



OCONEE COUNTY, SOUTH CAROLINA COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

PREPARED BY THE FINANCE DEPARTMENT:

**SCOTT MOULDER
COUNTY ADMINISTRATOR**

**MARK PULLIUM
DIRECTOR OF ADMINISTRATIVE SERVICES**

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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INTRODUCTORY SECTION

T. Scott Moulder
County Administrator

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



December 23, 2013

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, 2013, 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, 2013. 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 Mauldin & Jenkins, Certified Public Accountants. The auditors issued an unqualified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2013. 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 74,627.

Oconee County has operated under the county-administrator form of government since 2003. 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.

During the fiscal year ended June 30, 2013, the county's economy had produced one hundred and nineteen new commerce announced jobs. In fact, Oconee County is the only county in the upstate region of South Carolina that demonstrated a positive growth in jobs during the recession period of 2008-2012. This fact certainly provides hope that our local economy is improving but at a slower pace than desired. To further stimulate economic activity and create new jobs, Oconee County is partnering with The City of Seneca to finalize an extension of sewer infrastructure into the unincorporated portion of the County. This extension will allow the development of an industrial commerce center located just a few miles from Interstate 85. It is believed this property will become prime business property once the infrastructure is complete. Known as Golden Corner Commerce Park, the development site has approximately 285 acres and will give local businesses ready access to the metropolitan areas of several major cities including: Atlanta, Georgia; Charlotte, North Carolina; and Greenville/Spartanburg in South Carolina. This opportunity became possible with the passage of a sewer referendum in the fall of 2012 by the citizens of Oconee County.

As part of the County's economic planning effort, the County continued development of the Oconee Industry and Technology Park with clearing and grading well underway during the fiscal year ended June 30, 2013. The County plans include the development of two "pad ready" sites for potential user(s). This investment is designed to have infrastructure sites readily available for attracting potential business investment in Oconee County and thereby create new jobs that help diversify and strengthen the County's job base.

Unfortunately, Oconee County has one significant business that is planning to relocate its' operations to Costa Rica sometime in 2015. Covidien announced plans in 2012 to begin the closure of the Seneca location by the end of 2015. The County and many other officials from the area worked hard to avoid this, but due to global economic factors the decision could not have been altered. Even with this announced closure, the County has seen overall positive job growth due to the addition of A.I.D. Company and expansion efforts of Borgwarner and other existing industries, as evidenced by the reduced unemployment rate of 7.5% in October, 2013.

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.

During May of 2013, the County made a significant financial decision regarding the retiree health plan benefits. Beginning in January of 2014, the County will no longer provide medical coverage through its self-funded health insurance to county retirees. However, the County will provide a defined contribution of a predetermined amount each month to eligible retirees into a Retiree Health Reimbursement Account for qualifying medical expenses. Further, the County negotiated a deal with The Hartford Company to provide a Medicare supplement plan for retirees who would like to use it. In addition, the County changed the eligibility requirements for future retirees which further reduced the County's financial liability. These changes reduced the unfunded liability for other post-employment benefits by approximately \$21 million.

Also, during the fiscal year ending June 30, 2013, the county successfully negotiated changes on its self-funded health insurance plan with a new third party administrator which had a wider network of medical providers in South Carolina. The financial impact of the negotiations reduced the plans anticipated expenses thereby saving both the County and its employees more than \$1.0 million in the upcoming fiscal year.

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. During the fiscal year ended June 30, 2013, the County was nearly complete with installation of the infrastructure and network operation centers necessary to bring this system into full production. It is anticipated that the project will be totally complete during the fiscal year 2014. And, by doing so will be one more tool available in the County to attract and retain business within the local economy. We believe this program will help our businesses, industries, and citizens will be more competitive in creating and marketing products to an ever growing global economy.

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, 2012. 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.

GFOA awarded Oconee County a Distinguished Budget Award for the budget for the fiscal year beginning July 1, 2012. The County is proud of this recognition and believes this demonstrates to the Citizens of Oconee County how committed the County Council, Administration, and Staff are to achieving excellent financial results by properly planning and executing operational and capital plans in an orderly and professional manner.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'T. Scott Moulder', with a stylized, flowing script.

T. Scott Moulder
County Administrator

A handwritten signature in blue ink, appearing to read 'Mark H. Pullium', with a stylized, flowing script.

Mark H. Pullium
Finance Director



Government Finance Officers Association

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

Presented to

**Oconee County
South Carolina**

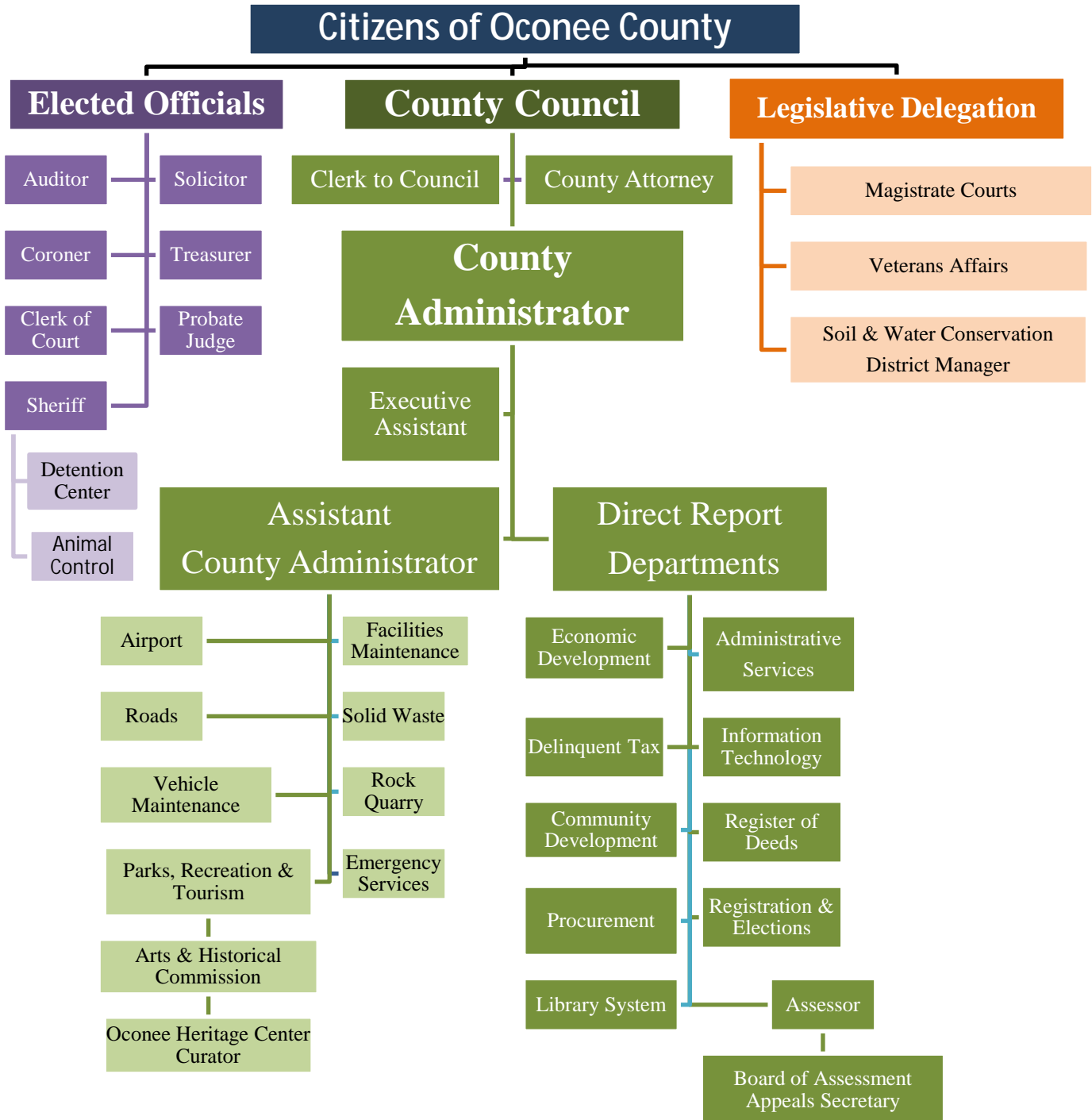
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan".

Executive Director/CEO

Oconee County Organization Chart



OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2013

MEMBERS OF COUNTY COUNCIL

Joel Thrift	District IV - Chariman
Paul Corbeil	District I - Vice Chairman
Wayne McCall	District II - Chairman Pro Tem
Reg Dexter	District V - Member
Archie Barron	District III - Member

LEGISLATIVE DELEGATION

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

APPOINTED OFFICIAL

Scott Moulder	County Administrator
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Oconee County
SOUTH CAROLINA



County Council Districts
and Representatives

FY 2012-2013

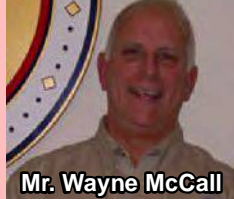
Map 1

District 1



Mr. Paul Corbeil

District 2



Mr. Wayne McCall

District 3



Mr. Archie Barron

District 4

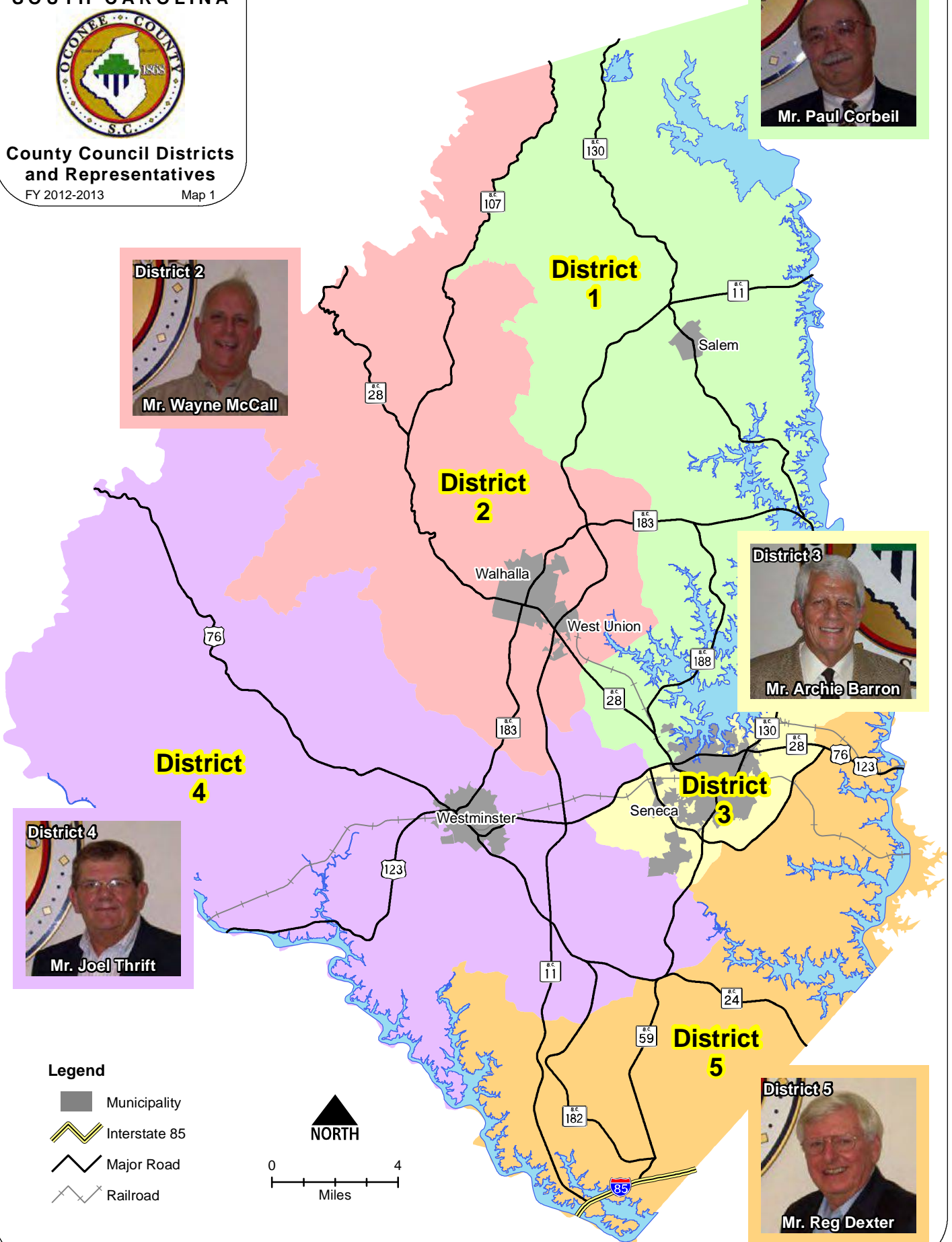


Mr. Joel Thrift

District 5



Mr. Reg Dexter



Legend

- Municipality
- Interstate 85
- Major Road
- Railroad

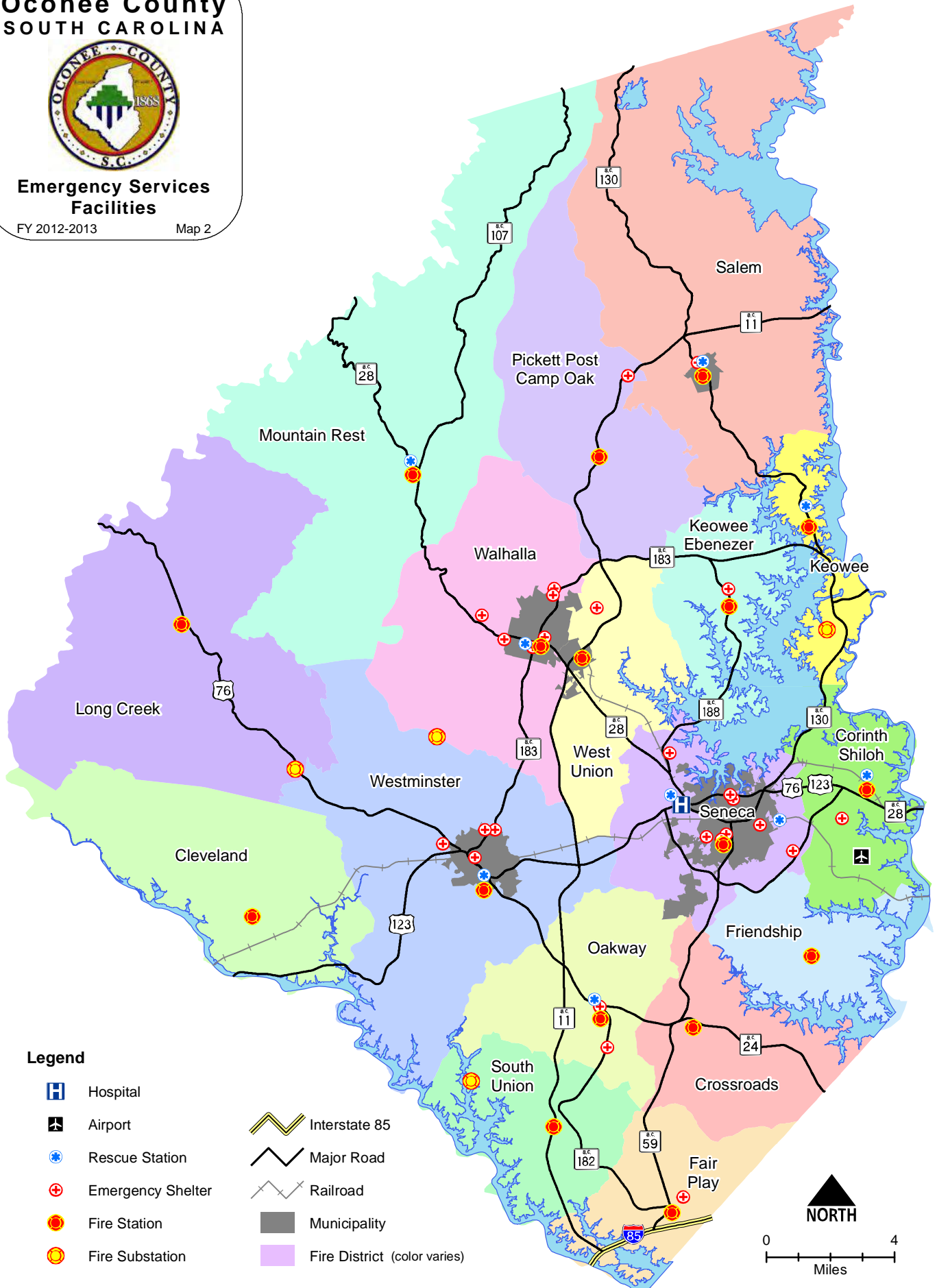
Oconee County SOUTH CAROLINA



Emergency Services Facilities

FY 2012-2013

Map 2



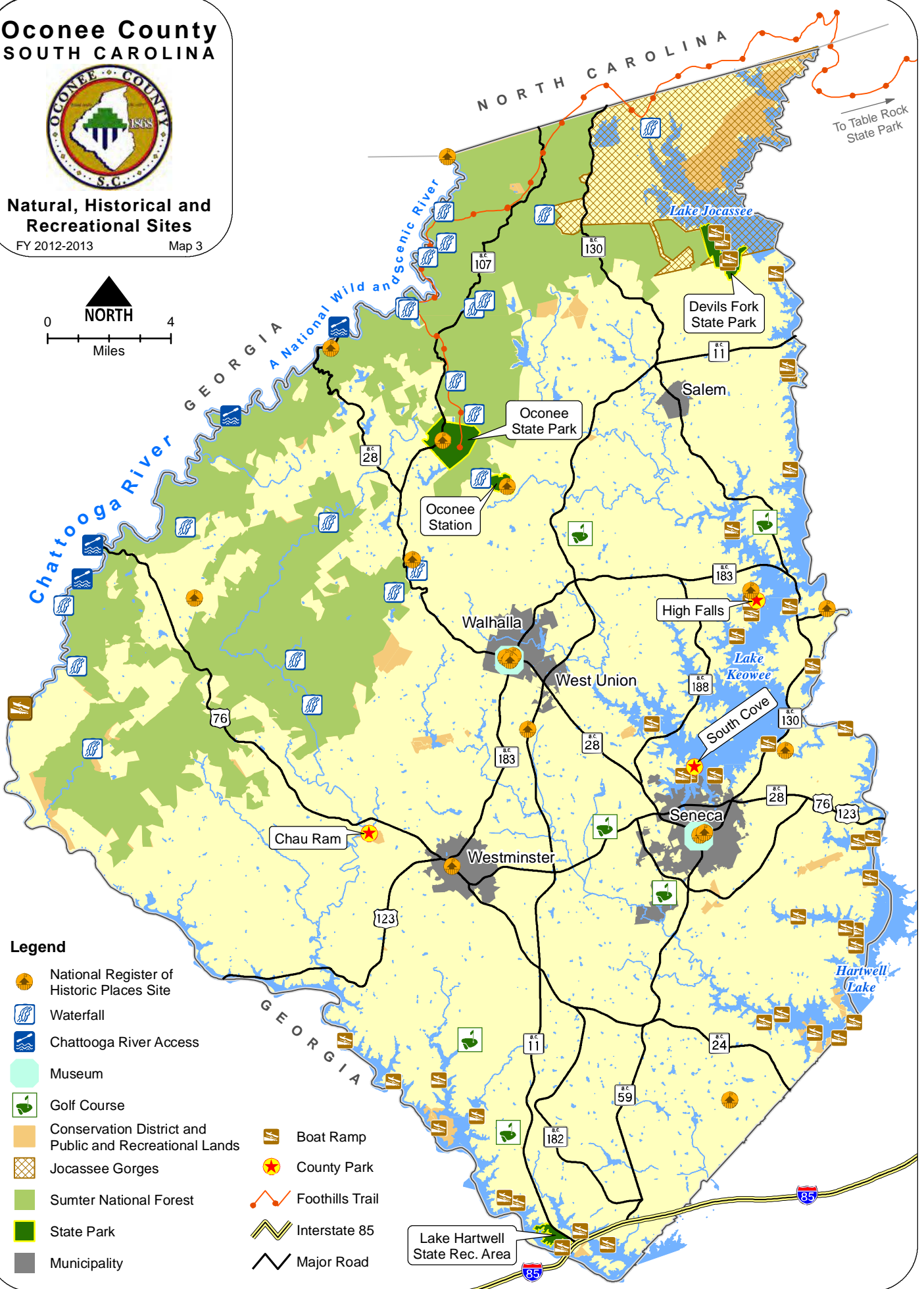
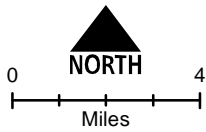
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY 2012-2013

Map 3



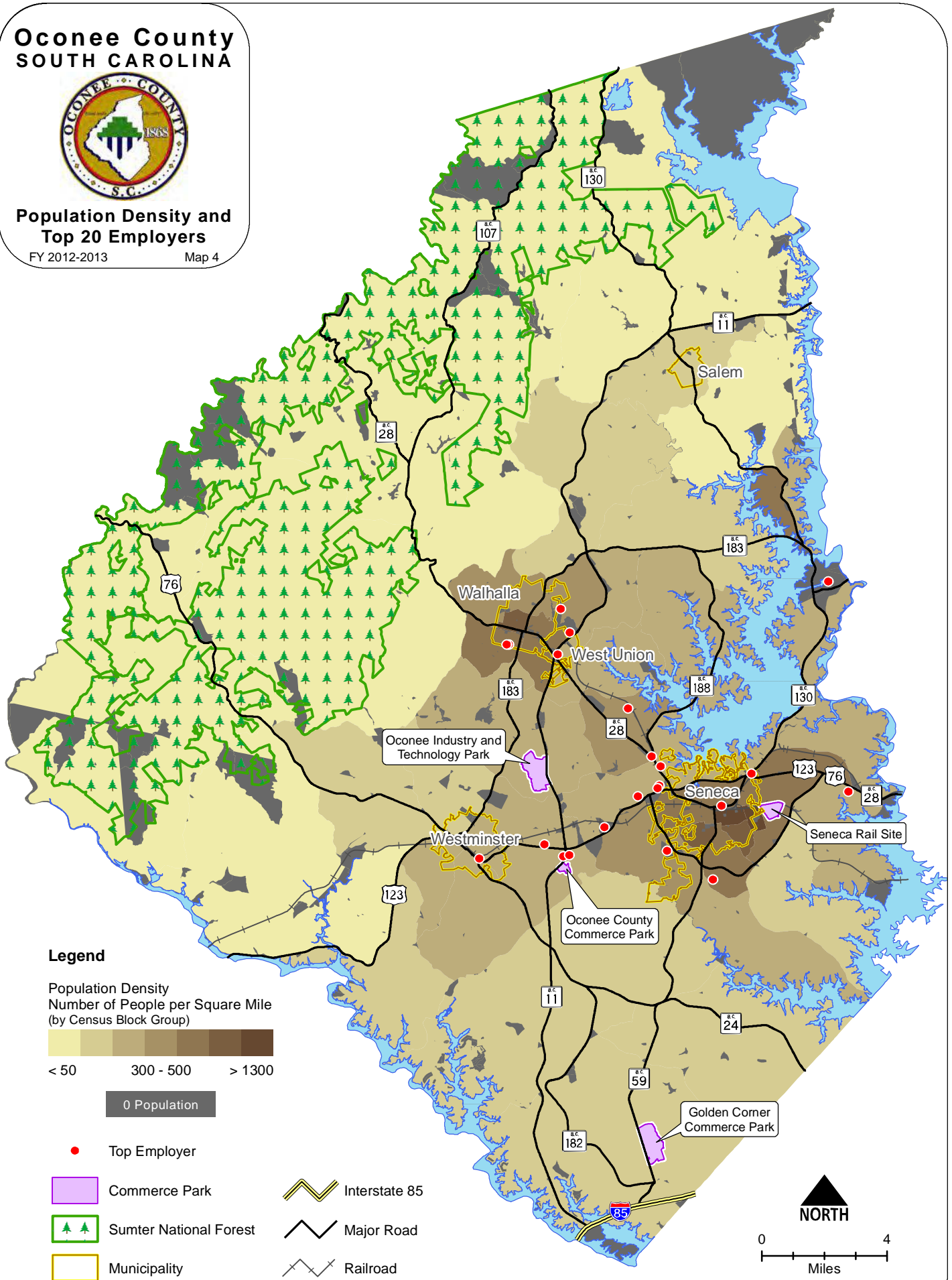
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY 2012-2013

Map 4



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

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Oconee County Council
of Oconee County
Walhalla, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Oconee County, South Carolina** (the "County"), as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Oconee County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Keowee Fire Tax District, which represent 100% of the assets, net position and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Keowee Fire Tax District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of July 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), and the Schedule of Funding Progress (on page 68) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The summary schedule of court fines, assessments and surcharges is presented for purposes of additional analysis as required by the State of South Carolina, and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, summary schedule of court fines, assessments and surcharges, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of Oconee County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2013

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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, 2013. 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, 2013 by \$159,738,229, which was an increase from the prior year of 2.3 percent. Of this amount, \$43,354,576 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's governmental activities reported an increase in net position of \$12,017 resulting from the fiscal year 2013 activity. Net position of the business-type activities increased \$3,826,211 due to the fiscal year 2013 activity. Overall, the County's net position increased \$3,838,228.
- During the year, the County had expenses in governmental activities that were \$104,974 more than the \$49,573,527 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$2,145,570 less than the prior year revenues (before transfers) as reflected in the Changes in Net Position Figure 2.
- The General Fund reported a decrease in fund balance of \$2,825,797 from fiscal year 2013 activity, resulting in an ending fund balance of \$21,807,352.
- In the General Fund, actual revenue sources available for appropriation were \$1,243,101 less than anticipated primarily due to charges for services, intergovernmental revenue, and fines and forfeiture revenues. Expenditures were \$2,193,506 less than budgeted. Actual revenues were \$1,763,109 less than actual expenditures.

