



**OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

PREPARED BY ADMINISTRATIVE SERVICES:

T. 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, 2014

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INTRODUCTORY SECTION

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T. Scott Moulder
County Administrator

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



December 30, 2014

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, 2014, 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, 2014. 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 unmodified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2014. 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 75,045.

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

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

Local Economy

Oconee County's economy produced some very positive outcomes during the most recent fiscal year. For example, from June of 2013 to June of 2014, the county unemployment rate dropped from 8.9% to 5.7% according to the US Department of Labor, Bureau of Labor Statistics. In conjunction with the lowest unemployment rate since the early 2000's, the number of workers participating in our workplace rose to 32,082. These signs are indicative of the intensive efforts to recruit, attract, and retain strong business partners in Oconee County. The County Council established economic development as one of the most important long-term strategic objectives for the next five years. In keeping with this commitment, Oconee County began construction of infrastructure including water and waste water facility construction to support the Golden Corner Commerce Park which is strategically located in the eastern part of the County with easy access to Interstate 85. While this business park is still under construction, the future plans of Council include expansion of this infrastructure to exits 1, 2 and 4 of Interstate 85. This project began in December of 2013 and the sewer force mains were nearing completion at June 30, 2014. In the coming fiscal year, the County plans to complete the infrastructure and have this property in inventory for potential business development near the close of fiscal 2015.

There are more positive developments to report during fiscal 2014, there were several major economic development announcements which included a total of about \$87,500,000 of new capital investment within Oconee County. The following companies within Oconee County have decided to expand their base of operations: U.S. Engine Valve, BorgWarner, Greenfield, Sandvik, and Ulbrich. Also, the economic development efforts worked to successfully recruit the following new companies to Oconee County: Plastic Products Company, GreenTech Recycling, and the headquarters if TDC Cutting Tools (parent company of Greenfield).

Throughout 2013 and into 2014, the county continued the work of bringing the Oconee Industry and Technology Park on-line with infrastructure enhancements and road installation. Essentially, the county money was used to "turn farm land into industrial real-estate." The county put into place a 300,000 square foot pad site and a 50,000 square foot pad site. 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. Oconee County's 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 begun to work with the agricultural community to develop future plans around a county-wide farmers market, a "farm to table" initiative and various other ways to strengthen this economic driver for our community.

As Oconee County contains a significant amount of public lands, in addition to 1,355 miles of lake shore line, tourism provides a significant contribution to the local economy, and is especially important to local small businesses. 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 & Major Initiatives

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 fiscal year 2014, the county invested very heavily in economic development to provide a backbone of infrastructure to the eastern end of the county near interstate 85. This investment includes the short-range goal of developing a commerce park with complete amenities. The site is located on South Carolina Highway 59 near the Town of Fair Play and within minutes of a major interstate with easy access to several nearby major metropolitan areas. This is Phase I of the longer term plan to develop infrastructure including water, sewer, and necessary utilities to support growth at the intersections of interstate 85 within Oconee County's borders.

Awards and Acknowledgements

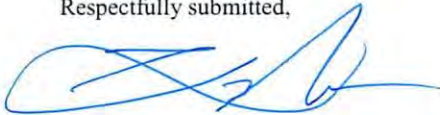
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oconee County for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of 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 Administrative Services Department. We wish to express our appreciation to all of the departments who assisted and contributed to the preparation of this report. We would especially like to thank the Treasurer and Auditor and their staff for all of their assistance during the audit. Credit must also be given to the governing council for their unfailing support for maintaining the highest standards of professionalism in the financial management of Oconee County.

GFOA awarded Oconee County a Distinguished Budget Award for the budget for the fiscal year beginning July 1, 2013. The County is proud of this recognition and believes this demonstrates to the Citizens of Oconee County how committed the County Council, Administration, and Staff are to achieving excellent financial results by properly planning and executing operational and capital plans in an orderly and professional manner.

