	4,538	4,511	4,606	4,052
Special rescue call responses	10	30	53	62	31	29	36	32	31	28
Fire call responses	n/a	n/a	3,330	2,133	1,306	1,812	2,254	2,278	2,320	n/a
Hazardous material call responses	n/a	20	32	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sheriff's Office										
Service calls	42,000	37,000	35,519	37,666	48,000	n/a	n/a	n/a	n/a	n/a
Arrest warrants served	3,442	3,500	3,407	3,700	3,382	3,548	3,840	2,236	2,867	n/a
Transportation										
Roads and Bridges										
Work orders	5,450	7,000	7,262	6,938	2,775	4,849	2,514	1,900	1,467	n/a
Tons of gravel hauled	30,500	39,000	44,198	32,763	42,400	42,007	42,007	35,006	n/a	n/a
Judicial Services										
Clerk of Court										
Foreclosure auctions	300	420	393	63	118	138	138	177	182	n/a
Cases processed	5,450	6,810	6,147	3,966	6,810	6,769	6,769	7,130	6,005	n/a
Magistrate										
Municipal arrest warrants	1,730	2,034	2,236	1,162	6,670	5,526	4,753	5,524	3,575	n/a
Municipal traffic ticket cases	10,305	13,461	14,903	7,250	11,752	9,794	10,297	9,996	7,641	n/a

Table 17 - Continued

Oconee County, South Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Health and Welfare										
Department of Social Services										
Food stamps cases	5,223	4,450	4,390	3,800	3,100	2,975	2,787	2,460	n/a	n/a
Child protective services investigations	175	270	259	213	310	368	331	271	n/a	n/a
Public Works										
Solid Waste										
Municipal solid waste (MSW) tons	35,800	36,750	34,101	36,779	37,773	35,816	36,880	39,641	40,441	38,764
Construction and demolition (C&D) tons	17,500	17,500	17,905	21,308	25,014	23,440	19,594	20,393	15,549	13,638
Culture and Recreation										
Library										
Computer users	54,000	59,330	54,441	44,556	39,838	27,880	25,344	20,143	17,725	7,950
Registered patrons	42,267	41,258	37,370	32,941	33,428	33,131	41,665	38,329	35,007	31,865
Enterprise Fund										
Rock Quarry										
Tons shot	480,000	450,000	392,630	499,084	552,517	489,316	481,097	479,907	469,105	446,261
Tons sold/used	460,000	458,000	497,819	452,608	493,165	435,554	488,917	446,835	493,263	413,715

Source: Oconee County Finance 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 2011.

Table 18

Oconee County, South Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Nondepartmental										
Buildings	4	4	4	4	4	4	4	4	4	1
Heavy equipment	3	3	3	5	5	5	5	5	5	5
Land (acres)	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912
Vehicles	48	46	48	58	45	47	41	41	37	35
Culture and Recreation										
Non-Departmental										
Buildings	-	-	-	1	1	1	1	1	1	1
Land (acres)	-	-	-	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Library										
Buildings - branches	3	3	3	3	3	3	3	3	3	3
Land (acres)	2.705	2.705	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59
Vehicles	2	2	2	2	2	1	1	1	1	1
Parks, Recreation, and Tourism										
Buildings	18	17	18	18	18	18	18	17	17	16
Heavy equipment	5	5	4	4	4	3	3	3	3	3
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	12	10	12	10	10	10	10	9
Economic Development										
Economic Development										
Buildings	2	2	1	1	1	1	1	1	1	1
Land (acres)	3.331	3.331	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles	1	1	1	1	1	1	1	1	-	-
Land (acres) for Resale										
Echo Hills Park Land (acres)	406.71	406.71	-	-	-	-	-	-	-	-
Golden Corner Commerce Center Land (acres)	397.226	397.226	397.226	397.226	397.226	397.226	397.226	-	-	-
Oconee County Commerce Center Park Land (acres) (industrial acreage for resale)	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17
Propex Property Land (acres)	111.082	-	-	-	-	-	-	-	-	-