USING THIS ANNUAL REPORT

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Net Position and the Statement of Activities are 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 20. These statements focus on the activities of the individual parts of the County's government. These statements provide more detailed information on the significant funds rather than the government as a whole. Some of the funds are required to be established by state law and by bond covenants. However, County Council and management have established many other funds to aid in controlling and managing money specified for particular purposes or to show that legal responsibilities for using certain taxes, grants, and other special funding are being met. There are three types of funds: governmental, proprietary, and fiduciary. Each uses a different accounting approach.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Following the financial statements, are the Notes to the Financial Statements which communicate information that is not displayed on the financial statements but is essential for fair presentation of the financial statements. Because of this, the Notes are an integral part of the basic financial statements. The Notes include disclosure information including significant accounting policies, information on the County's capital assets and long-term debt, employee and post-employment health insurance plan information, information related to the County's retirement plans, and more.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as one of the most useful indicators of a government's financial condition. The government-wide financial statements for the fiscal year ended June 30, 2013 display combined net position of \$159.7 million, or 2.3 percent above June 30, 2012. The largest portion of the net position (70.1 percent) reflects the County's investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related debt still outstanding that was issued to acquire those items. The County's investment in its capital assets is reported net of the outstanding related debt, however, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. The restricted portion of the County's net position (2.8 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (27.1 percent) is unrestricted net position, with a balance of \$43.4 million at June 30, 2013. Unrestricted net position includes \$7,412,347 of assets held for resale that are not available to satisfy the obligations of the County until those assets are sold.

Oconee County's Net Position
Figure 1

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 62,620,105	\$ 59,133,415	\$ 495,320	\$ 5,210,623	\$ 63,115,425	\$ 64,344,038
Capital assets	114,875,989	116,707,034	16,167,256	11,367,562	131,043,245	128,074,596
Total assets	177,496,094	175,840,449	16,662,576	16,578,185	194,158,670	192,418,634
Deferred charge on refunding	35,587	-	-	-	35,587	-
Total deferred outflows of resources	35,587	-	-	-	35,587	-
Long-term liabilities debt	31,148,082	32,301,039	145,024	134,696	31,293,106	32,435,735
Other liabilities	2,796,560	(64,295)	366,362	3,967,997	3,162,922	3,903,702
Total liabilities	33,944,642	32,236,744	511,386	4,102,693	34,456,028	36,339,437
Net position:						
Net investment in capital assets	95,788,551	110,431,532	16,167,256	11,367,562	111,955,807	121,799,094
Restricted	4,427,846	4,805,047	-	-	4,427,846	4,805,047
Unrestricted	43,370,642	28,367,126	(16,066)	1,107,930	43,354,576	29,475,056
Total net position	\$ 143,587,039	\$ 143,603,705	\$ 16,151,190	\$ 12,475,492	\$ 159,738,229	\$ 156,079,197

MANAGEMENT'S DISCUSSION AND ANALYSIS

Oconee County's Changes in Net Position

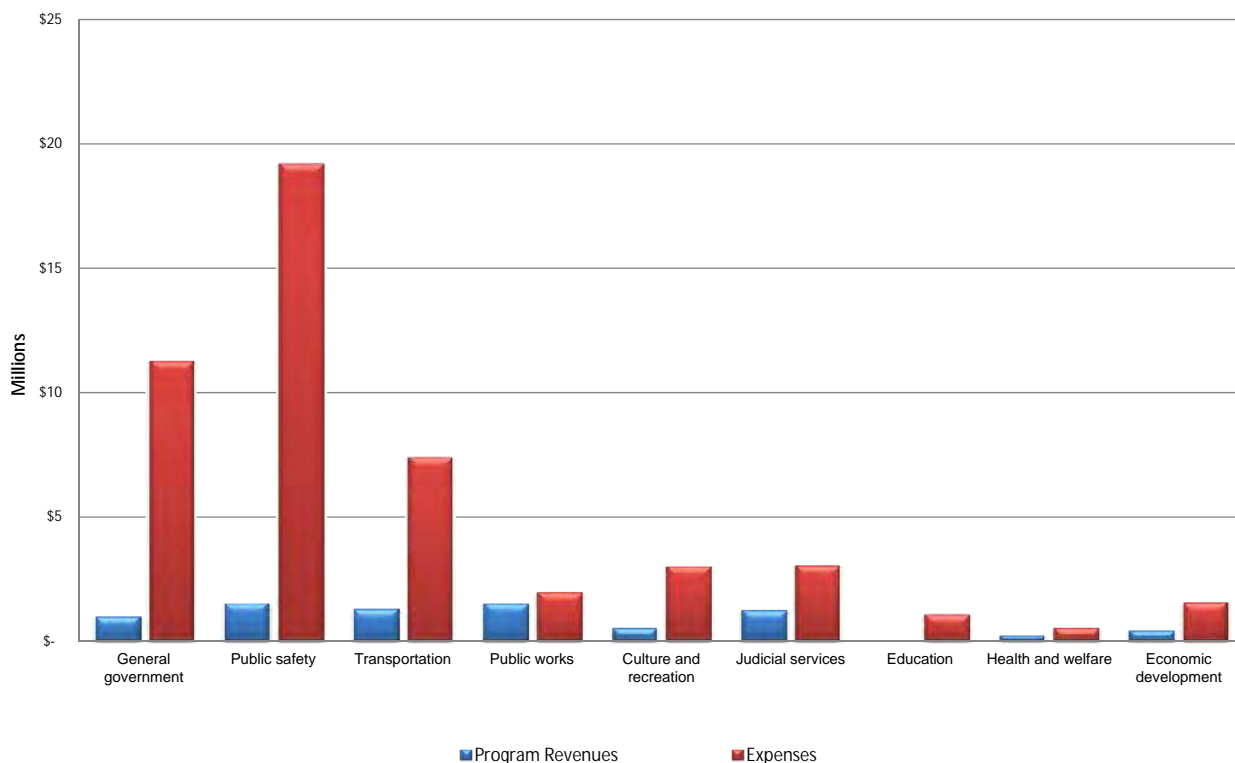
Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Revenues						
Program revenues:						
Charges for services	\$ 5,147,843	\$ 4,951,514	\$ 3,693,046	\$ 2,855,490	\$ 8,840,889	\$ 7,807,004
Operating grants and contributions	1,646,556	1,391,801	-	-	1,646,556	1,391,801
Capital grants and contributions	677,399	1,899,031	3,141,110	6,455,725	3,818,509	8,354,756
General revenues:						
Property taxes	37,638,738	38,093,094	-	-	37,638,738	38,093,094
Other taxes	772,729	755,113	-	-	772,729	755,113
Grants and contributions not restricted to specific programs	2,732,272	2,286,169	-	-	2,732,272	2,286,169
Interest income	350,414	427,725	3,714	4,478	354,128	432,203
Miscellaneous	-	137,819	37,056	-	37,056	137,819
Proceeds from legal settlement	375,000	-	-	-	375,000	-
Insurance recoveries	232,576	-	-	-	232,576	-
Total revenues	<u>49,573,527</u>	<u>49,942,266</u>	<u>6,874,926</u>	<u>9,315,693</u>	<u>56,448,453</u>	<u>59,257,959</u>
Program expenses						
General government	11,261,859	11,697,494	-	-	11,261,859	11,697,494
Public safety	19,204,344	18,483,001	-	-	19,204,344	18,483,001
Transportation	7,372,983	7,495,563	-	-	7,372,983	7,495,563
Public works	1,930,852	4,901,973	-	-	1,930,852	4,901,973
Culture and recreation	2,986,367	3,019,172	-	-	2,986,367	3,019,172
Judicial services	3,019,193	2,970,949	-	-	3,019,193	2,970,949
Education	1,036,754	1,048,376	-	-	1,036,754	1,048,376
Health and welfare	494,226	1,262,341	-	-	494,226	1,262,341
Economic development	1,517,386	617,995	-	-	1,517,386	617,995
Interest and fiscal charges	854,537	590,972	-	-	854,537	590,972
FOCUS	-	-	228,910	18,604	228,910	18,604
Rock quarry	-	-	2,702,814	2,228,448	2,702,814	2,228,448
Total expenses	<u>49,678,501</u>	<u>52,087,836</u>	<u>2,931,724</u>	<u>2,247,052</u>	<u>52,610,225</u>	<u>54,334,888</u>
Excess (deficiency) before transfers	(104,974)	(2,145,570)	3,943,202	7,068,641	3,838,228	4,923,071
Transfers	<u>116,991</u>	<u>633,309</u>	<u>(116,991)</u>	<u>(633,309)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 12,017</u>	<u>\$ (1,512,261)</u>	<u>\$ 3,826,211</u>	<u>\$ 6,435,332</u>	<u>\$ 3,838,228</u>	<u>\$ 4,923,071</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses and Program Revenues - Governmental Activities

Chart 1



The Statement of Activities on page 19 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, decreased to \$56.4 million, or 4.7 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 increased 13.2 percent, or a little more than \$1 million, from fiscal year 2012 to fiscal year 2013. 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 of \$1.6 million are used to fund the general operations of certain programs of the County. The operating grants increased from the prior year by \$254,755 (18.3 percent). This increase is due to the governmental activities general government, culture and recreation and public works programs. Capital grants and contributions fund the purchase of capital assets and improvements. During 2013, the County received \$3.8 million in capital grants compared to the \$8.4 million received for fiscal year 2012, a 54.3 percent decrease. The majority of this decrease 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. The broadband project is nearing completion and thus, the reimbursements have reduced. Property tax revenues decreased by \$454,356, due to a decrease in the taxes levied for fiscal year 2013.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total governmental and business-type activities program expenses decreased \$1.7 million, which is composed primarily of decreases in public works (\$2,971,121), health and welfare (\$768,115), general government (\$435,635), and transportation (\$122,580) offset by increases in public safety (\$721,343), FOCUS (\$210,306) and Rock Quarry (\$474,366). The decreases in public works expenses resulted from a combination of vehicle purchases having been made in 2012 that did reoccur in 2013 and reductions of workers' compensation and health insurance expenses.

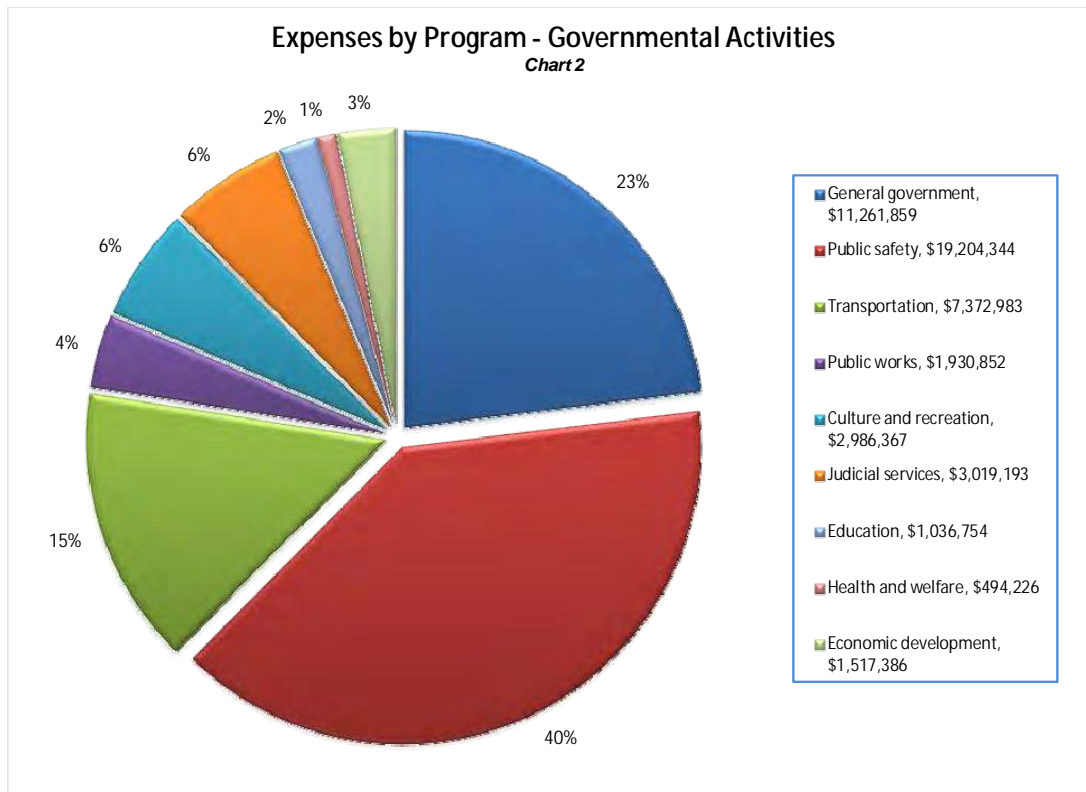
Public safety program expenses increased mainly due to increases in employee salary and fringe costs and purchases of capital assets. The net expense, (difference between program revenues and program expenses), for all programs and services increased 4.1 percent from the previous year, due to the decreased expenses noted.

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

Governmental Activities

Net position of the County's governmental activities increased minimally from 2012 to 2013. This \$12,017 increase is the due to the increase in total assets that almost equaled the increase in the liabilities. The governmental activities unrestricted net position at June 30, 2013 totaled \$43.4 million, an increase from the prior year of \$15 million. Additionally, the fiscal year 2013 total net position from the governmental activities operations included an increase in restricted net position of \$377,000. Net investment in capital assets decreased by \$14.6 million.

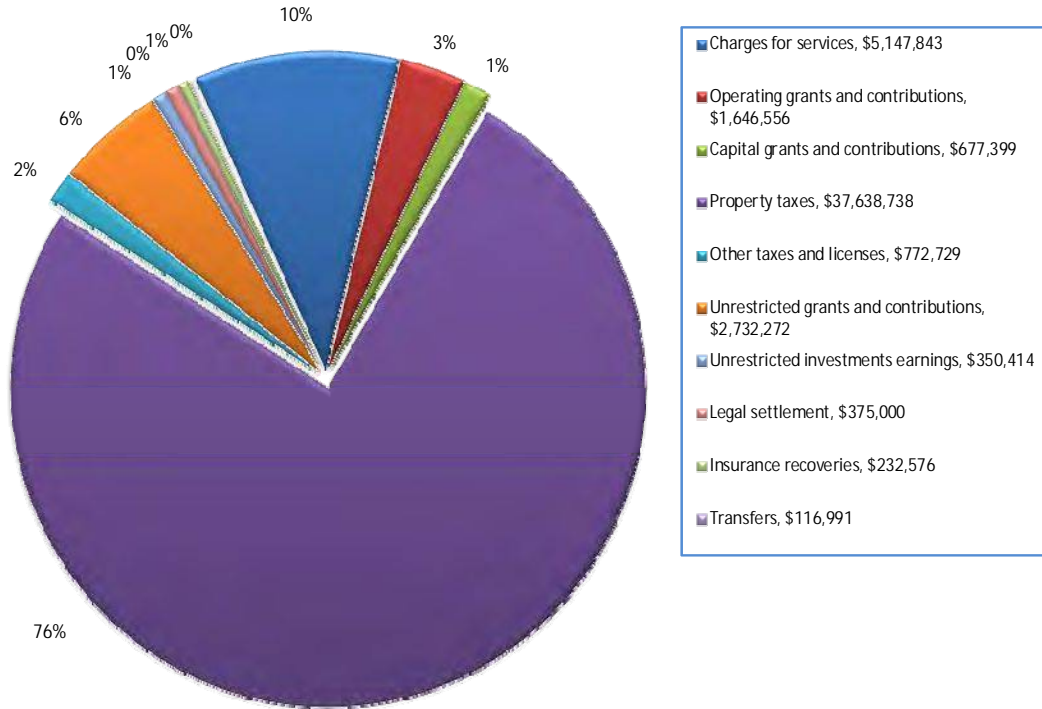
The cost of all governmental activities this year was \$49.7 million compared to \$52.1 million last year due mainly to the decrease in public works and the health and welfare.



MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues by Source - Governmental Activities

Chart 3



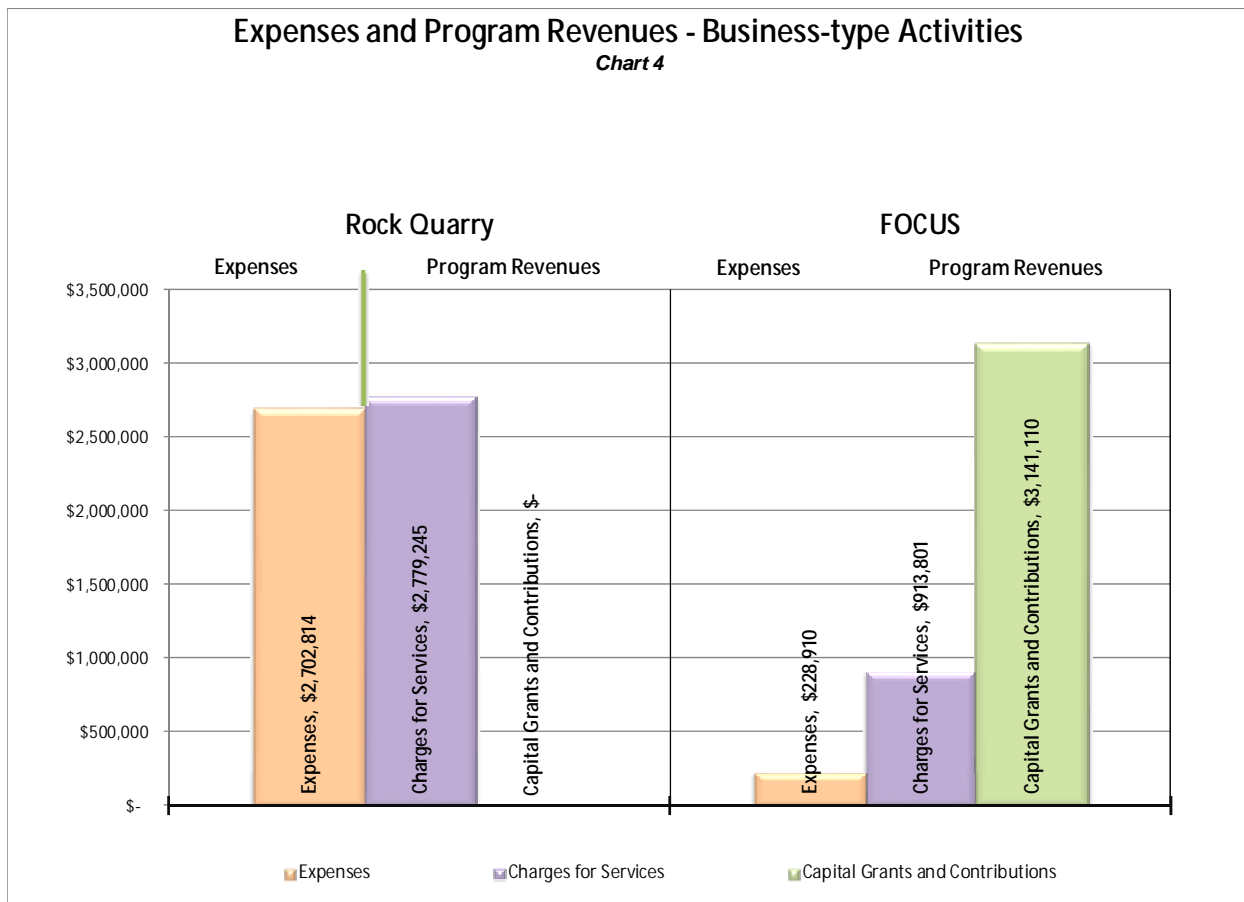
The amount that our taxpayers paid in County property taxes to finance the governmental activities was \$37.6 million. Some operating costs were paid either by those who directly benefited from the services offered (\$5.2 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$2.3 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, decreased from \$8.2 million in 2012 to \$7.5 million in 2013. The national economy contributed to the reduction in operating grants and contributions from state and federal governments.