Respectfully submitted,



T. Scott Moulder
County Administrator



Mark H. Pullium
Director of Administrative Services



Government Finance Officers Association

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

Presented to

**Oconee County
South Carolina**

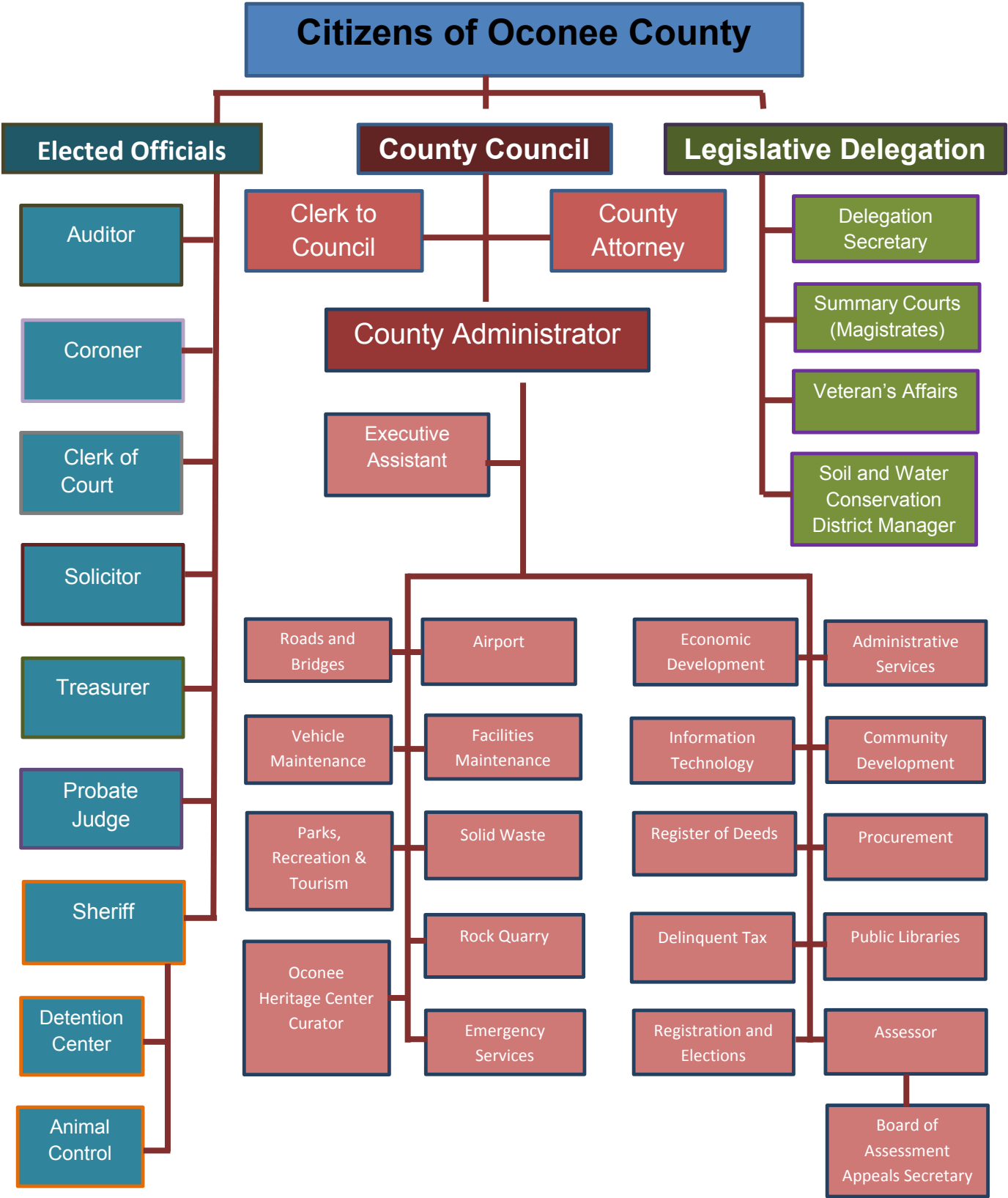
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO

Oconee County Organization Chart



OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2014

MEMBERS OF COUNCIL

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

LEGISLATIVE DELEGATION

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

APPOINTED OFFICIAL

T. Scott Moulder	County Administrator
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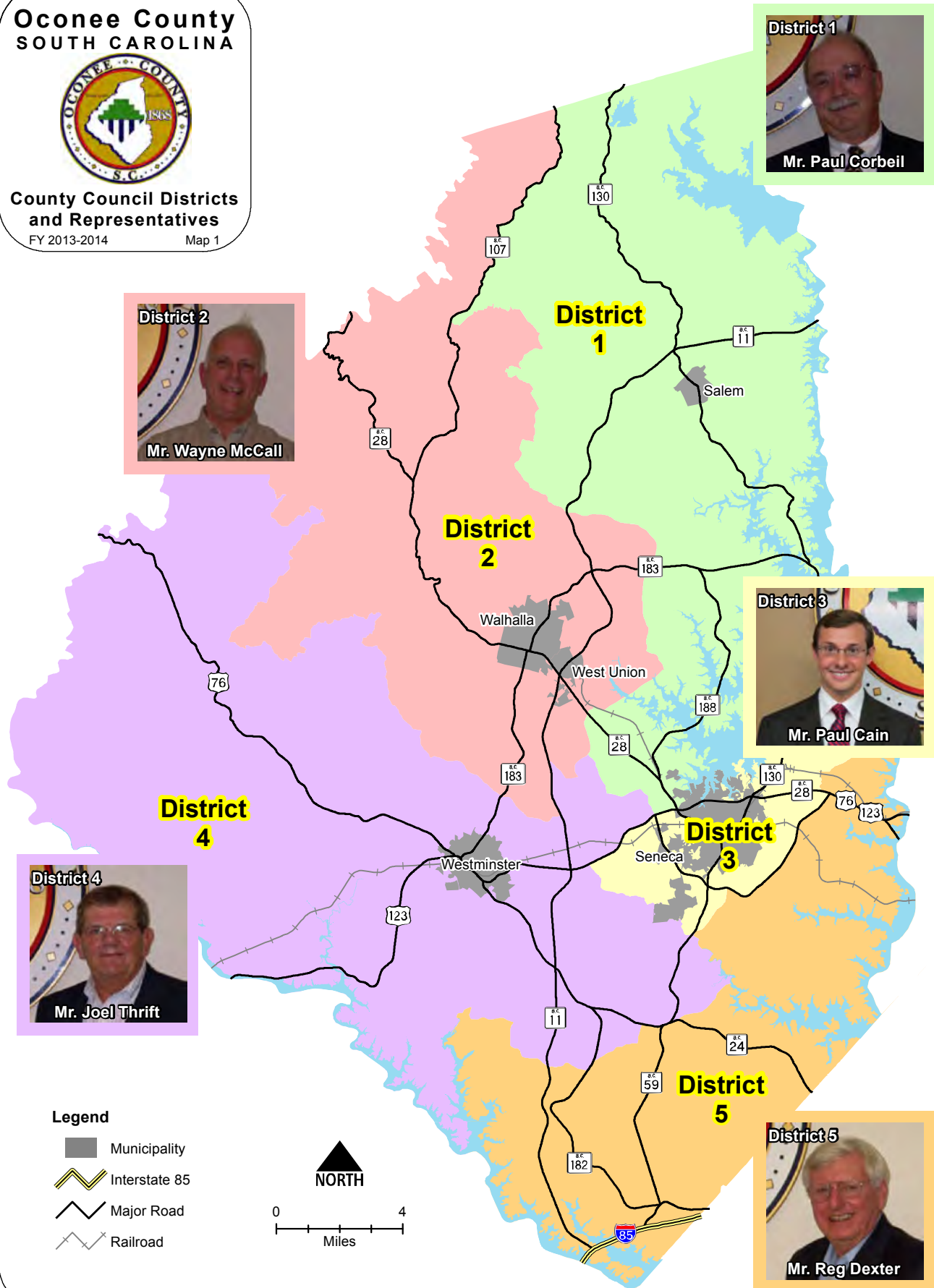
Oconee County SOUTH CAROLINA