Table 18 - Continued

Oconee County, South Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Health and Welfare										
Nondepartmental										
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
Department of Social Services										
Buildings	1	1	1	1	1	1	-	-	-	-
Land (acres)	9.472	9.472	9.472	9.472	9.472	9.472	-	-	-	-
Health Department										
Buildings	2	2	2	2	2	2	2	2	2	2
Land (acres)	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198
Judicial Services										
Nondepartmental										
Buildings	3	3	3	3	3	3	3	3	3	3
Land (acres)	3.337	3.337	3.337	3.337	3.337	3.337	3.337	3.337	3.337	3.337
Magistrate										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Vehicles	2	1	1	2	2	2	2	2	2	2
Solicitor										
Vehicles	1	2	2	1	2	1	1	1	1	1

Table 18 - Continued

Oconee County, South Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Public Safety										
Nondepartmental										
Buildings	3	4	4	4	4	4	3	3	3	2
Land (acres)	11.71	11.71	11.486	11.486	11.486	11.486	11.486	11.486	11.486	11.486
Vehicles	9	11	9	1	3	3	2	2	2	2
Animal Control										
Buildings	2	2	2	2	1	1	1	1	1	1
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Vehicles	9	8	8	8	8	6	6	6	7	6
Coroner										
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	0.25	0.25	0.25
Vehicles	1	1	1	1	2	2	1	1	1	1
Emergency Services ¹										
Buildings	2	2	2	2	2	2	2	2	2	3
Patrol boats	3	3	3	3	3	3	1	1	-	-
Vehicles	110	103	96	91	87	82	85	77	74	74
Sheriff's Department										
Aircraft	1	1	1	1	-	-	-	-	-	-
Buildings	1	1	1	1	1	1	1	1	-	-
Patrol boats	2	2	2	2	1	1	1	1	1	1
Vehicles	118	119	122	120	118	106	94	82	73	64
Public Works										
Solid Waste ^{2 3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Construction and demolition landfill facilities	2	2	2	2	2	2	2	2	2	2
Closed municipal solid waste (MSW) land (acres) fill facilities	1	1	1	1	1	1	1	1	1	1
Heavy equipment	17	16	16	16	15	12	10	10	9	9
Vehicles	18	16	17	16	16	15	15	14	11	9

Table 18 - Continued

Oconee County, South Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Transportation										
Airport										
Buildings	4	4	4	5	5	5	5	5	5	5
Heavy equipment	1	1	1	1	1	-	-	-	-	-
Land (acres)	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216
Vehicles	6	6	6	7	7	6	5	6	6	6
Roads and Bridges										
Buildings	4	4	4	4	4	4	2	2	2	2
Heavy equipment	62	55	54	49	45	38	37	37	35	35
Land (acres)	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836
Vehicles	46	51	49	53	53	47	45	45	41	41
Enterprise Funds										
FOCUS										
Vehicles	1	1	-	-	-	-	-	-	-	-
Rock Quarry										
Buildings	3	4	4	4	4	4	4	4	4	2
Heavy equipment	18	19	18	25	24	21	21	21	19	19
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429
Vehicles	12	12	10	15	13	12	11	12	11	10

Source: Oconee County Finance Department

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

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

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

Note:

This report is retroactive to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

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COMPLIANCE SECTION

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SINGLE AUDIT SECTION

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

Oconee County Council
Oconee County
Walhalla, South Carolina

We have audited 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, 2012, which collectively comprise Oconee County's basic financial statements and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

We noted certain matters that we reported to the management of Oconee County, South Carolina in a separate letter dated December 21, 2012.