MANAGEMENT'S DISCUSSION AND ANALYSIS

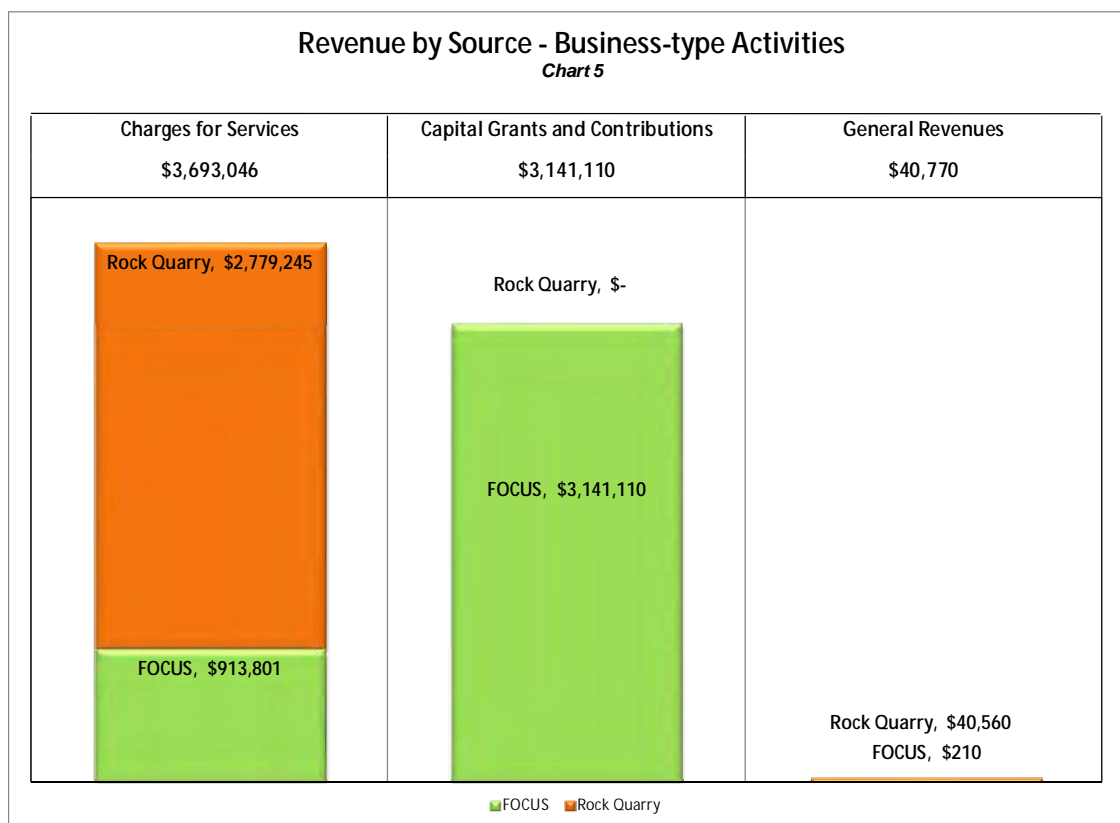
Business-type Activities

Total net position of the business-type activities increased by \$3.8 million or 29.5 percent. This increase is due to the increases in the capital assets, net of accumulated depreciation, for both the Rock Quarry and the FOCUS business-type programs. There was no change in the total net position for the Rock Quarry because that \$116,991 increase was transferred to the General Fund.

Fiscal year 2013 business-type activities program revenues decreased by \$2.5 million, or 26.6 percent, over fiscal year 2012 mainly as a result of the federal grant funds for the FOCUS project decreasing by \$3.3 million from the prior year. The Rock Quarry's sales improved over the prior year with a slight decrease of \$75,385 compared to a decrease from fiscal year 2011 to 2012 of \$388,360. The business-type activities expenses increased 30.5 percent, or \$684,672. This is primarily due to increases in the depreciation expense for the FOCUS project and maintenance of machinery and equipment for the Rock Quarry.



MANAGEMENT'S DISCUSSION AND ANALYSIS



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 26.

Governmental Funds

At the completion of fiscal year 2013, the County's governmental funds reported total fund balances of \$58.7 million, which was an increase over last year's total by \$353,630. This increase was primarily related to activity within the Bridges and Culverts Capital Projects Fund. Total governmental revenues decreased \$2.6 million, or 5 percent as a result of decreased property tax collections and intergovernmental revenues. Total governmental funds expenditures decreased \$546,790, or 1 percent, from prior the year. The functions contributing to the decreased expenditures were general government and public works in the General Fund, transportation in the Miscellaneous Special Revenue Fund, education in the Tri-County Tech Special Revenue Fund, and 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 \$7.9 million, while its total fund balance was \$21.8 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 19.1 percent of the total General Fund expenditures, while the total fund balance represents 52.8 percent of that same amount. The General Fund revenues have increased marginally by \$235,495 from 2012. General Fund expenditures decreased 1.5 percent primarily in the general government programs.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

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

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

Capital Projects Fund – this fund accounts for the acquisition and construction of capital assets. The June 30, 2013 fund balance was \$16.4 million, a decrease of \$3.8 million from the June 30, 2012 fund balance. During the year, unused balances from various projects within this fund were transferred out to the Economic Development Capital Projects Fund and other nonmajor governmental funds.

Economic Development Capital Projects Fund – this fund accounts for property taxes, grants, and other funding sources restricted for the acquisition and construction of economic development properties and infrastructure. The revenues collected in fiscal year 2012-2013 were \$571,389. Expenditures related to the development of the Echo Hills Commerce Park contributed to the \$1.3 million, or 860 percent, increase from 2012.

Proprietary Funds

The County reports two enterprise funds. Those funds are the Rock Quarry Fund and the FOCUS Fund. The Rock Quarry produces and sells mined blue granite for use in construction and landscaping. The FOCUS fund is nearing completion of the installation of a countywide fiber optics broadband network. The total net position for both proprietary funds at June 30, 2013 was \$16.2 million of which \$5.9 million related to the Rock Quarry and \$10.3 million related to FOCUS. The Rock Quarry transferred its income to the General Fund; therefore, there was no change in the Rock Quarry net position from the previous year. The FOCUS fund's net position increased \$3.8 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 2013 adopted budget, the General Fund's original budget totaled \$40,443,803. Encumbrances for purchase orders with an outstanding balance at fiscal yearend 2012 did not lapse and were allowed to roll forward to the 2013 budget year as allowed in the budget provisos. The 2012 fiscal year end's encumbrances added \$1.1 million in amendments to the original 2013 budget.

By the end of the year, General Fund actual revenues totaled \$39,550,702; \$1,243,101 less than the final budget attributed mainly to reductions in the charges for services, fines and forfeitures, and intergovernmental revenue categories. During the year, expenditure budget amendments increased the total budgeted expenditures by \$1,518,554, which included purchase order encumbrances at June 30, 2012 of \$1,047,159. Actual expenditures totaled \$41,313,811, thus creating a budget variance in total expenditures of \$2,193,506. The difference between actual expenditures and final budgeted expenditures was accomplished by actual expenditures being less than the final budget in all functions of the general fund. Equally important to note, the actual expenditures were less than the original budget by \$674,953 and the actual revenues were less than the original budget by \$893,101.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2013, totals \$131 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 \$3 million, or 2.3 percent, above last year. The increase is due to the numerous capital projects expenditures.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
Land	\$ 3,213,554	\$ 3,049,554	\$ 374,548	\$ 27,891	\$ 3,588,102	\$ 3,077,445
Infrastructure Land Rights	36,841,456	36,373,688	-	-	36,841,456	36,373,688
Construction in Progress	5,243,995	9,222,201	10,448,463	9,617,497	15,692,458	18,839,698
Building and Improvements	37,719,033	33,401,803	278,864	305,180	37,997,897	33,706,983
Equipment and Vehicles	10,176,326	11,406,534	1,413,000	1,114,211	11,589,326	12,520,745
Infrastructure	21,681,625	23,253,254	3,356,480	-	25,038,105	23,253,254
Mineral Interests	-	-	295,901	302,783	295,901	302,783
Total	<u>\$ 114,875,989</u>	<u>\$ 116,707,034</u>	<u>\$ 16,167,256</u>	<u>\$ 11,367,562</u>	<u>\$ 131,043,245</u>	<u>\$ 128,074,596</u>

Major capital asset transactions during the year include:

- Completion of airport improvement projects to extend runway and parallel taxiway, \$5,581,779;
- Purchase of 23.295 acres for the new detention center and 1.689 acres for the Rock Quarry, \$488,217;
- Construction of 2 new emergency substations located at Foxwood Hills and Holly Springs, \$360,063;
- Continued construction of the new detention center facility, \$121,101;
- Construction of an emergency communications tower, \$187,654;
- Purchase of 15 vehicles, 1 fire truck, 1 boat, and 2 pieces of heavy equipment, \$813,871;
- Continuation of the Pointe West roads infrastructure project, \$1,758,280;
- Construction of 2 County roads completed, \$154,317;
- Acceptance of 4 subdivision roads, \$725,040;
- Completion of 17,988 strand miles of dark fiber in the fiber optics broadband network, \$3,563,460; and
- Continued installation of the fiber optics broadband network installation; \$845,955.

Additional information on the County's capital assets can be found in Note 5 on pages 48 - 50 of the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

As of June 30, 2013, the County had outstanding a total bonded debt of approximately \$20.8 million, all of which is backed by the full faith and credit of the County.

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
General obligation (GO) bonds						
Applicable to the debt margin:						
County GO bonds	\$ 17,334,444	\$ 15,835,000	\$ -	\$ -	\$ 17,334,444	\$ 15,835,000
County GO refunding bonds	2,637,105	3,245,000	-	-	2,637,105	3,245,000
Total GO bonds applicable to the debt margin	19,971,549	19,080,000	-	-	19,971,549	19,080,000
Not applicable to the debt margin:						
County GO bonds for special tax districts	835,000	910,000	-	-	835,000	910,000
Total GO bonds not applicable to the debt margin	835,000	910,000	-	-	835,000	910,000
Total GO bonds	20,806,549	19,990,000	-	-	20,806,549	19,990,000
Capital lease obligations	1,300,953	1,928,251	-	-	1,300,953	1,928,251
Special source revenue bonds	3,125,000	3,315,000	-	-	3,125,000	3,315,000
Total outstanding debt	\$ 25,232,502	\$ 25,233,251	\$ -	\$ -	\$ 25,232,502	\$ 25,233,251

At June 30, 2013, the County's total outstanding general obligation (GO) debt in the governmental funds was \$20,806,549. The outstanding balance consists of the series 2007 Keowee Fire Tax District GO bonds, series 2010 GO refunding bonds, series 2011 Detention Center GO bonds, and the new taxable series 2013 Echo Hills Commerce Park GO bonds.

On June 20, 2013, the County issued new taxable GO bonds in the amount of \$2.6 million. The proceeds, less issuance costs, from this bond finance the costs related to improvements and infrastructure for the Echo Hills Commerce Park. This bond has interest rates of 3 to 3.6 percent and a term of 15 years. The interest on the series 2013 GO bonds is not excluded from gross income for federal income tax purposes.

As a part of the process of issuing new debt, credit rating assessments are reviewed by credit rating agencies. The two main credit rating agencies are Moody's Investors Service and Standard & Poor's. Each rating agency interprets the County's data slightly different resulting in possibly different ratings. The recent rating review affirms the County's existing general obligation bond ratings from Standard & 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 \$22.7 million, which is a 3.7 percent decrease from the prior year due to the series 2013 issue. GO debt issued for special tax districts does not apply to the legal debt margin calculation.

The outstanding balance of the series 2010 Pointe West special source revenue bond was \$3,125,000. Since special source revenue bonds are repaid with special revenues and not with property taxes, they are not included in the calculations of the above stated debt limits.

The 2011 capital lease purchase ended fiscal year 2012-2013 with an outstanding balance of \$1,300,953. The enterprise funds do not have any existing or pending bonded debt or capital leases.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2013, the estimated liability was reduced by \$1.5 million due to the current year's portion and an updated estimate. The balance of the estimated liability for closure and post closure care costs at June 30, 2013 is \$2.5 million.

Included in the long-term liabilities are the compensated absences, which consist of accrued accumulated unpaid vacation time, earned by County employees. The estimated long-term liability for annual leave is \$1,225,934 for the governmental funds and \$77,219 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 \$2,150,681, an increase of \$250,601 from the 2012. The business-type activities net post-employment benefit obligation increased \$7,901 during 2013 to \$67,805 at fiscal year-end.

Additional information regarding the County's long-term liabilities can be found in Note 6 on pages 51 - 55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The national economy continues to impact Oconee County, although there are definite indications of improvement. The County's unemployment rate, as of October 2013, was 7.5 percent which is lower than the October 2012 rate of 8.4 percent. The state's unemployment rates for the same periods are 7.2 percent and 8.6 percent, respectively. Oconee County continues to make significant investments in economic development including the development of land specifically to attract industry and thereby employment opportunities to Oconee County. These investments combined with our proximity to the Interstate 85 corridor, the outstanding natural beauty of our mountains and lakes, an excellent school system, and our workforce's outstanding work ethic have placed the County in an excellent position for future growth.

Oconee County Ordinance 2013-01 establishes the budget and provides for the levy of taxes for ordinary County purposes for fiscal year beginning July 1, 2013 and ending June 30, 2014. Appropriations in the 2013-2014 annual adopted budget provide funding for the General Fund; special revenues funds including Victim Services – Sheriff's Office, Victim Services – Solicitor's Office, Emergency Services Protection, Tri-County Tech Operations, 911 Fund, and the new Road Maintenance funds; capital projects funds including Economic Development, Bridge and Culvert, and General Capital Projects funds; the Rock Quarry Enterprise Fund, and the Debt Service Fund. The total budget for these funds is \$66,216,066. The General Fund's adopted budget for fiscal year 2014 totals \$41,534,785, which is less than the prior year's budget by \$453,979.

The total millage levied for fiscal year 2014 for the County's unincorporated areas is 73.9 mills and the incorporated areas is 71 mills. Both the unincorporated and the incorporated millage rates increased 2 mills each from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

REQUESTS FOR INFORMATION

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

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

Or on the web at: www.OconeeSC.com.

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
ASSETS				
Cash and cash equivalents	\$ 34,230,047	\$ 4,025,670	\$ 38,255,717	\$ 610,857
Investments	11,634,438	-	11,634,438	-
Receivables:				
Taxes	1,267,976	-	1,267,976	6,237
Accounts	1,126,833	51,311	1,178,144	-
Due from other governments	949,615	151,374	1,100,989	11,250
Internal balances	4,065,966	(4,065,966)	-	-
Due from component unit	835,000	-	835,000	-
Inventories	175,748	332,931	508,679	-
Prepaid expenses	818,975	-	818,975	-
Seized assets	103,160	-	103,160	-
Assets held for resale	7,412,347	-	7,412,347	-
Capital assets:				
Nondepreciable	45,299,005	10,823,011	56,122,016	-
Depreciable, net	69,576,984	5,344,245	74,921,229	1,490,571
Total assets	<u>177,496,094</u>	<u>16,662,576</u>	<u>194,158,670</u>	<u>2,118,915</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	35,587	-	35,587	-
Total deferred outflows of resources	<u>35,587</u>	<u>-</u>	<u>35,587</u>	<u>-</u>
LIABILITIES				
Accounts payable	1,894,243	355,251	2,249,494	-
Accrued liabilities	793,073	11,111	804,184	18,591
Unearned revenues	109,244	-	109,244	-
Due to primary government	-	-	-	835,000
Noncurrent liabilities:				
Due within one year	4,007,078	25,558	4,032,636	2,810
Due in more than one year	27,141,004	119,466	27,260,470	25,285
Total liabilities	<u>33,944,642</u>	<u>511,386</u>	<u>34,456,028</u>	<u>881,686</u>
NET POSITION				
Net investment in capital assets	95,788,551	16,167,256	111,955,807	619,293
Restricted for debt service	1,440,108	-	1,440,108	-
Restricted for culture and recreation	170,987	-	170,987	-
Restricted for public safety	2,816,751	-	2,816,751	-
Unrestricted	43,370,642	(16,066)	43,354,576	617,936
Total net position	<u>\$ 143,587,039</u>	<u>\$ 16,151,190</u>	<u>\$ 159,738,229</u>	<u>\$ 1,237,229</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
Primary government:								
Governmental activities:								
General government	\$ 11,261,859	\$ 721,041	\$ 232,245	\$ -	\$ (10,308,573)	\$ -	\$ (10,308,573)	\$ -
Public safety	19,204,344	954,080	549,795	-	(17,700,469)	-	(17,700,469)	-
Transportation	7,372,983	954,518	-	300,521	(6,117,944)	-	-	-
Public works	1,930,852	1,145,528	289,992	45,000	(450,332)	-	(450,332)	-
Culture and recreation	2,986,367	358,074	132,345	-	(2,495,948)	-	(2,495,948)	-
Judicial services	3,019,193	1,005,102	199,669	-	(1,814,422)	-	(1,814,422)	-
Education	1,036,754	-	-	-	(1,036,754)	-	-	-
Health and welfare	494,226	-	192,524	-	(301,702)	-	(301,702)	-
Economic development	1,517,386	9,500	49,986	331,878	(1,126,022)	-	(1,126,022)	-
Interest on long-term debt	854,537	-	-	-	(854,537)	-	(854,537)	-
Total governmental activities	49,678,501	5,147,843	1,646,556	677,399	(42,206,703)	-	(35,052,005)	-
Business-type activities:								
FOCUS	228,910	913,801	-	3,141,110	-	3,826,001	3,826,001	-
Rock quarry	2,702,814	2,779,245	-	-	-	76,431	76,431	-
Total business-type activities	2,931,724	3,693,046	-	3,141,110	-	3,902,432	3,902,432	-
Total primary government	\$ 52,610,225	\$ 8,840,889	\$ 1,646,556	\$ 3,818,509	(42,206,703)	3,902,432	(31,149,573)	-
Component units:								
Keowee Fire Tax District	\$ 706,475	\$ 45,000	\$ 19,896	\$ -	-	-	-	(641,579)
General revenues:								
Property taxes levied for:								
General purposes					30,728,242	-	30,728,242	-
Public safety					1,356,614	-	1,356,614	657,865
Debt service					3,467,625	-	3,467,625	-
Capital projects					517,040	-	517,040	-
Economic development					516,698	-	516,698	-
Education					1,052,519	-	1,052,519	-
Other taxes and licenses					772,729	-	772,729	-
Grants and contributions not restricted for a specific purpose					2,732,272	-	2,732,272	45,000
Unrestricted investment earnings					350,414	3,714	354,128	432
Gain on sale of capital assets					-	37,056	37,056	7,741
Proceeds from legal settlement					375,000	-	375,000	-
Insurance recovery					232,576	-	232,576	-
Transfers					116,991	(116,991)	-	-
Total general revenues and transfers					42,218,720	(76,221)	42,142,499	711,038
Change in net position					12,017	3,826,211	3,838,228	69,459
Net position, beginning of year					143,603,705	12,475,492	156,079,197	1,167,770
Prior period adjustment					(28,683)	(150,513)	(179,196)	-
Net position, beginning of year, as restated					143,575,022	12,324,979	155,900,001	1,167,770
Net position, end of year					\$ 143,587,039	\$ 16,151,190	\$ 159,738,229	\$ 1,237,229

The accompanying notes are an integral part of these financial statements

OCONEE COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2013

	General	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,607,999	\$ 16,367,628	\$ 6,964,163	\$ 7,290,257	\$ 34,230,047
Investments	11,634,438	-	-	-	11,634,438
Taxes receivable, net	1,065,764	-	17,629	184,583	1,267,976
Accounts receivable, net	281,877	-	-	844,956	1,126,833
Due from other governments	705,007	7,833	-	236,775	949,615
Due from component unit	-	-	-	835,000	835,000
Advances to other funds	4,185,966	-	-	-	4,185,966
Prepaid expenditures	399,446	495	-	419,034	818,975
Inventories	175,748	-	-	-	175,748
Seized assets	-	-	-	103,160	103,160
Assets held for resale	2,814,276	-	4,598,071	-	7,412,347
Total assets	<u>\$ 24,870,521</u>	<u>\$ 16,375,956</u>	<u>\$ 11,579,863</u>	<u>\$ 9,913,765</u>	<u>\$ 62,740,105</u>
LIABILITIES					
Accounts payable	\$ 1,516,098	\$ 413	\$ 281,258	\$ 96,474	\$ 1,894,243
Accrued liabilities	576,948	-	-	2,350	579,298
Advances from other funds	-	-	-	120,000	120,000
Unearned revenue	-	-	-	109,244	109,244
Total liabilities	<u>2,093,046</u>	<u>413</u>	<u>281,258</u>	<u>328,068</u>	<u>2,702,785</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	909,872	-	14,985	152,332	1,077,189
Unavailable revenue - seized property	-	-	-	103,160	103,160
Unavailable revenue - intergovernmental	-	-	-	57,734	57,734
Unavailable revenue - forfeited land commission	60,251	-	-	-	60,251
Total deferred inflows of resources	<u>970,123</u>	<u>-</u>	<u>14,985</u>	<u>313,226</u>	<u>1,298,334</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	399,446	495	-	419,034	818,975
Inventories	175,748	-	-	-	175,748
Assets held for resale	2,814,276	-	4,598,071	-	7,412,347
Seized assets	-	-	-	103,160	103,160
Advances to other funds	4,185,966	-	-	-	4,185,966
Restricted for:					
General government	-	-	-	11,926	11,926
Public safety	-	-	-	2,816,751	2,816,751
Transportation	-	-	-	336	336
Culture and recreation	-	-	-	170,987	170,987
Judicial services	-	-	-	81,601	81,601
Education	-	-	-	993,935	993,935
Health and welfare	-	-	-	11,791	11,791
Economic development	-	-	-	1,088	1,088
Capital projects	-	16,375,048	6,685,549	3,221,754	26,282,351
Debt service	-	-	-	1,440,108	1,440,108
Assigned:					
Solid waste reserve	2,611,628	-	-	-	2,611,628
Health care reserve	3,215,644	-	-	-	3,215,644
Subsequent year's budget	491,954	-	-	-	491,954
Unassigned	7,912,690	-	-	-	7,912,690
Total fund balances	<u>21,807,352</u>	<u>16,375,543</u>	<u>11,283,620</u>	<u>9,272,471</u>	<u>58,738,986</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,870,521</u>	<u>\$ 16,375,956</u>	<u>\$ 11,579,863</u>	<u>\$ 9,913,765</u>	<u>\$ 62,740,105</u>

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

OCONEE COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2013

Total fund balances for governmental funds:		\$	58,738,986
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			114,875,989
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.			1,298,334
Certain long-term liabilities are not due and payable in the current period and are therefore not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Position net of issuance premiums, discounts, and refunding deferral amounts.			
General obligation bonds	\$	(20,806,549)	
Unamortized refunding deferral amount on general obligation bonds		35,587	
Capital lease obligations		(1,300,953)	
Special source revenue bonds		(3,125,000)	
Other post-employment benefits		(2,150,681)	
Post-closure care liabilities		(2,538,965)	
Compensated absences payable		(1,225,934)	
Total long-term liabilities			(31,112,495)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.			(213,775)
Net position of governmental activities		\$	<u>143,587,039</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Economic Development</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes	\$ 30,660,362	\$ -	\$ 513,922	\$ 6,380,572	\$ 37,554,856
Other taxes	-	-	-	656,268	656,268
Intergovernmental	3,460,182	373,618	9,500	852,081	4,695,381
Licenses, permits and fees	2,846,954	-	-	-	2,846,954
Fines and forfeitures	333,203	-	-	109,727	442,930
Charges for services	1,714,530	-	-	-	1,714,530
Interest revenue	272,002	39,445	-	38,967	350,414
Other revenues	263,469	-	47,967	309,300	620,736
Total revenues	<u>39,550,702</u>	<u>413,063</u>	<u>571,389</u>	<u>8,346,915</u>	<u>48,882,069</u>
EXPENDITURES					
Current:					
General government	11,099,798	-	-	13,159	11,112,957
Public safety	15,851,102	-	-	2,113,950	17,965,052
Transportation	4,259,222	-	-	311,737	4,570,959
Public works	3,629,276	-	-	45,670	3,674,946
Culture and recreation	2,559,165	-	-	367,569	2,926,734
Judicial services	2,592,198	-	-	71,859	2,664,057
Education	-	-	-	1,036,754	1,036,754
Health and welfare	255,664	-	-	84,628	340,292
Economic development	407,090	-	1,063,346	26,896	1,497,332
Capital outlay	-	2,045,301	344,756	59,715	2,449,772
Debt service:					
Principal	627,298	-	-	2,780,000	3,407,298
Interest	32,998	-	-	872,086	905,084
Bond issuance costs	-	-	79,154	-	79,154
Total expenditures	<u>41,313,811</u>	<u>2,045,301</u>	<u>1,487,256</u>	<u>7,784,023</u>	<u>52,630,391</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,763,109)</u>	<u>(1,632,238)</u>	<u>(915,867)</u>	<u>562,892</u>	<u>(3,748,322)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	189,133	380,000	3,379,157	1,240,607	5,188,897
Transfers out	(1,515,568)	(2,884,103)	-	(672,235)	(5,071,906)
Proceeds from the issuance of debt	-	-	2,600,000	38,954	2,638,954
Insurance recoveries	232,576	-	-	-	232,576
Proceeds from legal settlement	-	375,000	-	-	375,000
Proceeds from the sale of capital assets	<u>31,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,171</u>
Total other financing sources (uses)	<u>(1,062,688)</u>	<u>(2,129,103)</u>	<u>5,979,157</u>	<u>607,326</u>	<u>3,394,692</u>
Net change in fund balances	<u>(2,825,797)</u>	<u>(3,761,341)</u>	<u>5,063,290</u>	<u>1,170,218</u>	<u>(353,630)</u>
Fund balances, beginning of year	<u>24,633,149</u>	<u>19,992,177</u>	<u>6,220,330</u>	<u>7,192,253</u>	<u>58,037,909</u>
Prior period adjustment	<u>-</u>	<u>144,707</u>	<u>-</u>	<u>910,000</u>	<u>1,054,707</u>
Fund balances, beginning of year as restated	<u>24,633,149</u>	<u>20,136,884</u>	<u>6,220,330</u>	<u>8,102,253</u>	<u>59,092,616</u>
Fund balances, end of year	<u>\$ 21,807,352</u>	<u>\$ 16,375,543</u>	<u>\$ 11,283,620</u>	<u>\$ 9,272,471</u>	<u>\$ 58,738,986</u>

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

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OCONEE COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds	\$	(353,630)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$	4,473,587	
Depreciation expense		(6,234,444)	(1,760,857)

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(70,188)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		83,882
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$	3,407,298	
Issuance of general obligation bonds		(2,638,954)	
Amortization of premium on long-term debt		128,780	
Amortization of the refunding deferral amount on the refunding general obligation bonds		(13,345)	883,779

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following amounts represent the net liability changes using the full accrual method of accounting:

Landfill postclosure liability	\$	1,498,252	
Compensated absences		(32,886)	
Accrued interest on long-term debt		14,266	
OPEB liability		(250,601)	1,229,031
			\$ 12,017

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 30,750,000	\$ 30,750,000	\$ 30,660,362	\$ (89,638)
Intergovernmental	3,641,840	3,641,840	3,460,182	(181,658)
Licenses, permits and fees	2,912,300	2,912,300	2,846,954	(65,346)
Fines and forfeitures	501,000	501,000	333,203	(167,797)
Charges for services	2,159,300	2,509,300	1,714,530	(794,770)
Interest revenue	317,300	317,300	272,002	(45,298)
Other revenues	162,063	162,063	263,469	101,406
Total revenues	40,443,803	40,793,803	39,550,702	(1,243,101)
EXPENDITURES:				
Current:				
General government:				
County council	394,100	383,025	329,753	53,272
Legislative delegation	84,457	84,457	84,711	(254)
Finance department	564,321	574,273	570,617	3,656
Non-departmental expenditures	839,900	841,513	825,183	16,330
Human resources	769,723	933,643	941,704	(8,061)
Information technology	1,363,719	1,324,575	1,288,422	36,153
Planning commission	220,148	163,490	138,014	25,476
Procurement	198,517	183,517	170,569	12,948
Facilities maintenance	965,092	1,112,338	1,096,123	16,215
Registration and elections	169,653	177,053	169,235	7,818
Soil and water conservation	68,936	68,936	56,322	12,614
Administrator's office	756,964	751,721	568,271	183,450
Vehicle maintenance	850,450	850,450	809,592	40,858
Register of deeds	313,253	317,773	321,593	(3,820)
Assessor	1,089,700	1,099,724	1,004,143	95,581
Auditor	450,152	457,652	463,786	(6,134)
Board of assessment appeals	11,622	10,122	8,211	1,911
Tax collector	441,885	441,885	420,321	21,564
Treasurer	494,013	498,513	502,703	(4,190)
Direct aid	1,330,525	1,330,525	1,330,525	-
Total general government	11,377,130	11,605,185	11,099,798	505,387
Public safety:				
Sheriff's department	6,362,667	6,627,329	6,755,089	(127,760)
Law enforcement center	3,009,549	2,897,907	2,635,944	261,963
Communications	1,559,667	1,463,294	1,379,004	84,290
Animal control	484,452	484,452	448,865	35,587
Coroner	146,338	159,228	174,130	(14,902)
Building codes	488,864	597,114	537,985	59,129
Emergency management	-	-	43,340	(43,340)
Fire services	2,996,419	3,155,077	2,971,440	183,637
Emergency services	834,797	847,087	905,305	(58,218)
Total public safety	15,882,753	16,231,488	15,851,102	380,386
Transportation:				
County airport	1,352,420	1,705,671	980,155	725,516
Roads department	3,145,556	3,539,738	3,279,067	260,671
Total transportation	4,497,976	5,245,409	4,259,222	986,187
Public works				
Solid waste	3,715,561	3,755,492	3,629,276	126,216

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Culture and recreation:				
Library	\$ 1,347,614	\$ 1,370,995	\$ 1,318,677	\$ 52,318
Parks, recreation and tourism	481,605	501,330	480,773	20,557
High Falls Park	270,461	272,235	264,885	7,350
South Cove Park	272,732	317,999	301,770	16,229
Chau Ram Park	186,945	206,945	193,060	13,885
Total culture and recreation	<u>2,559,357</u>	<u>2,669,504</u>	<u>2,559,165</u>	<u>110,339</u>
Judicial services:				
Clerk of court	730,256	727,856	726,600	1,256
Probate judge	369,685	373,685	365,595	8,090
Solicitor	639,953	639,953	631,445	8,508
Public defender	212,000	212,000	212,000	-
Magistrate office	662,803	663,498	656,558	6,940
Total judicial	<u>2,614,697</u>	<u>2,616,992</u>	<u>2,592,198</u>	<u>24,794</u>
Health and welfare:				
Department of social services	12,500	12,500	8,616	3,884
Health department	82,313	79,713	73,769	5,944
Veteran's affairs	183,992	183,992	173,279	10,713
Total health and welfare	<u>278,805</u>	<u>276,205</u>	<u>255,664</u>	<u>20,541</u>
Economic development:				
Economic development	<u>402,188</u>	<u>446,746</u>	<u>407,090</u>	<u>39,656</u>
Debt service	<u>660,297</u>	<u>660,297</u>	<u>660,296</u>	<u>1</u>
Total expenditures	<u>41,988,764</u>	<u>43,507,318</u>	<u>41,313,811</u>	<u>2,193,506</u>
Deficiency of revenues under expenditures	<u>(1,544,961)</u>	<u>(2,713,515)</u>	<u>(1,763,109)</u>	<u>950,406</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	768,889	768,889	189,133	(579,756)
Transfers out	(1,520,268)	(1,515,268)	(1,515,568)	(300)
Insurance recoveries	-	-	232,576	232,576
Proceeds from the sale of capital assets	25,000	25,000	31,171	6,171
Total other financing sources (uses)	<u>(726,379)</u>	<u>(721,379)</u>	<u>(1,062,688)</u>	<u>(341,309)</u>
Net change in fund balances	(2,271,340)	(3,434,894)	(2,825,797)	609,097
Fund balances, beginning of year	<u>24,633,149</u>	<u>24,633,149</u>	<u>24,633,149</u>	<u>-</u>
Fund balances, end of year	<u>\$ 22,361,809</u>	<u>\$ 21,198,255</u>	<u>\$ 21,807,352</u>	<u>\$ 609,097</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2013

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 3,484,479	\$ 541,191	\$ 4,025,670
Receivables			
Accounts, net of allowance	51,311	-	51,311
Due from other governments	-	151,374	151,374
Inventories	332,931	-	332,931
Total current assets	<u>3,868,721</u>	<u>692,565</u>	<u>4,561,286</u>
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	374,549	10,448,462	10,823,011
Depreciable, net of accumulated depreciation	1,924,477	3,419,768	5,344,245
Total noncurrent assets	<u>2,299,026</u>	<u>13,868,230</u>	<u>16,167,256</u>
Total assets	<u>6,167,747</u>	<u>14,560,795</u>	<u>20,728,542</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	112,612	242,639	355,251
Accrued liabilities	11,111	-	11,111
Current portion - compensated absences	25,558	-	25,558
Total current liabilities	<u>149,281</u>	<u>242,639</u>	<u>391,920</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	51,661	-	51,661
Advances from other funds	-	4,065,966	4,065,966
Net OPEB obligation	67,805	-	67,805
Total noncurrent liabilities	<u>119,466</u>	<u>4,065,966</u>	<u>4,185,432</u>
Total liabilities	<u>268,747</u>	<u>4,308,605</u>	<u>4,577,352</u>
NET POSITION			
Net investment in capital assets	2,299,026	13,868,230	16,167,256
Unrestricted	3,599,974	(3,616,040)	(16,066)
Total net position	<u>\$ 5,899,000</u>	<u>\$ 10,252,190</u>	<u>\$ 16,151,190</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 2,778,645	\$ 913,801	\$ 3,692,446
Miscellaneous operating revenues	600	-	600
Total operating revenues	<u>2,779,245</u>	<u>913,801</u>	<u>3,693,046</u>
OPERATING EXPENSES			
Salaries and fringe benefits	941,388	-	941,388
Supplies	384,863	-	384,863
Electricity and natural gas	61,240	-	61,240
Petroleum, oil and lubricants	235,909	-	235,909
Machinery, equipment repairs and maintenance	666,044	-	666,044
Professional services	2,423	102	2,525
Miscellaneous	73,085	-	73,085
Depreciation and depletion	337,862	228,808	566,670
Total operating expenses	<u>2,702,814</u>	<u>228,910</u>	<u>2,931,724</u>
Operating income	<u>76,431</u>	<u>684,891</u>	<u>761,322</u>
NONOPERATING INCOME			
Interest income	3,504	210	3,714
Intergovernmental grants	-	3,141,110	3,141,110
Gain on disposal of capital assets	37,056	-	37,056
Total nonoperating income	<u>40,560</u>	<u>3,141,320</u>	<u>3,181,880</u>
Income before transfers	116,991	3,826,211	3,943,202
TRANSFERS			
Transfers out	(116,991)	-	(116,991)
Total transfers	<u>(116,991)</u>	<u>-</u>	<u>(116,991)</u>
Change in net position	-	3,826,211	3,826,211
Net position, beginning of year	<u>5,899,000</u>	<u>6,576,492</u>	<u>12,475,492</u>
Prior period adjustment	<u>-</u>	<u>(150,513)</u>	<u>(150,513)</u>
Net position, beginning of year, as restated	<u>5,899,000</u>	<u>6,425,979</u>	<u>12,324,979</u>
Net position, end of year	<u><u>\$ 5,899,000</u></u>	<u><u>\$ 10,252,190</u></u>	<u><u>\$ 16,151,190</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,914,851	\$ 1,949,988	\$ 4,864,839
Payments to suppliers	(1,123,073)	(449,159)	(1,572,232)
Payments to employees	(928,811)	-	(928,811)
Net cash provided by operating activities	<u>862,967</u>	<u>1,500,829</u>	<u>2,363,796</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	<u>(116,991)</u>	-	<u>(116,991)</u>
Net cash used in noncapital financing activities	<u>(116,991)</u>	-	<u>(116,991)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(956,949)	(4,409,415)	(5,366,364)
Intergovernmental grant	-	3,141,110	3,141,110
Proceeds from the sale of capital assets	<u>37,056</u>	-	<u>37,056</u>
Net cash used in capital and related financing activities	<u>(919,893)</u>	<u>(1,268,305)</u>	<u>(2,188,198)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	1,678,355	-	1,678,355
Interest and dividends received	<u>3,504</u>	<u>210</u>	<u>3,714</u>
Net cash provided by investing activities	<u>1,681,859</u>	<u>210</u>	<u>1,682,069</u>
Net change in cash and cash equivalents	1,507,942	232,734	1,740,676
Cash and cash equivalents:			
Beginning of year	<u>1,976,537</u>	<u>308,457</u>	<u>2,284,994</u>
End of year	<u>\$ 3,484,479</u>	<u>\$ 541,191</u>	<u>\$ 4,025,670</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 76,431	\$ 684,891	\$ 761,322
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	337,862	228,808	566,670
Changes in assets and liabilities:			
Decrease in accounts receivable	135,606	-	135,606
Decrease in due from other governments	-	168,466	168,466
Decrease in inventories	247,073	-	247,073
Decrease in prepaids and other assets	10,000	-	10,000
Increase (decrease) in accounts payable	43,418	(376,079)	(332,661)
Decrease in retainage payable	-	(72,978)	(72,978)
Increase in accrued liabilities	2,249	-	2,249
Increase in advance from other funds	-	867,721	867,721
Increase in Net OPEB obligation	7,901	-	7,901
Increase in compensated absences	2,427	-	2,427
Net cash provided by operating activities	<u>\$ 862,967</u>	<u>\$ 1,500,829</u>	<u>\$ 2,363,796</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 8,940,161
Taxes receivable	<u>2,517,835</u>
Total assets	<u>11,457,996</u>
LIABILITIES	
Due to other taxing districts and agencies	<u>11,457,996</u>
Total liabilities	<u>\$ 11,457,996</u>

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

NOTES TO THE FINANCIAL STATEMENTS

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2013

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 had divided its operations into the functions of the general government, public safety, transportation, public works, culture and recreation, judicial services, education, health and welfare and economic development.

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

Reporting Entity

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

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

The County has no blended component units.

Basis of Presentation

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide financial statements

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

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

Fund financial statements

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

The County reports the following governmental fund types:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund financial statements (Continued)

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

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

The County has the following major capital projects funds:

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

Debt Service 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.

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund type:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-wide financial statements

The government-wide financial statements are reported using the economic resources management focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities associated with the operation of the County are included on the statement of net position.

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

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

Fund financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund financial statements (Continued)

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

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

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

Proprietary funds distinguish operating revenues and expenses from 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 or 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).

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - exchange and non-exchange transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current 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 60 days of fiscal year-end.

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

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

Unearned revenue

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

Expenses / expenditures

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

NOTES TO THE FINANCIAL STATEMENTS

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 \$192,434 for outstanding encumbrances and \$299,520 for appropriation of existing unassigned fund balance at year-end to eliminate a deficit in next year's budget.

Assets, Liabilities and Net Position or Equity

Cash and investments

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

Investments with a readily determined fair value are stated at fair value which approximates cost. State statutes authorize the County to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposits collaterally secured, repurchase agreements secured by the foregoing obligations, and the State Treasurer's Investment Pool. 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Intergovernmental receivable

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

Inventories and prepaid assets

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

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

Capital assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital assets (continued)

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

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

Compensated absences

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

Deferred Inflows / Outflows of Resources

The County implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of July 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position. See note 16 for more information regarding the prior period adjustment posted as a result of this change in accounting principle.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred Inflows / Outflows of Resources (continued)

In addition to liabilities, the statement of revenues, expenditures and changes in fund balance will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, seized property, intergovernmental, and the forfeited land commission and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

Interfund transactions

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Long-term obligations

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

Fund equity

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

Nonspendable - This classification includes amounts that cannot be spent because they are either a) not in spendable form or b) are legally or contractually required to be maintained intact. The County has classified assets held for 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund equity (Continued)

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

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

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

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

County Council has established a policy to maintain a General Fund unassigned fund balance between 25 and 30 percent of regular budgeted General Fund expenditures. At June 30, 2013, the County did not attain the minimum fund balance due to the fiscal year 2012 shortfall attributable to the 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Net position

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

Restricted resources

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

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/expenses. 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

County Council adopts annual budgets for General Fund, Emergency Services Protection District, 911 Fund, Sheriffs 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 several years. The capital projects funds are budgeted on a project basis and some projects span several years.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2013, expenditures exceeded as follows:

Fund	Excess
General Fund	
Sheriff's department	\$ 127,760
Emergency services	58,218
Emergency management	43,340
Coroner	14,902
Human resources	8,061
Auditor	6,134
Treasurer	4,190
Register of deeds	3,820
Legislative delegation	254
Solicitor's Victim Assistance Fund	
Judicial services	7,805
Debt Service Fund	
Principal	80,000
Interest	370,236

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2013, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 38,255,717
Investments	11,634,438
Agency Fund - cash and cash equivalents	8,940,161
Component Unit - cash and cash equivalents	610,857
	<u>\$ 59,441,173</u>
Cash deposited with financial institutions	\$ 23,067,249
SC State Investment Pool	24,739,486
Certificates of deposit	11,634,438
	<u>\$ 59,441,173</u>

Custodial credit risk

This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2013, the carrying amount of the County's deposits was \$58,830,316 and the bank balance was \$59,682,186. 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.

The Keowee Fire Tax District, a discretely presented component unit, does not have a deposit policy for custodial credit risk. The carrying amount of deposits for the District was \$610,857 and the bank balance was \$617,963 at June 30, 2013. The total cash balances were covered by federal depository insurance coverage. From time to time during the year, the District may have cash on deposit with banks that exceed the balance insured by federal depository insurance.

As of June 30, 2013, 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	\$ 24,739,486	\$ 24,739,486	\$ -	\$ -
Certificates of deposit	11,634,438	3,574,765	7,357,853	701,820
	<u>\$ 36,373,924</u>	<u>\$ 28,314,251</u>	<u>\$ 7,357,853</u>	<u>\$ 701,820</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit risk

This 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 is invested in certificates of deposit with varying maturity dates and the State South Carolina Local Government Investment Pool. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance. The South Carolina Local Government Investment Pool is not rated, but generally, investments in this pool are collateralized by debt securities in corporate obligations, state or political subdivision obligations of investment grade or higher quality and in federal agency securities.

Interest rate risk

This is the risk that the 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.

Concentration of credit risk

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

Custodial credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES (CONTINUED)

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

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

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

Receivables as of June 30, 2013, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Economic Development	Nonmajor Governmental
Taxes receivable	\$ 1,087,514	\$ -	\$ 17,989	\$ 188,351
Accounts receivable	370,377	-	-	844,956
Due from other governments	705,007	7,833	-	236,775
Less: Allowance	(110,250)	-	(360)	(3,768)
Net receivables	<u>\$ 2,052,648</u>	<u>\$ 7,833</u>	<u>\$ 17,629</u>	<u>\$ 1,266,314</u>
	FOCUS	Rock Quarry		Total
Taxes receivable	\$ -	\$ -		\$ 1,293,854
Accounts receivable	-	129,145		1,344,478
Due from other governments	151,374	-		1,100,989
Less: Allowance	-	(77,834)		(192,212)
Net receivables	<u>\$ 151,374</u>	<u>\$ 51,311</u>		<u>\$ 3,547,109</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the County's governmental activities for the year ended June 30, 2013 was as follows:

Governmental Activities	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Capital Assets Not Being Depreciated					
Land	\$ 3,049,554	\$ 39,440	\$ (17,000)	\$ 141,560	\$ 3,213,554
Other costs	36,373,688	467,768	-	-	36,841,456
Construction in progress	9,222,201	2,620,194	-	(6,598,400)	5,243,995
Total capital assets not being depreciated	<u>48,645,443</u>	<u>3,127,402</u>	<u>(17,000)</u>	<u>(6,456,840)</u>	<u>45,299,005</u>
Capital Assets Being Depreciated					
Buildings and improvements	48,230,583	103,208	-	5,941,842	54,275,633
Equipment and vehicles	37,745,859	985,705	(341,353)	466,079	38,856,290
Infrastructure	71,033,659	257,272	(37,490)	154,317	71,407,758
Other	46,675	-	-	-	46,675
Total capital assets being depreciated	<u>157,056,776</u>	<u>1,346,185</u>	<u>(378,843)</u>	<u>6,562,238</u>	<u>164,586,356</u>
Less Accumulated Depreciation					
Buildings and improvements	(14,828,780)	(1,727,820)	-	-	(16,556,600)
Equipment and vehicles	(26,339,325)	(2,535,697)	300,456	(105,398)	(28,679,964)
Infrastructure	(47,780,405)	(1,970,927)	25,199	-	(49,726,133)
Other	(46,675)	-	-	-	(46,675)
Total accumulated depreciation	<u>(88,995,185)</u>	<u>(6,234,444)</u>	<u>325,655</u>	<u>(105,398)</u>	<u>(95,009,372)</u>
Total capital assets being depreciated, net	<u>68,061,591</u>	<u>(4,888,259)</u>	<u>(53,188)</u>	<u>6,456,840</u>	<u>69,576,984</u>
Governmental activities capital assets, net	<u>\$ 116,707,034</u>	<u>\$ (1,760,857)</u>	<u>\$ (70,188)</u>	<u>\$ -</u>	<u>\$ 114,875,989</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General Government	\$ 351,140
Public Safety	1,872,725
Transportation	2,768,110
Public Works	518,916
Culture and Recreation	233,618
Judicial Services	307,397
Health and Welfare	155,272
Economic Development	<u>27,266</u>
Total Governmental Activities Depreciation Expense	<u>\$ 6,234,444</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2013 was as follows:

Business-Type Activities	Balance June 30, 2012	Additions	Deletions	Transfers	Balance June 30, 2013
Capital Assets Not Being Depreciated					
Land	\$ 27,891	\$ 346,657	\$ -	\$ -	\$ 374,548
Construction in progress	9,617,497	4,409,416	-	(3,578,450)	10,448,463
Total capital assets not being depreciated	<u>9,645,388</u>	<u>4,756,073</u>	<u>-</u>	<u>(3,578,450)</u>	<u>10,823,011</u>
Capital Assets Being Depreciated					
Buildings and Improvements	544,786	-	-	-	544,786
Equipment and vehicles	5,822,683	610,291	(133,435)	(90,407)	6,209,132
Infrastructure	-	-	-	3,563,460	3,563,460
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	<u>6,897,403</u>	<u>610,291</u>	<u>(133,435)</u>	<u>3,473,053</u>	<u>10,847,312</u>
Less Accumulated Depreciation					
Buildings and improvements	(239,606)	(26,316)	-	-	(265,922)
Equipment and vehicles	(4,708,472)	(326,492)	133,435	105,397	(4,796,132)
Infrastructure	-	(206,980)	-	-	(206,980)
Mineral interests	(227,151)	(6,882)	-	-	(234,033)
Total accumulated depreciation	<u>(5,175,229)</u>	<u>(566,670)</u>	<u>133,435</u>	<u>105,397</u>	<u>(5,503,067)</u>
Total capital assets being depreciated, net	<u>1,722,174</u>	<u>43,621</u>	<u>-</u>	<u>3,578,450</u>	<u>5,344,245</u>
Business-type activities capital assets, net	<u>\$ 11,367,562</u>	<u>\$ 4,799,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,167,256</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Rock Quarry Fund	\$ 337,862
FOCUS Fund	228,808
	<u> </u>
Total Business-Type Activities Depreciation Expense	<u><u>\$ 566,670</u></u>

B. Component Unit

Capital asset activity for the Keowee Fire Tax District for the year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
Capital Assets Being Depreciated				
Buildings and improvements	\$ 1,557,467	\$ -	\$ -	\$ 1,557,467
Equipment and vehicles	269,629	3,572	-	273,201
Total capital assets being depreciated	<u>1,827,096</u>	<u>3,572</u>	<u>-</u>	<u>1,830,668</u>
Less Accumulated Depreciation				
Buildings and improvements	(170,034)	(44,642)	-	(214,676)
Equipment and vehicles	<u>(100,139)</u>	<u>(25,282)</u>	<u>-</u>	<u>(125,421)</u>
Total accumulated depreciation	<u>(270,173)</u>	<u>(69,924)</u>	<u>-</u>	<u>(340,097)</u>
Total capital assets being depreciated, net	<u><u>\$ 1,556,923</u></u>	<u><u>\$ (66,352)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,490,571</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A. Primary Government

	Balance			Balance		Due Within
Governmental Activities	June 30, 2012	Additions	Reductions	June 30, 2013		One Year
General Obligation Bonds	\$ 19,990,000	\$ 2,600,000	\$ (2,590,000)	\$ 20,000,000	\$	2,855,000
General Obligation Bond Premiums	896,375	38,954	(128,780)	806,549		-
Total General Obligation Bonds	20,886,375	2,638,954	(2,718,780)	20,806,549		2,855,000
Capital Lease Obligations	1,928,251	-	(627,298)	1,300,953		318,106
Special Source Revenue Bonds	3,315,000	-	(190,000)	3,125,000		200,000
Post-Closure Care Costs	4,037,217	-	(1,498,252)	2,538,965		50,779
Annual Leave	1,193,048	564,137	(531,251)	1,225,934		583,193
Net Post-Employment Benefit Obligation	1,900,080	250,601	-	2,150,681		-
	<u>\$ 33,259,971</u>	<u>\$ 3,453,692</u>	<u>\$ (5,565,581)</u>	<u>\$ 31,148,082</u>	<u>\$</u>	<u>4,007,078</u>

The beginning balance of General Obligation Bonds has been increased by \$910,000 to properly include the series 2007 General Obligation Bonds.