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

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
December 21, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

Oconee County Council
Oconee County
Walhalla, South Carolina

Compliance

We have audited the compliance of Oconee County, South Carolina with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Oconee County, South Carolina complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
December 21, 2012

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
US Department of Agriculture			
Passed through the SC State Treasurer's Office			
Secure Payments for States and Counties Containing Federal Land	10.665		\$ 224,567
			<u>224,567</u>
US Department of Commerce			
ARRA - Broadband Technology Opportunities Program	11.557	NT10BIX5570117	6,452,604
			<u>6,452,604</u>
US Department of Justice			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2797	12,458
			<u>12,458</u>
US Department of Transportation			
Airport Improvement Program	20.106	3-45-0016-016-2008	6,050
Airport Improvement Program	20.106	3-45-0016-017-2008	28,523
Airport Improvement Program	20.106	3-45-0016-019-2009	224,505
Passed through the SC Department of Aeronautics			
Airport Improvement Program	20.106	3-45-4500-014-2010	116,900
Passed through the SC Department of Public Safety			
State and Community Highway Safety	20.600	2JC11010	11,860
State and Community Highway Safety	20.600	2JC12010	8,051
			<u>395,889</u>
Institute of Museum and Library Services			
Passed through the SC State Library			
Grants to States	45.310	IID-10-25	650
Grants to States	45.310	IIIA-11-23	750
Grants to States	45.310	IID-10-47	184
Grants to States	45.310	IID-11-04	20,607
			<u>22,191</u>
US Department of Energy			
Passed through the SC Energy Office			
ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	EAP-03	3,317
			<u>3,317</u>
US Homeland Security Administration			
Passed through the SC Emergency Management Division			
Emergency Management Performance Grants	97.042	10EMPG01	10,652
Emergency Management Performance Grants	97.042	11EMPG01	43,244
Passed through the SC State Law Enforcement Division			
Buffer Zone Protection Program	97.078	7BZPP02	8,753
Citizens Corp	97.067	09SHSP51	2,767
			<u>65,416</u>

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

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures
US Department of Health and Human Services			
Passed through the SC Department of Social Services			
Child Support Enforcement - Service of Process	93.563	G1201SC1401	10,428
Child Support Enforcement - Unit Cost	93.563	G1201SC1401	119,406
Child Support Enforcement - Incentive	93.563	G1201SC1401	35,524
Child Support Enforcement - Filing Fees	93.563	G1201SC1401	21,450
County Administrative Expense (Food and Nutrition Services)	10.561	N/A	23,364
County Administrative Expense (Family Preservation)	93.556	N/A	252
County Administrative Expense (Temporary Assistance for Needy Families)	93.558	N/A	30,179
County Administrative Expense (Child Support Enforcement)	93.563	N/A	40
County Administrative Expense (Child Care and Development Block Grant)	93.575	N/A	382
County Administrative Expense (Child Welfare Services - State Grant)	93.645	N/A	1,329
County Administrative Expense (Foster Care- Title IV E)	93.658	N/A	12,281
County Administrative Expense (Social Services Block Grant)	93.667	N/A	7,439
County Administrative Expense (Medicaid Assistance Program - Administrative)	93.778	N/A	19,800
County Administrative Expense (Non-Federal Food and Nutrition Services)	N/A	N/A	5,597
			<u>287,471</u>
Total Expenditures of Federal Awards			<u>\$ 7,463,913</u>

See accompanying note to schedule of expenditures of federal awards.

OCONEE COUNTY, SOUTH CAROLINA
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the activity of all federal financial assistance programs of Oconee County, South Carolina for the year ended June 30, 2012. The Schedule is presented on the accrual basis of accounting in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Oconee County, South Carolina.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting.
3. No instances of noncompliance material to the financial statements of Oconee County, South Carolina, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Internal Control Over Compliance.
5. The auditors' report on compliance for the major federal award program for Oconee County, South Carolina expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

Program Name	CFDA Number
ARRA - Broadband Technology Opportunities Program	11.557

8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. Oconee County, South Carolina did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS

None