	Balance			Balance		Due Within
Business-Type Activities	June 30, 2012	Additions	Reductions	June 30, 2013		One Year
Annual Leave	\$ 74,792	\$ 33,254	\$ (30,827)	\$ 77,219	\$	25,558
Net Post-Employment Benefit Obligation	59,904	7,901	-	67,805		-
	<u>\$ 134,696</u>	<u>\$ 41,155</u>	<u>\$ (30,827)</u>	<u>\$ 145,024</u>	<u>\$</u>	<u>25,558</u>

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

General Obligation Bonds: During the year ended June 30, 2008, the County issued series 2007 general obligation bonds in the amount of \$1,200,000. The bond proceeds were used to (1) construct a new substation for the Keowee Fire Tax District and (2) expand the current headquarters of the Keowee Fire Tax District. General obligation bonds outstanding at June 30, 2013, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2007 General Obligation Bonds	3 - 3.6 %	15 years	2022	<u>\$ 1,200,000</u>	<u>\$ 835,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (continued)

During the year ended June 30, 2011, the County issued series 2010 general obligation refunding bonds in the amount of \$5,300,000. The bond proceeds were used to (1) refund the outstanding Series 1996 general obligation bonds, (2) refund the outstanding series 2001 general obligation bonds, (3) advance refund the outstanding series 2001 general obligation bonds and (4) payment of the costs to issue the 2010 series general obligation bonds. General obligation bonds outstanding at June 30, 2013, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2010 General Obligation Refunding Bonds	2 - 5 %	7 years Plus unamortized premium	2017	<u>\$ 5,300,000</u>	\$ 2,635,000 75,064
					<u>\$ 2,710,064</u>

During the year ended June 30, 2011, the County issued series 2011 general obligation bonds in the amount of \$17,000,000. The bond proceeds were used to (1) defray the costs of designing, constructing, and equipping a new detention center in the County and (2) pay the costs to issue the 2011 series general obligation bonds. General obligation bonds outstanding at June 30, 2013, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2011 General Obligation Bonds	2 - 5 %	20 years Plus unamortized premium	2031	<u>\$ 17,000,000</u>	\$ 13,930,000 694,380
					<u>\$ 14,624,380</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (continued)

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

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2013 General Obligation Bonds	3 - 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	\$ 2,600,000
		Plus unamortized premium			<u>37,105</u>
					<u><u>\$ 2,637,105</u></u>

The annual requirements to amortize all general obligation bonds as of June 30, 2013, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 2,855,000	\$ 690,724	\$ 3,545,724
2015	2,100,000	608,772	2,708,772
2016	2,185,000	539,186	2,724,186
2017	1,305,000	466,754	1,771,754
2018	740,000	437,426	1,177,426
2019-2023	4,020,000	1,812,360	5,832,360
2024-2028	4,405,000	1,005,500	5,410,500
2029-2031	<u>2,390,000</u>	<u>193,800</u>	<u>2,583,800</u>
	<u><u>\$ 20,000,000</u></u>	<u><u>\$ 5,754,522</u></u>	<u><u>\$ 25,754,522</u></u>

Debt service funds of \$1,440,108 are available to service the general obligation bonds.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

Capital Leases

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

The following is an analysis of equipment leased under capital leases as of June 30, 2013:

Machinery and Equipment and Contruction in Progress	\$ 1,357,944
Less: Accumulated Depreciation	<u>(185,411)</u>
	<u>\$ 1,172,533</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, 2013:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Funds</u>
2014	\$ 337,360
2015	337,360
2016	337,360
2017	<u>337,360</u>
Total Minimum Lease Payments	\$ 1,349,440
Less: Amount Representing Interest	<u>(48,487)</u>
	<u>\$ 1,300,953</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

Special Source Revenue Bonds

During 2010, the County issued special source revenue bonds in the amount 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.

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
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	240,000	104,190	344,190
2019-2023	1,380,000	344,540	1,724,540
2024-2025	645,000	44,850	689,850
	<u>\$ 3,125,000</u>	<u>\$ 1,011,540</u>	<u>\$ 4,136,540</u>

B. Component Unit

Long-term liabilities for the Keowee Fire Tax District at June 30, 2013 were as follows:

	Balance June 30, 2012	Additions	Reductions	Balance June 30, 2013	Due Within One Year
Keowee Fire Tax District					
Annual Leave	\$ 14,931	\$ 13,164	\$ -	\$ 28,095	\$ 2,810
	<u>\$ 14,931</u>	<u>\$ 13,164</u>	<u>\$ -</u>	<u>\$ 28,095</u>	<u>\$ 2,810</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and state laws require the County to place a final cover on their landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The County has recorded a liability in the government-wide statement of net position for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2013, calculated as follows:

	<u>MSW</u>	<u>C&D1</u>	<u>C&D II</u>	<u>Total</u>
Total Estimated Current Closure and Post-Closure Care Cost	\$ 1,903,880	\$ 524,427	\$ 605,733	
Percentage of Landfill Capacity Used to Date	<u>100%</u>	<u>98%</u>	<u>20%</u>	
Reported Liability for Closure and Post-Closure Care Cost	<u>\$ 1,903,880</u>	<u>\$ 513,938</u>	<u>\$ 121,147</u>	<u>\$ 2,538,965</u>
Total Estimated Current Closure and Post-Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>\$ 10,489</u>	<u>\$ 484,586</u>	
Landfill's Approximate Remaining Life in Years	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 17</u>	

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

The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2013. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS

A. Primary Government

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 \$17,414,106, \$16,717,506, and \$16,756,749 for the years ended June 30, 2013, 2012 and 2011, 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 65 with five years of vestment or completion of 28 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 60. Employees are vested for a deferred annuity after five years service and qualify for a survivor's benefit upon completion of 15 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 7.0 percent of their salary for the year ended June 30, 2013. The County is required to contribute 10.45 percent of employees' salary for the years ended June 30, 2013. In addition, the County pays 0.15 percent of payroll for group life contributions.

PORS - Participating employees contribute 7.0 percent of their annual covered payroll. The County contributes on their behalf 11.9 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 SCORS. A member must have 25 years of service for full retirement or must be age 55 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Retirement Plan (continued)

The Plans provide death and disability as well as 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, 2013 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, 2013	\$ 804,497	7.00%	\$ 1,221,600	10.45%	\$ 2,026,097
June 30, 2012	737,622	6.50%	1,082,090	9.39%	1,819,712
June 30, 2011	728,278	6.50%	1,035,437	9.24%	1,763,715
PORS					
June 30, 2013	\$ 410,926	7.00%	\$ 724,419	11.900%	\$ 1,135,345
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

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Deferred Compensation Plan

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

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

Other Post Employment Healthcare Benefits (OPEB)

Plan description

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

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the General Fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2013, there were seventy retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$456,541 for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Other Post Employment Healthcare Benefits (OPEB) (continued)

Plan description (continued)

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

Funding policy and annual OPEB costs

The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB costs for the year, the amount actuarially contributed to the plan, and changes in the County's net OPEB obligation for the post-employment health insurance benefits:

	2013
Annual Required Contribution	\$ 744,542
Interest on OPEB Obligation	88,199
Adjustment to Annual Required Contribution	(117,698)
Annual OPEB Costs	715,043
Contributions Made	(456,541)
Increase in Net OPEB Obligation	258,502
Net OPEB Obligation - Beginning of Year	1,959,984
Net OPEB Obligation - End of Year	<u>\$ 2,218,486</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 715,043	\$ 456,541	63.85%	\$ 2,218,486
2012	1,265,807	592,163	46.78%	1,959,984
2011	882,405	499,328	81.77%	1,286,340

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

A. Primary Government (Continued)

Other Post Employment Healthcare Benefits (OPEB) (continued)

Funding Status and Progress

As of June 30, 2011, 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 \$7,584,954. The covered payroll (annual payroll of active employees covered by the plan) was \$15,328,947; the ratio of the UAAL to the covered payroll was 49.5 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 2011 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 8.5 percent to 4.5 percent per year over eight 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 30-year period.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

B. Component Unit

Retirement Plan

The Keowee Fire Tax District contributes to the Police Officer's Retirement System (PORS), a cost-sharing, multiple-employer defined benefit pension plan administered by the State Budget and Control Board of South Carolina. PORS provide retirement and disability benefits, cost of living adjustments and death benefits to plan members and beneficiaries. These benefit provisions are established under the authority of Title 9 of the South Carolina Code of Laws. The PORS issue a publicly available financial report that includes the financial statements and required supplementary information for the retirement system. This report may be obtained by writing the South Carolina Retirement System, Post Office Box 11960, Capitol Station, Columbia, South Carolina 29211-1960.

PORS members are required to contribute 7.0 percent of their annual covered payroll. The District contributes on their behalf 11.9 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 25 years of service for full retirement or must be age 55 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. Contribution information for the year ended June 30, 2013 and the two years prior were equal to the required contribution for each year-end and are as follows:

	<u>PORS</u>
June 30, 2013	\$ 28,100
June 30, 2012	26,614
June 30, 2011	23,683

Supplemental Retirement Plan

A supplemental retirement plan is also maintained by the District where contributions are approved and made from the revenue received by the 1 percent special revenue fund. The District may contribute up to \$6,000 annually to this plan. No contribution was made during the year ended June 30, 2013.

NOTES TO THE FINANCIAL STATEMENTS

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 Medicare eligible retirees are excluded from any stop-loss coverage. For fiscal year 2013, 74 retirees were excluded. The estimated annual maximum cost to the County is \$6,859,342, for the year. At year-end, claims due and payable equal approximately \$478,761 and are recorded as a liability and expenditure within the General Fund.

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
2013	\$ 546,895	\$ 5,555,041	\$ 5,623,175	\$ 478,761
2012	635,531	5,697,296	5,785,932	546,895
2011	584,570	5,264,878	5,213,917	635,531

NOTE 10. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2013 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Accomodations Tax	\$ 120,000
General Fund	FOCUS	4,065,966
		<u>\$ 4,185,966</u>

Advances are used for long-term interfund loans. The General Fund had two outstanding advances at June 30, 2013. The advance to the Local Accommodations Tax Fund was used to fund the purchase of Stumphouse Mountain by the Nature Conservancy and the City of Walhalla to be repaid over a 10-year period at \$30,000 annually. The advance to the FOCUS Fund is to finance construction and operations. This 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Total transfers during the year ended June 30, 2013 consisted of the following individual amounts:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Rock Quarry Fund	\$ 116,991
General Fund	Nonmajor Governmental Funds	72,142
Nonmajor Governmental Funds	Nonmajor Governmental Funds	93
Nonmajor Governmental Funds	General Fund	94,568
Nonmajor Governmental Funds	Capital Projects Fund	1,145,946
Economic Development Fund	Capital Projects Fund	1,738,157
Economic Development Fund	General Fund	1,041,000
Economic Development Fund	Nonmajor Governmental Funds	600,000
Capital Projects Fund	General Fund	380,000
		<u>\$ 5,188,897</u>

The transfers noted above were used to (1) provide operational funds, (2) provide salary subsidies, and/or (3) provide funds for the Pointe West Overage. All were made in accordance with budgetary authorizations.

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.

NOTES TO THE FINANCIAL STATEMENTS

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
2014	\$ 95,027
2015	92,967
2016	42,693
2017	40,387
2018	34,281
	<u>\$ 305,355</u>

Construction commitments at June 30, 2013 totaled approximately \$3,654,078.

NOTE 13. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2013, the company paid property taxes in the amount of \$27.0 million based on assessed property values of \$132.0 million. This represents approximately 31 percent of the 2012 levy. Approximately \$18.6 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, 2013, have not yet been conducted. Therefore, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS

The County has determined that a restatement to beginning net position of governmental activities is required to (1) reflect corrections of errors in the June 30, 2012 financial report and (2) reflect the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of July 1, 2012. These restatements are as follows:

Governmental activities net position, as previously reported	\$ 143,603,705
Adjustment needed to properly state the County's debt	(910,000)
Adjustment needed to recognize bond issuance costs in accordance with GASB 65	(173,390)
Individual fund level prior period adjustments discussed below	1,054,707
Governmental activities net position, as restated	<u>\$ 143,575,022</u>

The County has determined that a restatement of debt service fund assets and fund balance is required to include an intergovernmental receivable due from the County's discretely presented component unit. Additionally, the County has determined that a restatement of the Capital Projects Fund liabilities and fund balance is required to properly state unearned revenue. The restatement within the Debt Service and Capital Projects Funds resulted in an increase to fund balance of \$1,054,707.

The County has determined that a restatement to beginning net position of the business-type activities is required to reflect a correction of an error in the June 30, 2012 financial report. This restatement is as follows:

Business type activities net position, as previously reported	\$ 12,475,492
Adjustment needed to properly state the County's amounts due from other governments	(150,513)
Business type activities net position, as restated	<u>\$ 12,324,979</u>

The County has determined that a restatement of the FOCUS Fund net position is needed to reflect corrections to the beginning balance of accounts receivable. The restatement within the FOCUS Fund resulted in a decrease in net position of \$150,513.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. PRIOR PERIOD ADJUSTMENTS/RESTATEMENTS (CONTINUED)

To further explain the above restatements, the following thoughts are provided:

Adjustment of Long-Term Debt. The County noted that certain bonds payable recorded in the Keowee Fire Tax District's, a discretely presented component unit, financial statements should be recorded as debt of the County. This error caused an understatement of the amount due from the component unit and fund balance within the County's Debt Service Fund. This also caused an understatement of long-term debt in the governmental activities column of the government-wide financial statements. Such errors were a result of a misinterpretation of the debt agreement. The County determined that an adjustment to increase due from component unit and increase fund balance in the amount of \$910,000 in the Debt Service Fund, and an adjustment to increase bonds payable and decrease governmental activities net position in the amount of \$910,000 in the government wide financial statements, were required to appropriately reflect the long-term debt in the County's financial statements.

Adjustment of Bond Issuance Costs. The County chose an early implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are written off as of July 1, 2012. This change in accounting principle resulted in a decrease in unamortized bond issuance costs and a decrease in governmental activities net position in the amount of \$173,390 within the government wide financial statements.

Adjustment of Unearned Revenue. The County noted numerous errors related to unearned grant revenues within the Capital Projects Fund. These errors caused an understatement of prior year revenue and an overstatement of unearned revenue. The County determined an adjustment of \$144,707 to decrease unearned revenue was necessary to appropriately reflect revenues and liabilities of the Capital Projects Fund as of June 30, 2012.

Adjustment of Due From Other Governments. The County noted errors related to federal grant revenues and receivables from other governments within the FOCUS Fund. These errors caused an overstatement of prior year revenue and an overstatement of amounts due from other governments. The County determined an adjustment of \$150,513 to decrease due from other governments was necessary to appropriately reflect receivables and revenues of the FOCUS Fund as of June 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, SOUTH CAROLINA

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2007	\$ -	\$ 10,295,394	\$ 10,295,394	- %	\$ 16,231,313	63.4%
6/30/2009	-	14,201,310	14,201,310	-	16,053,849	88.5%
6/30/2011	-	7,584,954	7,584,954	-	15,328,947	49.5%

The assumptions used in the preparation of the above schedule are disclosed in Note 8 to the financial statements.

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COMBINING STATEMENTS AND SCHEDULES

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

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

OCONEE COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2013

	Special Revenue Funds						
	Emergency Services Protection District	Miscellaneous Special Revenue	911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victim Assistance	Solicitor's Victim Assistance
ASSETS							
Cash and cash equivalents	\$ 1,402,319	\$ 422,839	\$ 1,137,603	\$ 50,225	\$ 113,815	\$ 55,972	\$ 49,253
Taxes receivable	39,979	-	-	-	-	-	-
Accounts receivable, net	-	26,831	36,779	-	16,410	-	-
Due from other governments	-	149,224	22,207	59,442	5,902	-	-
Due from component unit	-	-	-	-	-	-	-
Prepaid expenditures	418,835	199	-	-	-	-	-
Seized assets	-	103,160	-	-	-	-	-
Total assets	<u>\$ 1,861,133</u>	<u>\$ 702,253</u>	<u>\$ 1,196,589</u>	<u>\$ 109,667</u>	<u>\$ 136,127</u>	<u>\$ 55,972</u>	<u>\$ 49,253</u>
LIABILITIES							
Accounts payable	\$ 13,884	\$ 36,569	\$ 17,368	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	1,614	736
Advances from other funds	-	-	-	-	120,000	-	-
Unearned revenues	-	109,244	-	-	-	-	-
Total liabilities	<u>13,884</u>	<u>145,813</u>	<u>17,368</u>	<u>-</u>	<u>120,000</u>	<u>1,614</u>	<u>736</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	34,011	-	-	-	-	-	-
Unavailable revenue - seized property	-	103,160	-	-	-	-	-
Unavailable revenue - intergovernmental	-	57,734	-	-	-	-	-
Total deferred inflows of resources	<u>34,011</u>	<u>160,894</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable:							
Prepaid expenditures	418,835	199	-	-	-	-	-
Seized assets	-	103,160	-	-	-	-	-
Restricted for:							
General government	-	11,926	-	-	-	-	-
Public safety	1,394,403	140,252	1,179,221	-	-	54,358	48,517
Transportation	-	336	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Culture and recreation	-	45,193	-	109,667	16,127	-	-
Judicial services	-	81,601	-	-	-	-	-
Education	-	-	-	-	-	-	-
Health and welfare	-	11,791	-	-	-	-	-
Economic development	-	1,088	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Total fund balances	<u>1,813,238</u>	<u>395,546</u>	<u>1,179,221</u>	<u>109,667</u>	<u>16,127</u>	<u>54,358</u>	<u>48,517</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,861,133</u>	<u>\$ 702,253</u>	<u>\$ 1,196,589</u>	<u>\$ 109,667</u>	<u>\$ 136,127</u>	<u>\$ 55,972</u>	<u>\$ 49,253</u>

Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ 52	\$ 223,446	\$ 587,022	\$ 3,247,711	\$ 7,290,257
-	37,472	90,031	17,101	184,583
-	764,936	-	-	844,956
-	-	-	-	236,775
-	-	835,000	-	835,000
-	-	-	-	419,034
-	-	-	-	103,160
<u>\$ 52</u>	<u>\$ 1,025,854</u>	<u>\$ 1,512,053</u>	<u>\$ 3,264,812</u>	<u>\$ 9,913,765</u>
\$ 52	\$ -	\$ -	\$ 28,601	\$ 96,474
-	-	-	-	2,350
-	-	-	-	120,000
-	-	-	-	109,244
<u>52</u>	<u>-</u>	<u>-</u>	<u>28,601</u>	<u>328,068</u>
-	31,919	71,945	14,457	152,332
-	-	-	-	103,160
-	-	-	-	57,734
<u>-</u>	<u>31,919</u>	<u>71,945</u>	<u>14,457</u>	<u>313,226</u>
-	-	-	-	419,034
-	-	-	-	103,160
-	-	-	-	11,926
-	-	-	-	2,816,751
-	-	-	-	336
-	-	1,440,108	-	1,440,108
-	-	-	-	170,987
-	-	-	-	81,601
-	993,935	-	-	993,935
-	-	-	-	11,791
-	-	-	-	1,088
-	-	-	3,221,754	3,221,754
<u>-</u>	<u>993,935</u>	<u>1,440,108</u>	<u>3,221,754</u>	<u>9,272,471</u>
<u>\$ 52</u>	<u>\$ 1,025,854</u>	<u>\$ 1,512,053</u>	<u>\$ 3,264,812</u>	<u>\$ 9,913,765</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds						
	Emergency Services Protection District	Miscellaneous Special Revenue	911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victim Assistance	Solicitor's Victim Assistance
Revenues:							
Property taxes	\$ 1,352,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	320,081	165,055	171,132	-	-
Intergovernmental	-	585,341	190,436	-	-	-	-
Fines and forfeitures	-	-	-	-	-	61,204	48,523
Interest revenue	-	5	676	58	131	-	-
Other revenues	600	308,700	-	-	-	-	-
Total revenues	1,353,304	894,046	511,193	165,113	171,263	61,204	48,523
Expenditures:							
Current:							
General government	-	13,159	-	-	-	-	-
Public safety	1,400,014	417,507	175,138	-	-	121,291	-
Transportation	-	212,228	-	-	-	-	-
Public works	-	45,670	-	-	-	-	-
Culture and recreation	-	74,623	-	89,184	133,434	-	-
Judicial services	-	6,167	-	-	-	-	65,692
Education	-	-	-	-	-	-	-
Health and welfare	-	84,628	-	-	-	-	-
Economic development	-	26,896	-	-	-	-	-
Capital outlay	-	-	53,739	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	1,400,014	880,878	228,877	89,184	133,434	121,291	65,692
Excess (deficiency) of revenues over (under) expenditures	(46,710)	13,168	282,316	75,929	37,829	(60,087)	(17,169)
Other financing sources (uses)							
Transfers in	-	7,300	-	-	-	60,420	26,941
Transfers out	-	(40,232)	-	(32,003)	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(32,932)	-	(32,003)	-	60,420	26,941
Net change in fund balances	(46,710)	(19,764)	282,316	43,926	37,829	333	9,772
Fund balances, beginning of year	1,859,948	415,310	896,905	65,741	(21,702)	54,025	38,745
Prior period adjustment	-	-	-	-	-	-	-
Fund balances, beginning of year, as restated	1,859,948	415,310	896,905	65,741	(21,702)	54,025	38,745
Fund balances, end of year	\$ 1,813,238	\$ 395,546	\$ 1,179,221	\$ 109,667	\$ 16,127	\$ 54,358	\$ 48,517

Special Revenue Funds		Debt Service Fund	Capital Projects Fund	
Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ -	\$ 1,046,712	\$ 3,469,656	\$ 511,500	\$ 6,380,572
-	-	-	-	656,268
76,304	-	-	-	852,081
-	-	-	-	109,727
-	-	38,097	-	38,967
-	-	-	-	309,300
76,304	1,046,712	3,507,753	511,500	8,346,915
-	-	-	-	13,159
-	-	-	-	2,113,950
-	-	-	99,509	311,737
-	-	-	-	45,670
70,328	-	-	-	367,569
-	-	-	-	71,859
-	1,036,754	-	-	1,036,754
-	-	-	-	84,628
-	-	-	-	26,896
5,976	-	-	-	59,715
-	-	2,780,000	-	2,780,000
-	-	872,086	-	872,086
76,304	1,036,754	3,652,086	99,509	7,784,023
-	9,958	(144,333)	411,991	562,892
-	-	-	1,145,946	1,240,607
-	-	(600,000)	-	(672,235)
-	-	38,954	-	38,954
-	-	(561,046)	1,145,946	607,326
-	9,958	(705,379)	1,557,937	1,170,218
-	983,977	1,235,487	1,663,817	7,192,253
-	-	910,000	-	910,000
-	983,977	2,145,487	1,663,817	8,102,253
\$ -	\$ 993,935	\$ 1,440,108	\$ 3,221,754	\$ 9,272,471

OCONEE COUNTY, SOUTH CAROLINA
EMERGENCY SERVICES PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 1,323,590	\$ 1,323,590	\$ 1,352,704	\$ 29,114
Other revenue	-	-	600	600
Total revenues	<u>1,323,590</u>	<u>1,323,590</u>	<u>1,353,304</u>	<u>29,714</u>
EXPENDITURES				
Public safety	<u>1,958,600</u>	<u>2,509,486</u>	<u>1,400,014</u>	<u>1,109,472</u>
Total expenditures	<u>1,958,600</u>	<u>2,509,486</u>	<u>1,400,014</u>	<u>1,109,472</u>
Net change in fund balance	(635,010)	(1,185,896)	(46,710)	1,139,186
FUND BALANCES, beginning of year	<u>1,859,948</u>	<u>1,859,948</u>	<u>1,859,948</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 1,224,938</u></u>	<u><u>\$ 674,052</u></u>	<u><u>\$ 1,813,238</u></u>	<u><u>\$ 1,139,186</u></u>

OCONEE COUNTY, SOUTH CAROLINA
911 FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 253,000	\$ 253,000	\$ 320,081	\$ 67,081
Intergovernmental	125,000	125,000	190,436	65,436
Interest revenue	51,600	51,600	676	(50,924)
Total revenues	<u>429,600</u>	<u>429,600</u>	<u>511,193</u>	<u>81,593</u>
EXPENDITURES				
Public safety	288,000	288,000	175,138	112,862
Capital outlay	64,500	64,500	53,739	10,761
Total expenditures	<u>352,500</u>	<u>352,500</u>	<u>228,877</u>	<u>123,623</u>
Net change in fund balance	77,100	77,100	282,316	205,216
FUND BALANCES, beginning of year	<u>896,905</u>	<u>896,905</u>	<u>896,905</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 974,005</u></u>	<u><u>\$ 974,005</u></u>	<u><u>\$ 1,179,221</u></u>	<u><u>\$ 205,216</u></u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 71,000	\$ 71,000	\$ 61,204	\$ (9,796)
Total revenues	<u>71,000</u>	<u>71,000</u>	<u>61,204</u>	<u>(9,796)</u>
EXPENDITURES				
Public safety	131,916	131,916	121,291	10,625
Total expenditures	<u>131,916</u>	<u>131,916</u>	<u>121,291</u>	<u>10,625</u>
Deficiency of revenues under expenditures	(60,916)	(60,916)	(60,087)	829
Other financing sources				
Transfers in	60,420	60,420	60,420	-
Total other financing sources	<u>60,420</u>	<u>60,420</u>	<u>60,420</u>	<u>-</u>
Net change in fund balance	(496)	(496)	333	829
FUND BALANCES, beginning of year	<u>54,025</u>	<u>54,025</u>	<u>54,025</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 53,529</u>	<u>\$ 53,529</u>	<u>\$ 54,358</u>	<u>\$ 829</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 28,500	\$ 28,500	\$ 48,523	\$ 20,023
Total revenues	<u>28,500</u>	<u>28,500</u>	<u>48,523</u>	<u>20,023</u>
EXPENDITURES				
Judicial services	<u>57,887</u>	<u>57,887</u>	<u>65,692</u>	<u>(7,805)</u>
Total expenditures	<u>57,887</u>	<u>57,887</u>	<u>65,692</u>	<u>(7,805)</u>
Deficiency of revenues under expenditures	(29,387)	(29,387)	(17,169)	12,218
Other financing sources				
Transfers in	<u>26,848</u>	<u>26,848</u>	<u>26,941</u>	<u>93</u>
Total other financing sources	<u>26,848</u>	<u>26,848</u>	<u>26,941</u>	<u>93</u>
Net change in fund balance	(2,539)	(2,539)	9,772	12,311
FUND BALANCES, beginning of year	<u>38,745</u>	<u>38,745</u>	<u>38,745</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 36,206</u>	<u>\$ 36,206</u>	<u>\$ 48,517</u>	<u>\$ 12,311</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes	\$ 1,060,500	\$ 1,060,500	\$ 1,046,712	\$ (13,788)
Total revenues	<u>1,060,500</u>	<u>1,060,500</u>	<u>1,046,712</u>	<u>(13,788)</u>
EXPENDITURES				
Education	1,036,754	1,036,754	1,036,754	-
Total expenditures	<u>1,036,754</u>	<u>1,036,754</u>	<u>1,036,754</u>	<u>-</u>
Net change in fund balance	23,746	23,746	9,958	(13,788)
FUND BALANCES, beginning of year	<u>983,977</u>	<u>983,977</u>	<u>983,977</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 1,007,723</u></u>	<u><u>\$ 1,007,723</u></u>	<u><u>\$ 993,935</u></u>	<u><u>\$ (13,788)</u></u>

**OCONEE COUNTY, SOUTH CAROLINA
DEBT SERVICE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ -	\$ -	\$ 3,469,656	\$ 3,469,656
Interest revenue	501,850	501,850	38,097	(463,753)
Total revenues	<u>501,850</u>	<u>501,850</u>	<u>3,507,753</u>	<u>3,005,903</u>
EXPENDITURES				
Debt service				
Principal	2,700,000	2,700,000	2,780,000	(80,000)
Interest	501,850	501,850	872,086	(370,236)
Total expenditures	<u>3,201,850</u>	<u>3,201,850</u>	<u>3,652,086</u>	<u>(450,236)</u>
Deficiency of revenues under expenditures	<u>(2,700,000)</u>	<u>(2,700,000)</u>	<u>(144,333)</u>	<u>2,555,667</u>
Other financing sources (uses)				
Transfers out	-	-	(600,000)	(600,000)
Proceeds from the issuance of debt	2,700,000	2,700,000	38,954	(2,661,046)
Total other financing sources (uses)	<u>2,700,000</u>	<u>2,700,000</u>	<u>(561,046)</u>	<u>(3,261,046)</u>
Net change in fund balance	-	-	(705,379)	(705,379)
FUND BALANCES, beginning of year, as restated	<u>2,145,487</u>	<u>2,145,487</u>	<u>2,145,487</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,145,487</u>	<u>\$ 2,145,487</u>	<u>\$ 1,440,108</u>	<u>\$ (705,379)</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	June 30, 2012	Increases	Decreases	June 30, 2013
SDOC General Fund				
ASSETS				
Cash and cash equivalents	\$ 330,073	\$ 3,532,396	\$ (3,320,030)	\$ 542,439
Taxes receivable	1,553,492	1,747,978	(1,517,819)	1,783,651
Total assets	<u>\$ 1,883,565</u>	<u>\$ 5,280,374</u>	<u>\$ (4,837,849)</u>	<u>\$ 2,326,090</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 1,883,565	\$ 5,280,374	(4,837,849)	\$ 2,326,090
Total liabilities	<u>\$ 1,883,565</u>	<u>\$ 5,280,374</u>	<u>\$ (4,837,849)</u>	<u>\$ 2,326,090</u>
SDOC Debt Retirement				
ASSETS				
Cash and cash equivalents	\$ 7,408,805	\$ 9,143,059	\$ (9,108,481)	\$ 7,443,383
Taxes receivable	496,723	193,493	(146,401)	543,815
Total assets	<u>\$ 7,905,528</u>	<u>\$ 9,336,552</u>	<u>\$ (9,254,882)</u>	<u>\$ 7,987,198</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 7,905,528	\$ 9,336,552	(9,254,882)	\$ 7,987,198
Total liabilities	<u>\$ 7,905,528</u>	<u>\$ 9,336,552</u>	<u>\$ (9,254,882)</u>	<u>\$ 7,987,198</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 19,489	\$ 3,111,485	\$ (3,113,990)	\$ 16,984
Total assets	<u>\$ 19,489</u>	<u>\$ 3,111,485</u>	<u>\$ (3,113,990)</u>	<u>\$ 16,984</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 19,489	\$ 3,111,485	\$ (3,113,990)	\$ 16,984
Total liabilities	<u>\$ 19,489</u>	<u>\$ 3,111,485</u>	<u>\$ (3,113,990)</u>	<u>\$ 16,984</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 1,076,953	\$ 2,102,554	\$ (3,083,558)	\$ 95,949
Total assets	<u>\$ 1,076,953</u>	<u>\$ 2,102,554</u>	<u>\$ (3,083,558)</u>	<u>\$ 95,949</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 1,076,953	\$ 2,102,554	\$ (3,083,558)	\$ 95,949
Total liabilities	<u>\$ 1,076,953</u>	<u>\$ 2,102,554</u>	<u>\$ (3,083,558)</u>	<u>\$ 95,949</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	June 30, 2012	Increases	Decreases	June 30, 2013
Municipal Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 44,680	\$ 148,361	\$ (154,408)	\$ 38,633
Taxes receivable	151,687	181,352	(147,986)	185,053
Total assets	<u>\$ 196,367</u>	<u>\$ 329,713</u>	<u>\$ (302,394)</u>	<u>\$ 223,686</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 196,367	\$ 329,713	\$ (302,394)	\$ 223,686
Total liabilities	<u>\$ 196,367</u>	<u>\$ 329,713</u>	<u>\$ (302,394)</u>	<u>\$ 223,686</u>
Keowee Fire District				
ASSETS				
Cash and cash equivalents	\$ 2,177	\$ 63,110	\$ (59,594)	\$ 5,693
Taxes receivable	9,460	9,460	(13,604)	5,316
Total assets	<u>\$ 11,637</u>	<u>\$ 72,570</u>	<u>\$ (73,198)</u>	<u>\$ 11,009</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 11,637	\$ 72,570	\$ (73,198)	\$ 11,009
Total liabilities	<u>\$ 11,637</u>	<u>\$ 72,570</u>	<u>\$ (73,198)</u>	<u>\$ 11,009</u>
Magistrate Cash Bond/Juror Fund				
ASSETS				
Cash and cash equivalents	\$ 102,622	\$ 492,372	\$ (579,453)	\$ 15,541
Total assets	<u>\$ 102,622</u>	<u>\$ 492,372</u>	<u>\$ (579,453)</u>	<u>\$ 15,541</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 102,622	\$ 492,372	\$ (579,453)	\$ 15,541
Total liabilities	<u>\$ 102,622</u>	<u>\$ 492,372</u>	<u>\$ (579,453)</u>	<u>\$ 15,541</u>
Delinquent Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 592,948	\$ 1,185,679	\$ (1,267,480)	\$ 511,147
Total assets	<u>\$ 592,948</u>	<u>\$ 1,185,679</u>	<u>\$ (1,267,480)</u>	<u>\$ 511,147</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 592,948	\$ 1,185,679	\$ (1,267,480)	\$ 511,147
Total liabilities	<u>\$ 592,948</u>	<u>\$ 1,185,679</u>	<u>\$ (1,267,480)</u>	<u>\$ 511,147</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	June 30, 2012	Increases	Decreases	June 30, 2013
Sheriff's Office				
ASSETS				
Cash and cash equivalents	\$ 208,665	\$ 263,172	\$ (226,841)	\$ 244,996
Total assets	<u>\$ 208,665</u>	<u>\$ 263,172</u>	<u>\$ (226,841)</u>	<u>\$ 244,996</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 208,665	\$ 263,172	\$ (226,841)	\$ 244,996
Total liabilities	<u>\$ 208,665</u>	<u>\$ 263,172</u>	<u>\$ (226,841)</u>	<u>\$ 244,996</u>
Fireman's Insurance and Inspection Fund				
ASSETS				
Cash and cash equivalents	\$ 42	\$ 157,361	\$ (157,335)	\$ 68
Total assets	<u>\$ 42</u>	<u>\$ 157,361</u>	<u>\$ (157,335)</u>	<u>\$ 68</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 42	\$ 157,361	\$ (157,335)	\$ 68
Total liabilities	<u>\$ 42</u>	<u>\$ 157,361</u>	<u>\$ (157,335)</u>	<u>\$ 68</u>
Probate Judge				
ASSETS				
Cash and cash equivalents	\$ 13,842	\$ 13,856	\$ (13,842)	\$ 13,856
Total assets	<u>\$ 13,842</u>	<u>\$ 13,856</u>	<u>\$ (13,842)</u>	<u>\$ 13,856</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,842	\$ 13,856	\$ (13,842)	\$ 13,856
Total liabilities	<u>\$ 13,842</u>	<u>\$ 13,856</u>	<u>\$ (13,842)</u>	<u>\$ 13,856</u>
Register of Deeds				
ASSETS				
Cash and cash equivalents	\$ 22,368	\$ 22,389	\$ (33,285)	\$ 11,472
Total assets	<u>\$ 22,368</u>	<u>\$ 22,389</u>	<u>\$ (33,285)</u>	<u>\$ 11,472</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 22,368	\$ 22,389	\$ (33,285)	\$ 11,472
Total liabilities	<u>\$ 22,368</u>	<u>\$ 22,389</u>	<u>\$ (33,285)</u>	<u>\$ 11,472</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	June 30, 2012	Increases	Decreases	June 30, 2013
Solicitor's Worthless Check Program				
ASSETS				
Cash and cash equivalents	\$ 30,766	\$ 24,259	\$ (55,025)	\$ -
Total assets	<u>\$ 30,766</u>	<u>\$ 24,259</u>	<u>\$ (55,025)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 30,766	\$ 24,259	\$ (55,025)	\$ -
Total liabilities	<u>\$ 30,766</u>	<u>\$ 24,259</u>	<u>\$ (55,025)</u>	<u>\$ -</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 9,853,430	\$ 20,260,053	\$ (21,173,322)	\$ 8,940,161
Taxes receivable	2,211,362	2,132,283	(1,825,810)	2,517,835
Total assets	<u>\$ 12,064,792</u>	<u>\$ 22,392,336</u>	<u>\$ (22,999,132)</u>	<u>\$ 11,457,996</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 12,064,792	\$ 22,392,336	\$ (22,999,132)	\$ 11,457,996
Total liabilities	<u>\$ 12,064,792</u>	<u>\$ 22,392,336</u>	<u>\$ (22,999,132)</u>	<u>\$ 11,457,996</u>

OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2013

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victim's Services</u>
Clerk of Court				
Fines and Fees	\$ 12,264	\$ -	\$ 12,264	\$ -
Assessments	15,182	-	10,710	4,472
Surcharges	69,105	-	25,054	44,051
Totals	<u>\$ 96,551</u>	<u>\$ -</u>	<u>\$ 48,028</u>	<u>\$ 48,523</u>
Magistrate Court				
Fines and Fees	\$ 332,399	\$ 332,399	\$ -	\$ -
Assessments	352,748	-	315,978	36,770
Surcharges	169,134	-	146,788	22,346
Totals	<u>\$ 854,281</u>	<u>\$ 332,399</u>	<u>\$ 462,766</u>	<u>\$ 59,116</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ 92,770
Amounts allocated for victims' assistance - 7/1/12 - 6/30/13				
Assessments and surcharges			107,639	
Miscellaneous			<u>2,087</u>	109,726
Amounts spent for victims' assistance in fiscal year 2013				
from assessments and surcharges				
Salaries and benefits				(186,982)
General fund subsidy				<u>87,361</u>
Balance for victims' assistance - end of year				<u>\$ 102,875</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	84 - 90
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	91 - 94
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
Debt Capacity.....	95 - 99
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	100 and 103
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information.....	104 - 109
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the County's financial reports for the relevant year. The County implemented GASB 34 in 2003; schedules presenting government-wide information (unless otherwise indicated) include information beginning in that year.

OCONEE COUNTY, SOUTH CAROLINA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 29,641,543	\$ 31,090,351	\$ 43,464,806	\$ 95,790,297	\$ 106,195,121	\$ 107,401,916	\$ 104,968,618	\$ 109,846,322	\$ 110,258,142	\$ 95,788,551
Restricted	2,327,107	2,048,916	1,382,218	10,196,048	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846
Unrestricted	7,356,900	11,764,876	19,461,663	13,833,247	20,014,132	21,310,360	17,060,527	28,662,046	28,540,516	43,370,642
Total governmental activities net position	<u>\$ 39,325,550</u>	<u>\$ 44,904,143</u>	<u>\$ 64,308,687</u>	<u>\$ 119,819,592</u>	<u>\$ 137,475,046</u>	<u>\$ 142,618,804</u>	<u>\$ 141,373,510</u>	<u>\$ 145,115,966</u>	<u>\$ 143,603,705</u>	<u>\$ 143,587,039</u>
Business-type activities										
Net investment in capital assets	\$ 8,786,497	\$ 8,905,344	\$ 8,043,088	\$ 7,503,708	\$ 2,908,740	\$ 2,715,788	\$ 2,292,824	\$ 2,195,987	\$ 11,367,562	\$ 16,167,256
Unrestricted	4,378,532	4,442,223	5,420,623	5,987,762	3,008,070	3,201,022	3,606,176	3,844,173	1,107,930	(16,066)
Total business-type activities net position	<u>\$ 13,165,029</u>	<u>\$ 13,347,567</u>	<u>\$ 13,463,711</u>	<u>\$ 13,491,470</u>	<u>\$ 5,916,810</u>	<u>\$ 5,916,810</u>	<u>\$ 5,899,000</u>	<u>\$ 6,040,160</u>	<u>\$ 12,475,492</u>	<u>\$ 16,151,190</u>
Primary government										
Net investment in capital assets	\$ 38,428,040	\$ 39,995,695	\$ 51,507,894	\$ 103,294,005	\$ 109,103,861	\$ 110,117,704	\$ 107,261,442	\$ 112,042,309	\$ 121,625,704	\$ 111,955,807
Restricted	2,327,107	2,048,916	1,382,218	10,196,048	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846
Unrestricted	11,735,432	16,207,099	24,882,286	19,821,009	23,022,202	24,511,382	20,666,703	32,506,219	29,648,446	43,354,576
Total primary government net position	<u>\$ 52,490,579</u>	<u>\$ 58,251,710</u>	<u>\$ 77,772,398</u>	<u>\$ 133,311,062</u>	<u>\$ 143,391,856</u>	<u>\$ 148,535,614</u>	<u>\$ 147,272,510</u>	<u>\$ 151,156,126</u>	<u>\$ 156,079,197</u>	<u>\$ 159,738,229</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 10,684,415	\$ 10,633,510	\$ 9,703,484	\$ 13,295,214	\$ 16,628,618	\$ 18,548,180	\$ 12,779,958	\$ 11,515,584	\$ 11,697,494	\$ 11,261,859
Public safety	9,275,364	10,442,183	11,385,230	12,018,828	10,671,085	15,313,777	15,735,352	17,597,428	18,483,001	19,204,344
Transportation	3,031,502	2,590,376	3,073,462	693,254	5,327,716	5,036,913	6,618,188	7,945,478	7,495,563	7,372,983
Public works	-	-	-	-	-	-	3,728,944	3,892,013	4,901,973	1,930,852
Culture and recreation	2,378,922	2,318,058	3,102,417	2,859,466	3,069,785	2,037,675	2,857,679	2,917,401	3,019,172	2,986,367
Judicial	2,280,117	2,260,841	2,144,967	2,188,858	2,179,220	2,197,316	2,521,566	2,769,534	2,970,949	3,019,193
Education	-	-	-	-	-	-	972,117	1,112,556	1,048,376	1,036,754
Health and welfare	1,137,429	1,001,238	717,572	6,009,235	790,730	785,094	764,810	1,293,650	1,262,341	494,226
Economic development	-	-	-	-	-	-	553,264	756,688	617,995	1,517,386
Miscellaneous	-	-	899,571	-	-	-	-	-	-	-
Interest and fiscal changes	918,428	1,365,084	722,418	560,882	445,295	447,120	384,690	313,024	590,972	854,537
Total governmental activities expenses	29,706,177	30,611,290	31,749,121	37,625,737	39,112,449	44,366,075	46,916,568	50,113,356	52,087,836	49,678,501
Business-type activities:										
Rock quarry	1,954,729	1,820,869	2,480,151	2,260,482	2,352,819	2,246,791	2,724,555	2,310,280	2,228,448	228,910
FOCUS	-	-	-	-	-	-	-	-	18,604	2,702,814
Solid waste	3,440,710	3,703,326	4,429,812	4,700,221	-	-	-	21,245	-	-
Total business-type activities expenses	5,395,439	5,524,195	6,909,963	6,960,703	2,352,819	2,246,791	2,724,555	2,331,525	2,247,052	2,931,724
Total primary government expenses	35,101,616	36,135,485	38,659,084	44,586,440	41,465,268	46,612,866	49,641,123	52,444,881	54,334,888	52,610,225
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	1,998,099	2,338,113	4,272,850	4,473,204	5,138,752	4,657,574	635,354	682,115	699,104	721,041
Public safety	139,713	572,175	137,139	125,180	153,435	133,514	712,860	581,997	545,666	954,080
Transportation	-	-	-	-	-	-	549,140	689,700	911,261	954,518
Public works	-	-	-	-	-	-	861,453	1,186,979	1,221,323	1,145,528
Culture and recreation	286,017	274,896	-	-	-	-	348,402	376,308	377,337	358,074
Judicial	1,104,109	1,108,509	1,860	2,889	2,460	1,730	1,281,388	1,106,359	1,109,336	1,005,102
Education	-	-	-	-	-	-	-	-	-	-
Health and welfare	19,066	19,967	-	-	-	-	33,670	-	87,487	-
Economic development	-	-	-	-	-	-	-	-	-	9,500
Operating grants and contributions	1,809,439	1,462,414	1,366,838	1,424,205	1,292,982	1,994,989	2,097,997	2,658,014	1,391,801	1,646,556
Capital grants and contributions	2,292,924	644,983	2,149,799	898,741	2,498,147	2,394,832	4,251,132	3,943,974	1,899,031	677,399
Total governmental activities program revenues	7,649,367	6,421,057	7,928,486	6,924,219	9,085,776	9,182,639	10,771,396	11,225,446	8,242,346	7,471,798

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services										
Rock quarry	3,294,420	2,985,868	2,993,067	2,771,383	3,082,349	3,037,173	3,404,756	3,242,740	2,854,380	913,801
FOCUS		-						-	1,110	2,779,245
Solid waste	883,830	1,411,017	1,014,610	1,125,509	-	-	-	-	-	-
Operating grants and contributions	6,853	7,388	25,062	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	20,115	-	-	-	210,434	6,455,725	3,141,110
Total business-type activities										
program revenues	4,185,103	4,404,273	4,032,739	3,917,007	3,082,349	3,037,173	3,404,756	3,453,174	9,311,215	6,834,156
Total primary government										
program revenues	11,834,470	10,825,330	11,961,225	10,841,226	12,168,125	12,219,812	14,176,152	14,678,620	17,553,561	14,305,954
Net (expense) revenue										
Governmental activities	\$ (22,056,810)	\$ (24,190,233)	\$ (23,820,635)	\$ (30,701,518)	\$ (30,026,673)	\$ (35,183,436)	\$ (36,145,172)	\$ (38,887,910)	\$ (43,845,490)	\$ (42,206,703)
Business-type activities	(1,210,336)	(1,119,922)	(2,877,224)	(3,043,696)	729,530	790,382	680,201	1,121,649	7,064,163	3,902,432
Total primary government	(23,267,146)	(25,310,155)	(26,697,859)	(33,745,214)	(29,297,143)	(34,393,054)	(35,464,971)	(37,766,261)	(36,781,327)	(38,304,271)
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	21,674,814	23,424,084	29,468,762 ⁽²⁾	30,079,163	32,121,201	33,947,622	35,671,288	36,735,928	38,093,094	37,638,738
Other taxes	1,030,042	1,038,757	1,241,952	1,203,630	1,221,173	1,231,011	848,922	874,795	755,113	772,729
Unrestricted grants and contributions	2,955,527	2,992,182	3,119,522	3,431,519	3,816,253	3,639,338	3,038,376	2,577,854	2,286,169	2,732,272
Unrestricted investment earnings	211,288	465,943	1,117,714	1,523,229	1,485,206	1,061,380	498,702	370,259	427,725	350,414
Sale of capital assets	-	9,048	(1,112)	(253,191)	(18,678)	(740,289)	-	-	-	-
Capital contributions	-	-	7,567,013	-	-	-	-	-	-	-
Miscellaneous	399,956	541,575	4,286,662	762,775	641,535	287,463	161,281	137,299	137,819	-
Special items	-	-	-	-	-	-	825,000	944,370	-	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	232,576
Proceeds from legal settlement	-	-	-	-	-	-	-	-	-	375,000
Transfers	1,817,093	1,297,237	(3,021,235)	(2,846,497)	800,878	900,669	687,650	989,861	633,309	116,991
Total governmental activities general										
revenues and other changes in										
net position	28,088,720	29,768,826	43,779,278	33,900,628	40,067,568	40,327,194	41,731,219	42,630,366	42,333,229	42,218,720
Business-type activities:										
Unrestricted investment earnings	56,716	98,239	208,908	224,958	111,247	110,287	7,449	9,372	4,478	3,714
Miscellaneous	-	2,501,458 ⁽¹⁾	-	-	-	-	-	-	-	37,056
Transfers	(1,817,093)	(1,297,237)	3,021,235	2,846,497	(800,878)	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)
Total business type activities										
general revenues and other										
changes in net position	(1,760,377)	1,302,460	3,230,143	3,071,455	(689,631)	(790,382)	(680,201)	(980,489)	(628,831)	(76,221)
Total primary government general										
revenues and other changes										
in net position	\$ 26,328,343	\$ 31,071,286	\$ 47,009,421	\$ 36,972,083	\$ 39,377,937	\$ 39,536,812	\$ 41,051,018	\$ 41,649,877	\$ 41,704,398	\$ 42,142,499

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Change in net position										
Governmental activities	6,031,910	5,578,593	19,958,643	3,199,110	10,040,895	5,143,758	5,586,047	3,742,456	(1,512,261)	12,017
Business-type activities	(2,970,713)	182,538	352,919	27,759	39,899	-	-	141,160	6,435,332	3,826,211
Total primary government										
change in net position	<u>\$ 3,061,197</u>	<u>\$ 5,761,131</u>	<u>\$ 20,311,562</u>	<u>\$ 3,226,869</u>	<u>\$ 10,080,794</u>	<u>\$ 5,143,758</u>	<u>\$ 5,586,047</u>	<u>\$ 3,883,616</u>	<u>\$ 4,923,071</u>	<u>\$ 3,838,228</u>

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

⁽²⁾ Increase due to collection of Duke Energy taxes.

OCONEE COUNTY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 1,663,936	\$ 891,340	\$ 679,695	\$ 599,901	\$ 179,781	\$ 590,626	\$ 4,734,890			
Unreserved	8,888,837	10,530,439	13,918,914	12,868,375	18,107,692	22,832,404	19,663,178			
Total General fund	<u>\$ 10,552,773</u>	<u>\$ 11,421,779</u>	<u>\$ 14,598,609</u>	<u>\$ 13,468,276</u>	<u>\$ 18,287,473</u>	<u>\$ 23,423,030</u>	<u>\$ 24,398,068</u>			
All Other Governmental Funds										
Reserved	\$ 2,664,108	\$ 1,181,612	\$ 1,885,917	\$ 10,196,048	\$ 11,265,793	\$ 11,422,123	\$ 18,103,322			
Unreserved, reported in:										
Special revenue funds	3,798,916	5,646,333	3,847,185	-	-	-	2,471,822			
Debt service funds	1,950,290	1,193,315	-	-	-	-	-			
Capital projects funds	699,946	999,227	1,026,126	965,737	4,459,452	2,962,854	-			
Total all other governmental funds	<u>\$ 9,113,260</u>	<u>\$ 9,020,487</u>	<u>\$ 6,759,228</u>	<u>\$ 11,161,785</u>	<u>\$ 15,725,245</u>	<u>\$ 14,384,977</u>	<u>\$ 20,575,144</u>			
Total all governmental funds	<u>\$ 19,666,033</u>	<u>\$ 20,442,266</u>	<u>\$ 21,357,837</u>	<u>\$ 24,630,061</u>	<u>\$ 34,012,718</u>	<u>\$ 37,808,007</u>	<u>\$ 44,973,212</u>			
General Fund										
Nonspendable								\$ 4,824,890	\$ 7,473,784	\$ 7,575,436
Restricted									1,401,505	-
Assigned								7,338,896	8,236,071	6,319,226
Unassigned								13,008,265	7,521,789	7,912,690
Total General fund								<u>25,172,051</u>	<u>24,633,149</u>	<u>21,807,352</u>
All Other Governmental Funds										
Nonspendable								\$ 4,782,659	\$ 5,150,854	\$ 5,120,760
Restricted								23,000,044	21,761,098	31,810,874
Assigned								4,720,626	6,514,510	-
Unassigned								(219,951)	(21,702)	-
Total all other governmental funds								<u>\$ 32,283,378</u>	<u>\$ 33,404,760</u>	<u>\$ 36,931,634</u>
Total all governmental funds								<u>\$ 57,455,429</u>	<u>\$ 58,037,909</u>	<u>\$ 58,738,986</u>

Note: GASB 54 was implemented during fiscal year 2011.

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010 (1)	2011	2012	2013
Revenues:										
Property taxes	\$ 21,674,813	\$ 23,424,083	\$ 29,054,678	\$ 30,124,122	\$ 31,864,429	\$ 33,495,553	\$ 36,025,326	\$ 36,666,258	\$ 38,020,262	\$ 37,554,856
Other taxes	-	-	-	-	-	-	538,901	634,857	502,286	656,268
Intergovernmental	5,851,569	5,207,115	6,920,124	5,840,225	7,963,754	7,783,703	8,038,218	6,245,010	7,065,591	4,695,381
Licenses, permits and fees	2,078,369	2,864,269	2,992,392	3,163,299	3,649,173	3,041,597	3,062,181	2,649,168	2,658,935	2,846,954
Fines and forfeitures	574,901	534,514	584,120	581,574	704,937	639,085	582,737	522,071	485,898	442,930
Charges for services	-	-	-	-	-	-	855,538	1,449,809	1,681,043	1,714,530
County airport	496,575	499,601	570,288	585,237	649,305	475,413	-	-	-	-
PRT commission	251,514	238,384	265,049	271,163	291,232	300,169	-	-	-	-
Fee in lieu of taxes and franchise fees	793,200	776,413	967,047	897,146	771,530	971,447	-	-	-	-
Interest and investment income	211,288	465,942	1,117,714	1,523,229	1,486,802	1,061,380	498,704	370,260	428,175	350,414
Miscellaneous and other	795,676	559,655	4,399,713	942,750	844,500	1,129,037	453,342	1,581,827	612,032	620,736
Total revenues	32,727,905	34,569,976	46,871,125	43,928,745	48,225,662	48,897,384	50,054,947	50,119,260	51,454,222	48,882,069
Expenditures:										
General government	10,303,363	10,325,962	11,049,484	12,869,727	17,607,979	17,363,947	12,180,563	12,565,500	13,185,544	11,112,957
Public safety	8,235,944	9,381,796	10,289,924	10,691,330	12,185,492	13,760,420	15,442,607	15,700,587	15,885,097	17,965,052
Transportation	2,710,659	2,293,659	4,377,000	4,206,562	3,730,728	2,524,563	4,522,488	4,756,649	5,906,716	4,570,959
Public works	-	-	-	-	-	-	3,492,000	3,811,897	3,935,370	3,674,946
Culture and recreation	2,086,792	2,055,322	2,788,495	2,599,308	2,855,483	3,120,019	2,648,087	2,922,955	2,879,904	2,926,734
Judicial services	2,047,691	2,021,352	1,913,542	1,952,033	2,175,997	2,108,667	2,305,784	2,511,770	2,655,317	2,664,057
Education	-	-	-	-	-	-	972,117	1,049,556	1,013,376	1,036,754
Health and welfare	1,068,048	933,955	675,870	640,455	680,787	638,131	613,646	718,538	682,022	340,292
Economic development	-	-	-	-	-	-	353,204	745,294	608,382	1,497,332
Nondepartmental	-	-	899,571	-	-	-	-	-	-	-
Capital outlay	8,334,381	6,953,668	3,836,198	2,698,752	5,209,551	4,269,999	6,275,299	9,871,923	2,720,372	2,449,772
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	2,860,858	1,590,939	5,735,001	2,681,649	1,539,768	1,902,090	1,979,987	2,255,273	2,889,220	3,407,298
Interest and fiscal charges	1,084,336	1,353,157	828,607	555,532	460,619	447,120	376,340	393,536	815,861	905,084
Bond issue costs	12,622	-	-	-	-	-	-	195,907	-	79,154
Total expenditures	38,744,694	36,909,810	42,393,692	38,895,348	46,446,404	46,134,956	51,162,122	57,499,385	53,177,181	52,630,391
Excess (deficiency) of revenues over (under) expenditures	(6,016,789)	(2,339,834)	4,477,433	5,033,397	1,779,258	2,762,428	(1,107,175)	(7,380,125)	(1,722,959)	(3,748,322)
Other financing sources (uses):										
Sale of capital assets	-	9,915	13,472	1,085,324	13,210	132,196	18,307	57,868	42,326	31,171
Contributions - capital assets	1,254,599	108,915	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	-	74,504	-	14,992	232,576
Bonds and capital leases proceeds	600,000	1,700,000	-	-	1,477,683	-	3,500,000	22,300,000	1,614,812	2,638,954
Bond premium	-	-	-	-	-	-	-	981,266	-	-
Payments to refunding bonds escrow	-	-	-	-	-	-	-	(5,411,024)	-	-
Transfer in	7,805,463	4,840,005	2,899,534	8,918,044	9,062,204	3,535,668	6,772,402	7,282,318	850,452	5,188,897
Transfer out	(5,988,370)	(3,542,768)	(5,920,769)	(11,764,541)	(8,261,326)	(2,634,999)	(6,084,752)	(6,292,456)	(217,143)	(5,071,906)
Total other financing sources (uses)	3,671,692	3,116,067	(3,007,763)	(1,761,173)	2,291,771	1,032,865	4,280,461	18,917,972	2,305,439	3,019,692

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Special items:										
Gain on sale of land	-	-	-	-	-	-	-	944,370	-	-
Courthouse settlement	-	-	-	-	-	-	825,000	-	-	-
Total Special Items	-	-	-	-	-	-	825,000	944,370	-	-
Net change in fund balances	<u>\$ (2,345,097)</u>	<u>\$ 776,233</u>	<u>\$ 1,469,670</u>	<u>\$ 3,272,224</u>	<u>\$ 4,071,029</u>	<u>\$ 3,795,293</u>	<u>\$ 3,998,286</u>	<u>\$ 12,482,217</u>	<u>\$ 582,480</u>	<u>\$ (728,630)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	<u>45.09%</u>	<u>34.37%</u>	<u>11.28%</u>	<u>12.86%</u>	<u>1.73%</u>	<u>1.95%</u>	<u>0.95%</u>	<u>0.75%</u>	<u>1.65%</u>	<u>1.88%</u>

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

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

Year	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate Applied	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	\$ 163,279,640	\$ 41,923,931	\$ 136,897,152	\$ 342,100,723	68.0	\$ 6,001,869,805	5.70 %
2005	173,662,370	42,187,445	136,610,252	352,460,067	70.6	6,126,381,738	5.75
2006	183,221,480	40,272,285	183,827,876	407,321,641	75.6	6,925,984,344	5.88
2007	255,586,460	39,243,746	141,572,055	436,402,261	73.0	7,787,962,417	5.60
2008	274,733,180	39,153,407	143,279,238	457,165,825	72.3	8,240,526,066	5.55
2009	295,542,685	37,818,501	139,742,088	473,103,274	72.3	8,465,109,305	5.59
2010	309,318,820	34,204,632	141,652,366	485,175,818	70.0	8,780,990,487	5.53
2011	308,416,974	32,632,445	173,553,229	514,602,648	67.1	8,896,160,854	5.78
2012	313,231,359	41,706,217	163,031,512	517,969,088	69.0	9,021,922,673	5.74
2013	318,171,344	35,811,449	161,574,917	515,557,710	69.0	9,047,217,892	5.70

Source: Oconee County Auditor

Note: Property in the County was reassessed in fiscal year 2007.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Oconee County:										
Operating	61.8	64.0	68.0	64.3	64.1	64.1	63.9	61.1	58.9	58.9
Debt service	3.0	3.5	4.5	4.1	4.1	4.1	1.4	1.9	6.0	6.0
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	1.0
Tri-County Tech Operations	2.2	2.1	2.1	2.6	2.1	2.1	2.7	2.1	2.1	2.1
Total Oconee County	68.0	70.6	75.6	73.0	72.3	72.3	70.0	67.1	69.0	69.0
School District										
Operating	126.0	120.5	123.0	113.0	109.8	110.5	111.4	107.1	101.4	110.1
Debt Service	11.0	13.9	18.0	18.0	31.0	31.0	31.0	31.0	31.0	31.0
Total School District	137.0	134.4	141.0	131.0	140.8	141.5	142.4	138.1	132.4	141.1
Special Districts										
City of Seneca	50.0	50.0	50.0	50.0	50.0	52.3	52.3	52.3	52.3	52.3
City of Salem	30.0	30.0	30.0	30.0	30.0	31.0	32.4	32.4	32.4	32.4
City of Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
City of West Union	39.0	39.0	39.0	39.0	39.0	40.3	41.3	41.3	42.0	45.0
City of Westminster	88.0	88.0	88.0	88.0	88.0	90.7	90.7	90.7	90.7	90.7
Emergency Services Protection District	-	-	-	-	2.9	2.9	2.9	2.9	2.9	2.9
Keowee fire special district	14.5	14.5	14.5	13.7	14.0	13.5	14.5	14.4	14.5	14.5
Total Special Districts	305.5	305.5	305.5	304.7	307.9	314.7	318.1	318.0	318.8	321.8
Total direct and overlapping rates	510.5	510.5	522.1	508.7	521.0	528.5	530.5	523.2	520.2	531.9

Source: Oconee County Auditor

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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

2013				2004			
Rank	Taxpayer	Assessed Valuation	% of County Gross Assessed Valuation	Rank	Taxpayer	Assessed Valuation	% of County Gross Assessed Valuation
1	Duke Energy Corporation	\$ 132,004,270	25.60%	1	Duke Energy Corporation	\$ 101,657,200	29.72%
2	Blue Ridge Electric Coop Inc	6,475,050	1.26%	2	Westpoint Stevens Inc	5,405,356	1.58%
3	Sandvik Inc	3,857,143	0.75%	3	Blue Ridge Electric Coop Inc	4,480,190	1.31%
4	BASF Catalyst LLC	3,454,411	0.67%	4	Engelhard Corporation	3,699,260	1.08%
5	Cyrovac Inc	2,736,890	0.53%	5	Cyrovac Inc	3,544,530	1.04%
6	Itron Electricity Metering Inc	2,669,923	0.52%	6	Bellsouth Telecommunications Inc	3,316,880	0.97%
7	Tyco Healthcare Group LP	2,212,123	0.43%	7	Square D Company	2,047,020	0.60%
8	Borg Warner Torq Systems Inc	2,193,581	0.43%	8	US Engine Valve Company	1,831,760	0.54%
9	Bellsouth Telecommunications Inc	2,109,560	0.41%	9	Valentine Inc	1,729,980	0.51%
10	US Engine Valve Company	2,040,200	0.40%	10	Amoco Fabrics and Fibers	1,449,620	0.42%
		<u>\$ 159,753,151</u>	<u>30.99%</u>			<u>\$ 129,161,796</u>	<u>37.76%</u>
Total Gross Digest Assessment		<u>\$ 515,557,710</u>		Total Gross Digest Assessment		<u>\$ 342,100,723</u>	

Source: Oconee County Auditor

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

Fiscal Year Ended	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2004	\$	23,698,683	\$	21,766,648	91.85%	\$	22,411,948	94.57%
2005		23,967,285		23,150,413	96.59%		23,725,107	98.99%
2006		29,734,480		28,537,940	95.98%		29,436,317	99.00%
2007		31,713,210		30,738,875	96.93%		31,497,024	99.32%
2008		33,109,438		32,008,545	96.67%		32,658,179	98.64%
2009		33,769,581		32,376,414	95.87%		33,114,040	98.06%
2010		35,142,666		33,697,683	95.89%		34,345,256	97.73%
2011		35,142,660		33,749,807	96.04%		34,470,767	98.09%
2012		37,241,977		35,899,993	96.40%	1,341,984	37,241,977	100.00%
2013		35,707,481		34,513,231	96.66%	901,118	35,414,349	99.18%

Sources: Oconee County Treasurer

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

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>Governmental activities:</u>										
General obligation bonds	\$ 17,165,000	\$ 15,940,000	\$ 11,415,000	\$ 10,275,000	\$ 9,075,000	\$ 7,800,000	\$ 6,465,000	\$ 21,480,000	\$ 19,080,000	\$ 20,806,549
Special source revenue bonds	772,639	716,394	640,977	-	-	-	3,500,000	3,500,000	3,315,000	3,125,000
Capital leases	2,167,094	3,082,399	1,947,815	1,047,143	2,185,058	1,557,968	912,932	617,659	1,928,251	1,300,953
Total Governmental Activities	<u>\$ 20,104,733</u>	<u>\$ 19,738,793</u>	<u>\$ 14,003,792</u>	<u>\$ 11,322,143</u>	<u>\$ 11,260,058</u>	<u>\$ 9,357,968</u>	<u>\$ 10,877,932</u>	<u>\$ 25,597,659</u>	<u>\$ 24,323,251</u>	<u>\$ 25,232,502</u>
Personal Income	\$ 1,789,340,000	\$ 1,888,562,000	\$ 1,952,432,000	\$ 2,101,697,000	\$ 2,218,736,000	\$ 2,356,634,000	\$ 2,245,619,000	2,304,809,000	2,378,718,000	n/a
Outstanding Debt to Personal Income	1.12%	1.05%	0.72%	0.54%	0.51%	0.40%	0.48%	1.11%	1.02%	n/a
Population	69,615	70,581	71,490	72,407	73,089	73,829	74,273	74,300	74,418	74,627
Outstanding Debt Per Capita	\$ 289	\$ 280	\$ 196	\$ 156	\$ 154	\$ 127	\$ 146	\$ 345	\$ 327	\$ 338

Note:

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

n/a - Not available

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

Year	Population	Property Assessed Value	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross Bonded Debt	Restricted Debt Service Funds	Net Bonded Debt		
2004	69,615	\$ 342,100,723	\$ 17,165,000	\$ 2,302,062	\$ 14,862,938	4.34%	\$ 214
2005	70,581	352,460,067	15,940,000	1,193,315	14,746,685	4.18%	209
2006	71,490	407,321,641	11,415,000	1,382,218	10,032,782	2.46%	140
2007	72,407	436,402,261	10,275,000	1,613,985	8,661,015	1.98%	120
2008	73,089	457,165,825	9,075,000	1,880,690	7,194,310	1.57%	98
2009	73,829	473,103,274	7,800,000	2,210,845	5,589,155	1.18%	76
2010	74,273	485,175,818	6,465,000	1,607,112	4,857,888	1.00%	65
2011	74,300	514,602,648	21,480,000	1,218,659	20,261,341	3.94%	273
2012	74,418	517,969,088	19,080,000	1,235,487	17,844,513	3.45%	240
2013	74,627	515,557,710	20,806,549	1,440,108	19,366,441	3.76%	260

Source: Oconee County Administrative Services Department

Note:

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

OCONEE COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Direct debt:			
Oconee County direct debt	\$ 25,232,502	100%	\$ 25,232,502
Overlapping debt:			
School District of Oconee County	44,869,893	100%	44,869,893
Incorporated Municipalities:			
Town of Westminster	2,686,218	1.21%	32,503
Town of West Union	-	0.31%	-
Town of Salem	-	0.14%	-
City of Walhalla	454,537	1.50%	6,818
City of Seneca	565,063	6.27%	35,429
Special Purpose District:			
Emergency Services Protection District	-	90.57%	-
Keowee Fire District	28,095	8.56%	2,405
Total overlapping debt			44,947,048
Total direct and overlapping debt			\$ 70,179,550

SOURCES:
Oconee County Auditor

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed valuation	\$ 515,557,710
Debt limit - 8 percent of total assessed value	41,244,617
Debt applicable to limit:	
General obligation bonds	19,971,549
Less: amount set aside for repayment of general obligation bonds	<u>(1,440,108)</u>
Debt qualifying for margin	<u>18,531,441</u>
Legal debt margin	<u><u>\$ 22,713,176</u></u>

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value of Taxable Property	\$ 342,100,723	\$ 352,460,067	\$ 407,321,641	\$ 436,402,261	\$ 457,165,825	\$ 473,103,274	\$ 485,175,818	\$ 514,602,648	\$ 517,969,088	\$ 515,557,710
Legal Debt Limit*	\$ 27,368,058	\$ 28,196,805	\$ 32,585,731	\$ 34,912,181	\$ 36,573,266	\$ 37,848,262	\$ 38,814,065	\$ 41,168,212	\$ 41,437,527	\$ 41,244,617
Net Debt Applicable to Limit	14,862,938	14,746,685	10,032,782	8,661,015	7,194,310	5,589,155	4,857,888	20,261,341	17,844,513	18,531,441
Legal debt margin	<u>\$ 12,505,120</u>	<u>\$ 13,450,120</u>	<u>\$ 22,552,949</u>	<u>\$ 26,251,166</u>	<u>\$ 29,378,956</u>	<u>\$ 32,259,107</u>	<u>\$ 33,956,177</u>	<u>\$ 20,906,871</u>	<u>\$ 23,593,014</u>	<u>\$ 22,713,176</u>
Total net debt applicable to the limit as a percentage of debt limit	54.31%	52.30%	30.79%	24.81%	19.67%	14.77%	12.52%	49.22%	43.06%	44.93%

Source:

Oconee County Auditor and Oconee County Treasurer

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

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

OCONEE COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST THREE FISCAL YEARS

2010 Special Source Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$ 127,458	\$ -	\$ 127,458	\$ 127,458	1.00
2012	346,000	185,000	161,000	346,000	1.00
2013	342,490	190,000	152,490	342,490	1.00

Source: Oconee County Administrative Services Department

Note:

Bonds were issued in fiscal year 2010 with the first principal payment due in fiscal year 2012. There was no information to report prior to 2011. Fee in lieu of taxes is the revenue source for this bond. Additional detail regarding the County's debt can be found in the notes to the financial statements.

OCONEE COUNTY, SOUTH CAROLINA

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population ^a	Personal Income (in thousands) ^b	Per Capita Personal Income ^b	School Enrollment ^c	County Median Age ^a	County Unemployment Rate ^d
2004	69,615	\$ 1,789,340	\$ 25,970	10,344	40.3	7.5%
2005	70,581	1,888,562	27,129	10,406	40.6	7.4%
2006	71,490	1,952,432	27,662	10,474	40.9	8.6%
2007	72,407	2,101,697	29,398	10,411	41.3	9.0%
2008	73,089	2,218,736	30,643	10,377	41.6	7.2%
2009	73,829	2,356,634	32,243	10,402	42.4	7.7%
2010	74,273	2,245,619	30,416	10,629	43.4	14.2%
2011	74,300	2,304,809	30,977	10,570	43.2	11.9%
2012	74,418	2,378,718	31,964	10,564	43.4	10.1%
2013	74,627	n/a	24,075	10,567	44.0	9.7%

^{a)} US Census Bureau, Population Division

^{b)} US Department of Commerce, Bureau of Economic Analysis

^{c)} School District of Oconee County, SC

^{d)} US Department of Labor, Bureau of Labor Statistics

n/a - Not available

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

2013				2004			
Rank	Employer	Number of Employees	% of Employed	Rank	Employer	Number of Employees	% of Employed
1	School District of Oconee County	1,607	5.09%	1	Westpoint Stevens Inc - Finishing	2,000	6.26%
2	Duke Energy Corporation	1,459	4.62%	2	Duke Energy Corporation	1,770	5.54%
3	Oconee Medical Center	1,409	4.47%	3	School District of Oconee County	1,650	5.17%
4	Schneider Electric - Square D	600	1.90%	4	SC State Budget and Control Board	1,089	3.41%
5	Borg Warner Torq Systems, Inc	590	1.87%	5	Oconee Medical Center	974	3.05%
6	Covidien	578	1.83%	6	Westpoint Stevens - Fabrication	866	2.71%
7	Ittron, Inc	550	1.74%	7	Schlumberger Electricity, Inc	855	2.68%
8	Oconee County Government	493	1.56%	8	Dunlop Slazenger Group	600	1.88%
9	Koyo Bearings USA, Inc	460	1.46%	9	Schneider Electric - Square D	500	1.57%
10	BASF Catalysts, LLC	410	1.30%	10	Oconee County Government	447	1.40%
Total Employed in Oconee County		31,546		Total Employed in Oconee County		31,944	

Source: SC Appalachian Council of Governments

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities										
General Government										
Administrator	2	4	3	2	2	2	2	2	3	3
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	10	10	10	11	11	10	10	11	11	11
Finance	8	7	7	7	8	8	9	8	7	6
Human Resources	5	5	5	5	4	4	4	4	4	5
Information Technology	9	11	11	13	8	8	10	9	12	10
Planning	2	2	2	3	4	3	3	3	2	1
Procurement	5	5	4	4	3	3	3	3	3	2
Register of Deeds	5	5	5	5	5	5	4	4	4	4
Registration and Elections	2	2	2	2	2	2	2	2	2	2
Vehicle Maintenance	15	16	15	15	15	14	14	14	14	14
Assessor	13	13	14	14	18	21	17	18	18	18
Auditor	6	7	7	7	7	7	7	7	7	7
Delinquent Tax Collector	4	4	4	4	3	3	3	3	3	3
Treasurer	6	6	6	6	6	7	7	7	7	7
Total General Administration	93	98	96	99	97	98	96	96	98	94
Public Safety										
Animal Control	3	5	6	6	6	6	6	6	6	6
Building Codes	9	9	10	10	11	11	9	9	7	9
Communications	16	17	17	19	18	18	18	18	22	22
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	25	25	25	27	28	36	36	36	31	35
Emergency Services	3	4	3	3	3	16	12	13	20	3
Rural Fire	4	4	4	4	4	-	-	-	-	17
Sheriff's Office	80	83	84	88	87	89	90	87	88	91
Total Public Safety	141	148	150	158	158	177	172	170	175	184
Transportation										
Airport	5	5	5	5	5	5	5	5	4	4
Roads and Bridges	40	36	37	37	38	38	38	38	36	37
Total Transportation	45	41	42	42	43	43	43	43	40	41

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities (Continued)										
Judicial Services										
Clerk of Court	10	10	10	10	11	10	10	10	10	10
Magistrate	11	10	9	9	9	9	9	9	9	9
Probate Court	5	5	5	5	5	6	6	7	6	6
Solicitor	6	6	6	7	7	8	10	10	10	10
Total Judicial Services	32	31	30	31	32	33	35	36	35	35
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	3
Total Health and Welfare	4	4	4	4	4	4	4	4	4	4
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	49	49	43	43	42	39	36	36	36	36
Total Public Works	50	50	44	44	43	40	37	37	37	37
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	18
Parks, Recreation, and Tourism	14	15	10	13	13	13	14	13	13	13
Total Culture and Recreation	32	33	28	31	31	31	32	31	31	31
Economic Development	2	2	2	2	2	2	2	3	4	2
Total Governmental Activities	399	407	396	411	410	428	421	420	424	428
Business-Type Activities										
Rock Quarry	17	18	17	17	16	16	16	16	15	15
Total Business-Type Activities	17	18	17	17	16	16	16	16	15	15
Total Primary Government	416	425	413	428	426	444	437	436	439	443

Note:

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

Source: Oconee County Payroll Data

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government										
County council										
Regular meetings	24	24	24	24	22	24	22	24	30	21
Special meetings	4	6	6	8	15	14	15	14	12	9
Finance										
Accounts payable disbursements	10,025	10,100	9,541	10,516	10,767	10,939	10,869	10,338	10,775	10,024
Payroll disbursements	11,619	11,858	11,530	12,532	12,753	12,298	12,427	13,103	12,606	12,513
Human resources										
Applications processed	1,503	2,182	1,656	2,568	2,621	2,832	3,148	3,300	2,321	2,652
Terminations	65	80	72	72	62	90	108	115	97	105
Planning										
Land use/subdivision reviews	n/a	n/a	n/a	154	156	209	150	278	400	400
Procurement										
Number of requests for proposals (RFP)	n/a	6	8	2	7	8	8	5	11	13
Number of purchase orders	n/a	712	698	875	1,020	1,002	1,002	1,180	872	846
Register of Deeds										
Recorded documents	23,761	21,758	23,884	23,458	20,226	15,832	15,832	16,229	15,502	16,746
Registration and elections										
Current registered voters	33,076	36,076	38,391	39,244	44,233	50,000	46,785	n/a	44,844	47,000
Vehicle maintenance										
Repair orders processed	2,700	2,800	2,421	2,640	2,600	1,272	1,272	2,610	2,420	2,311
Assessor										
Assessment appeals processed	n/a	800	6,500	6,500	800	500	1,205	6,200	1,200	1,274
Auditor										
Real estate, vehicle, and business property notices	n/a	n/a	n/a	141,037	145,712	148,031	156,190	159,000	150,500	150,169
Temporary tags	n/a	n/a	n/a	1,272	1,223	1,167	1,144	1,040	1,200	1,284
Board of assessment and appeals										
Appeals filed	7	7	8	131	180	100	25	61	n/a	15
Hearings held	1	2	3	25	-	29	6	30	38	4
Delinquent tax collector										
Records processed	5,097	5,094	5,955	9,085	6,892	7,551	8,080	8,645	6,805	6,216
Treasurer										
Tax notices mailed	n/a	145,900	141,805	129,137	n/a	n/a	n/a	151,974	152,011	175,572

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Animal control										
Animals received	5,234	5,198	5,234	5,198	5,433	5,434	5,241	5,300	4,000	4,000
Animals adopted	n/a	n/a	n/a	721	767	965	1,029	1,200	1,000	1,000
Building codes										
Permits issued	2,200	2,197	2,100	1,667	2,207	1,338	1,000	1,076	1,208	1,185
Coroner (1)										
Deaths	198	329	362	366	496	547	559	560	575	677
Detention Center										
Average daily population	96	118	130	139	154	159	159	161	149	129
Emergency services (1)										
Medical rescue call responses	4,606	4,511	4,538	4,457	4,379	4,509	4,521	4,090	4,800	5,129
Special rescue call responses	31	32	36	29	31	62	53	30	10	27
Fire call responses	2,320	2,278	2,254	1,812	1,306	2,133	3,330	n/a	n/a	5,800
Hazardous material call responses	n/a	n/a	n/a	n/a	n/a	n/a	32	20	n/a	n/a
Sheriff's office										
Service calls	n/a	n/a	n/a	n/a	48,000	37,666	6,023	35,519	41,257	48,570
Arrest warrants served	2,867	2,236	3,840	3,548	3,382	3,700	3,700	3,407	3,056	3,217
Transportation										
Roads and bridges										
Work orders	1,467	1,900	2,514	4,849	2,775	6,938	6,938	7,262	6,847	8,709
Tons of gravel hauled	n/a	35,006	42,007	42,007	42,400	32,763	32,263	44,198	41,399	29,873
Judicial services										
Clerk of court										
Foreclosure auctions	182	177	138	138	118	63	393	420	300	237
Cases processed	6,005	7,130	6,769	6,769	6,810	3,966	6,147	6,810	5,450	5,603
Magistrate										
Municipal arrest warrants	3,575	5,524	4,753	5,526	6,670	1,162	2,236	2,034	1,730	7,796
Municipal traffic ticket cases	7,641	9,996	10,297	9,794	11,752	7,250	14,903	13,461	10,305	1,632
Health and welfare										
Department of social services										
Food stamps cases	n/a	2,460	2,787	2,975	3,100	3,800	4,390	4,450	5,223	5,223
Child protective services investigations	n/a	271	331	368	310	213	259	270	175	175
Public works										
Solid waste										
Municipal solid waste (MSW) tons	40,441	39,641	36,880	35,816	37,773	36,779	36,779	34,101	36,794	36,632
Construction and demolition (C&D) tons	15,549	20,393	19,594	23,440	25,014	21,308	21,308	17,905	19,299	14,870

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Culture and recreation										
Library										
Computer users	17,725	20,143	25,344	27,880	39,838	44,556	54,441	59,330	54,000	57,095
Registered patrons	35,007	38,329	41,665	33,131	33,428	32,941	37,370	41,258	42,267	49,125
Enterprise fund										
Rock quarry										
Tons shot	469,105	479,907	481,097	489,316	552,517	499,084	392,630	450,000	480,000	477,732
Tons sold/used	493,263	446,835	488,917	435,554	493,165	452,608	497,819	458,000	460,000	421,886

Source: Oconee County Administrative Services Department

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

Due to unavailability of actual numbers, projected numbers may have been used for 2011.

** Data not readily available

(1) Based on a calendar year

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

Function/Program	Fiscal Year									
	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	2013
General Government										
Nondepartmental										
Buildings	4	4	4	4	4	4	4	4	4	4
Heavy equipment	5	5	5	5	5	5	3	3	3	2
Land (acres)	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912
Vehicles	37	41	41	47	45	58	48	46	48	39
Culture and Recreation										
Non-Departmental										
Buildings	1	1	1	1	1	1	-	-	-	-
Land (acres)	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)	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.705	2.705	2.705
Vehicles	1	1	1	1	2	2	2	2	2	3
Parks, Recreation, and Tourism										
Buildings	17	17	18	18	18	18	18	17	18	18
Heavy equipment	3	3	3	3	4	4	4	5	5	5
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171
Vehicles	10	10	10	10	12	10	12	12	10	12
Economic Development										
Economic Development										
Buildings	1	1	1	1	1	1	1	2	2	2
Land (acres)	0.5	0.5	0.5	0.5	0.5	0.5	0.5	3.33	3.33	3.33
Vehicles	-	1	1	1	1	1	1	1	1	1
Industrial Development Land for Resale (acres)										
Land - Echo Hills Commerce Park	-	-	-	-	-	-	-	406.71	406.71	398.107
Land - Golden Corner Commerce Center Park	-	-	397.226	397.226	397.226	397.226	397.226	397.226	397.226	366.800
Land - Oconee County Commerce Center	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17	13.38
Land - Propex	-	-	-	-	-	-	-	-	111.082	111.082
Health and Welfare										
Nondepartmental										
Buildings										1
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	
Land (acres)										
Health clinic	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521
Nursing home	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Other	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665

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

Function/Program	Fiscal Year									
	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	2013
Department of Social Services										
Buildings	-	-	-	1	1	1	1	1	1	1
Land (acres)	-	-	-	9.472	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	2
Land (acres)	2.329	2.329	2.329	2.329	2.329	2.329	2.329	2.329	2.329	2.329
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
Vehicles	2	2	2	2	2	2	1	1	2	2
Solicitor										
Vehicles	1	1	1	1	2	1	2	2	1	1
Public Safety										
Nondepartmental										
Buildings	3	3	3	4	4	4	4	4	3	7
Land (acres)	11.486	11.486	11.486	11.486	11.486	11.486	11.486	11.71	11.71	39.115
Vehicles	2	2	2	3	3	1	9	11	9	9
Animal Control										
Buildings	1	1	1	1	1	2	2	2	2	2
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Vehicles	7	6	6	6	8	8	8	8	9	5
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	2	2	1	1	1	1	1
Emergency/Fire Services¹										
Buildings	2	2	2	2	2	2	2	2	2	2
Patrol boats	-	1	1	3	3	3	3	3	3	8
Vehicles	74	77	85	82	87	91	96	103	110	114
Sheriff's Department										
Aircraft	-	-	-	-	-	1	1	1	1	1
Buildings	-	1	1	1	1	1	1	1	1	2
Patrol boats	1	1	1	1	1	2	2	2	2	5
Vehicles	73	82	94	106	118	120	122	119	118	123

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

Function/Program	Fiscal Year									
	2004	2005	2006 ¹	2007	2008	2009	2010	2011	2012	2013
Public Works										
Solid Waste^{2,3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Construction and demolition (C&D) landfill (acres)	2	2	2	2	2	2	2	2	2	2
Closed municipal solid waste (MSW) landfill (acres)	1	1	1	1	1	1	1	1	1	1
Heavy equipment	9	10	10	12	15	16	16	16	17	56
Vehicles	11	14	15	15	16	16	17	16	18	15
Transportation										
Airport										
Buildings	5	5	5	5	5	5	4	4	4	4
Heavy equipment	-	-	-	-	1	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	5	6	7	7	6	6	6	6
Roads and Bridges										
Buildings	2	2	2	4	4	4	4	4	4	4
Heavy equipment	35	37	37	38	45	49	54	55	62	60
Land (acres)	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836
Vehicles	41	45	45	47	53	53	49	51	46	45
Enterprise Funds										
FOCUS										
Vehicles	-	-	-	-	-	-	-	-	1	1
Rock Quarry										
Buildings	4	4	4	4	4	4	4	4	3	3
Heavy equipment	19	21	21	21	24	25	18	19	18	17
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	28.118
Vehicles	11	12	11	12	13	15	10	12	12	11

Source: Oconee County Administrative Services

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.

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COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Oconee County, South Carolina's basic financial statements and have issued our report thereon dated December, 23, 2013. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our report also includes a reference to other auditors who audited the financial statements of the Keowee Fire Tax District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2013-1 through 2013-4 to be material weaknesses.

Compliance and Other Matters

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

Oconee County, South Carolina's Responses to Findings

Oconee County, South Carolina's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Oconee County, South Carolina's responses were not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

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

Report on Compliance for Each Major Federal Program

We have audited Oconee County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2013. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the County's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
<u>U.S. Department of Agriculture</u>			
(Passed through the SC State Treasurer's Office)			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5SC400407	\$ 29,574
(Passed through the SC State Treasurer's Office)			
Forest Service Schools and Roads Cluster:			
Secure Payments for States and Counties Containing Federal Land	10.665	N/A	227,538
Total U.S. Department of Agriculture			<u>257,112</u>
<u>U.S. Department of Interior</u>			
(Passed through the SC National Heritage Corridor)			
Historic Preservation Fund Grants-In-Aid	15.904	P2052905113	10,000
Total U.S. Department of Interior			<u>10,000</u>
<u>U.S. Department of Commerce</u>			
ARRA - Broadband Technology Opportunities Program	11.557	NT10BIX5570117	2,994,435
Total U.S. Department of Commerce			<u>2,994,435</u>
<u>U.S. Department of Justice</u>			
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-2797	12,733
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1156	18,180
Total U.S. Department of Justice			<u>30,913</u>
<u>U.S. Department of Transportation</u>			
(Passed through the SC Department of Public Safety)			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	2JC12010	11,547
State and Community Highway Safety	20.600	2JC13010	10,693
Total U.S. Department of Transportation			<u>22,240</u>
<u>Institute of Museum and Library Services</u>			
(Passed through the SC State Library)			
Library Service and Technology program	45.310	IID-10-25	850
Library Service and Technology program	45.310	IIA-11-23	15,949
Library Service and Technology program	45.310	IID-10-47	299
Library Service and Technology program	45.310	IID-11-04	6,075
Total Institute of Museum and Library Services			<u>23,173</u>
<u>U.S. Department of Homeland Security</u>			
(Passed through the SC Emergency Management Division)			
Emergency Management Performance Grants	97.042	10EMPG01	1,131
Emergency Management Performance Grants	97.042	11EMPG01	31,791
Emergency Management Performance Grants	97.042	12EMPG01	53,151
			<u>86,073</u>
(Passed through the SC Emergency Management Division)			
Emergency Management Performance Grants	97.067	09SHSP51	8,427
Total U.S. Department of Homeland Security			<u>94,500</u>

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OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Department of Health and Human Services			
Alcohol Enforcement Team	93.276	AOB-BG-14	\$ 636
(Passed through the SC Department of Social Services)			
Child Support Enforcement - Unit Cost	93.563	G1301SC1401	110,157
Child Support Enforcement - Incentive	93.563	G1301SC1402	3,285
Child Support Enforcement - Filing Fees	93.563	G1301SC1403	18,300
Child Support Enforcement - Child Support Funds	93.563	G1301SC1401	41
Child Support Enforcement - Service Process Payments	93.563	G1301SC1404	10,527
(Passed through the SC Department of Social Services)			
Promoting Safe and Stable Families Program	93.556	G1310SCFPSS	257
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1301SC1400	1,357
Foster Care - Title IV-E	93.658	G1301SC1401	12,541
Social Services Block Grant	93.667	G1302SCSOSR	8,470
CCDF Cluster:			
Child Care and Development Block Grant	93.575	G1301SCCCDF	391
TANF Cluster:			
County Administrative Expense (Temporary Assistance for Needy Families)	93.558	G1302SCTANF	30,818
Medicaid Cluster:			
Medical Assistance Program	93.778	N/A	19,346
Total U.S. Department of Health and Human Services			<u>216,126</u>
Total Expenditures of Federal Awards			<u>\$ 3,648,499</u>

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2013

NOTE I. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Oconee County, South Carolina (the "County"), and is presented on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. The County reporting entity is defined in Note 1.A. to the County's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE II. SUBRECIPIENTS

Oconee County provided \$10,000 in funding to subrecipients as part of the U.S. Department of Interior Historic Preservation Fund Grants-In-Aid Program during the year ended June 30, 2013.

NOTE III. NONCASH ASSISTANCE AND LOANS

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ☒ yes ☐ no

Significant deficiencies identified not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? ☐ yes ☒ no

Significant deficiencies identified not considered to be material weaknesses? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in
accordance with OMB Circular A-133, Section 510(a)? ☐ yes ☒ no

Identification of major programs:

CFDA Number
11.557

Name of Federal Program or Cluster
U.S. Department of Commerce – ARRA Broadband
Technology Opportunities Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

SECTION II

FINANCIAL STATEMENT FINDINGS AND RESPONSES

2013-1. Management of Unearned Revenues

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record the property tax revenues or the unearned portion of property taxes in the Emergency Services Protection District and Tri-County Tech Funds and did not properly record revenue and unearned revenue in the Capital Projects Fund during the year ended June 30, 2013.

Context: We addressed this matter with County officials and they were able to determine the amount of property tax revenues and the unearned portion of property taxes that should be recorded in these funds as of June 30, 2013.

Effect: An audit adjustment to increase revenues and decrease unearned revenues was required to be reported within the Emergency Services Protection Fund (\$30,101 adjustment), the Tri-County Tech Fund (\$26,112 adjustment), and the Capital Projects Fund (\$82,697 adjustment) as of June 30, 2013.

Cause: Reconciliations of unearned tax revenues are not being performed on a consistent and timely basis.

Recommendation: We recommend the County implement procedures to reconcile all unearned tax revenue subsidiary ledgers to the general ledger on a consistent and timely basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on a consistent and timely basis.

2013-2. Management of Unearned Grant Revenues

Criteria: Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

Condition: The County did not properly record the grant revenues or the unearned portion of grant revenues in the Capital Projects Fund during the year ended June 30, 2012.

Context: We addressed this matter with County officials and they were able to determine the amount of grant revenues and the unearned portion of these revenues that should be recorded in this fund as of June 30, 2012.

Effect: A prior period audit adjustment to increase fund balance and decrease unearned grant revenues was required to be reported within the Capital Projects Fund (\$144,707 adjustment), as of June 30, 2012.

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2013-2. Management of Unearned Grant Revenues (Continued)

Cause: Reconciliations of earned and unearned grant revenues are not being performed on an annual basis.

Recommendation: We recommend the County implement procedures to reconcile all earned and unearned grant revenue subsidiary ledgers to the general ledger on an annual basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on an annual basis.

2013-3. Management of Accounts Receivable

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: The County did not properly record amounts due from other governments and grant revenues in the FOCUS Fund as of June 30, 2012 and June 30, 2013.

Context: We addressed this matter with County officials and they were able to determine the amount due from other governments and the amount of grant revenues that should be recorded in this fund as of June 30, 2012 and June 30, 2013.

Effect: A prior period adjustment to decrease due from other governments in the amount of \$150,513 and decrease fund balance in the amount of \$150,513 was required to be reported within the FOCUS Fund as of June 30, 2012. An audit adjustment to decrease due from other governments in the amount of \$319,840 and decrease grant revenues in the amount of \$319,840 was required to be reported in the FOCUS Fund as of June 30, 2013.

Cause: The County did not review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

Recommendation: We recommend the County establish procedures to review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to review and reconcile all revenue transactions after year-end to determine reporting in the proper period.

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2013

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2013-4. Management of Long-Term Liabilities

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred to acquire capital assets or to provide current financial resources for operational activities. Additionally, any debt bearing the name of the County should be reported in the County's financial statements. As a part of these processes, the County should review all related debt agreements and expenditure transactions to determine reporting in the proper period.

Condition: The County did not properly record various transactions related to long term debt in the governmental activities government-wide statements and the Debt Service Fund as of June 30, 2012 and June 30, 2013.

Context: We addressed this matter with County officials and they were able to determine the amount due from component units, debt service principal expenditures, debt service interest expenditures, and the amount of interest income that should be recorded in the Debt Service Fund and governmental activities government-wide statements as of June 30, 2012 and June 30, 2013.

Effect: A prior period audit adjustment to increase due from component units in the amount of \$835,000, increase debt service principal expenditures in the amount of \$75,000, and increase fund balance in the amount of \$910,000 was required to be reported within the Debt Service Fund as of June 30, 2012. An audit adjustment to increase debt service interest expenditures in the amount of \$35,672 and increase interest income in the amount of \$35,672 was required to be reported in the Debt Service Fund as of June 30, 2013. An adjustment to increase governmental activities long term debt and reduce governmental activities net position in the amount of \$910,000 was required to be reported in the governmental activities government-wide statements as of June 30, 2012.

Cause: The County did not review all debt agreements with its component unit and expenditure transactions after the prior and current years ended to determine reporting in the proper period.

Recommendation: We recommend the County establish procedures to review all related debt agreements and reconcile all expenditure transactions with the component unit after year-end to determine reporting in the proper period.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to review all related debt agreements and reconcile all expenditure transactions with the component unit after year-end to determine reporting in the proper period.

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

OCONEE COUNTY, SOUTH CAROLINA

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013**

None reported.

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