County Council Districts and Representatives

FY 2013-2014

Map 1



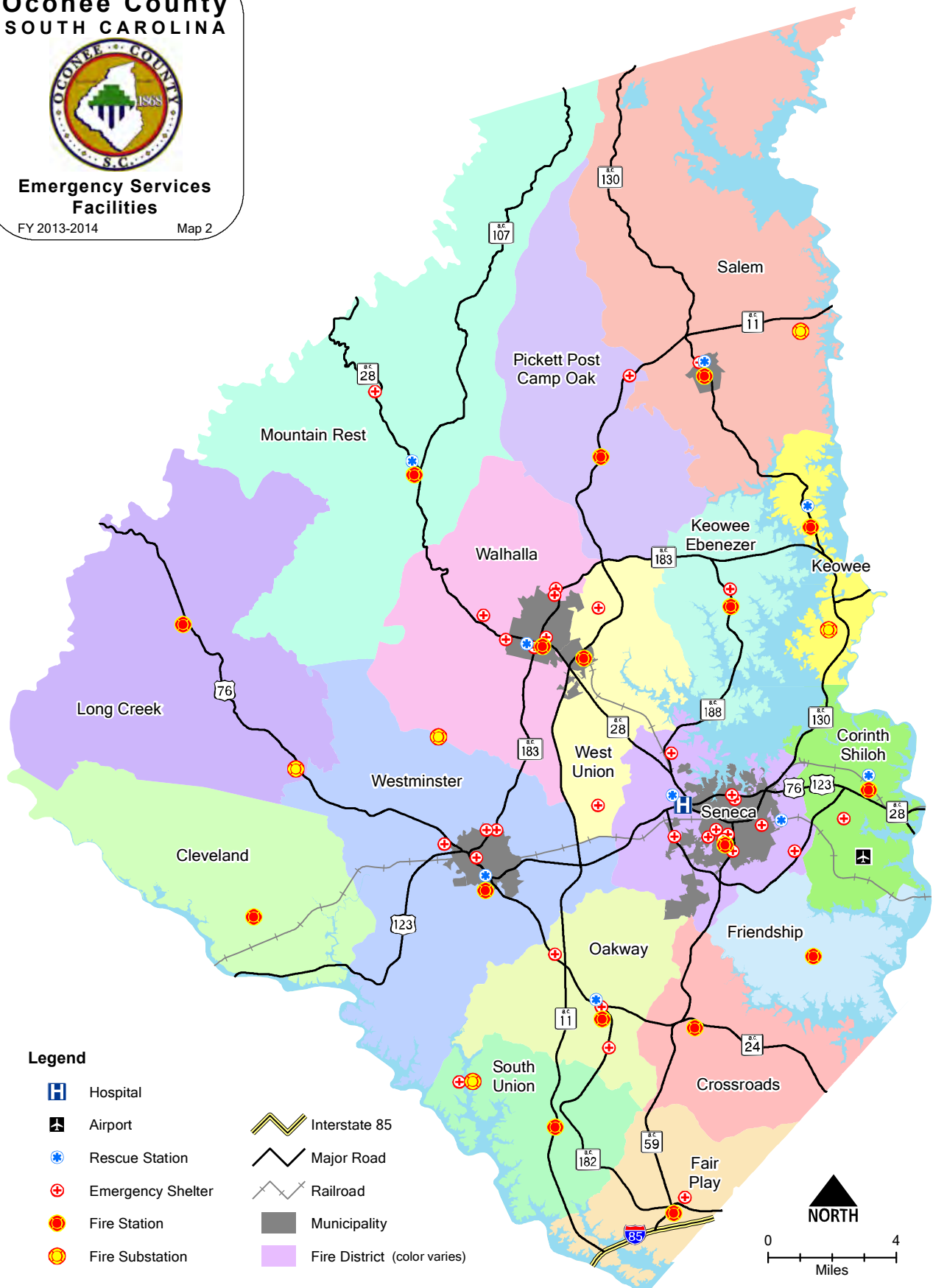
Oconee County SOUTH CAROLINA



Emergency Services Facilities

FY 2013-2014

Map 2



Legend



Hospital



Airport



Rescue Station



Emergency Shelter



Fire Station



Fire Substation



Interstate 85



Major Road



Railroad



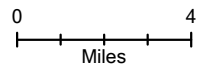
Municipality



Fire District (color varies)



NORTH



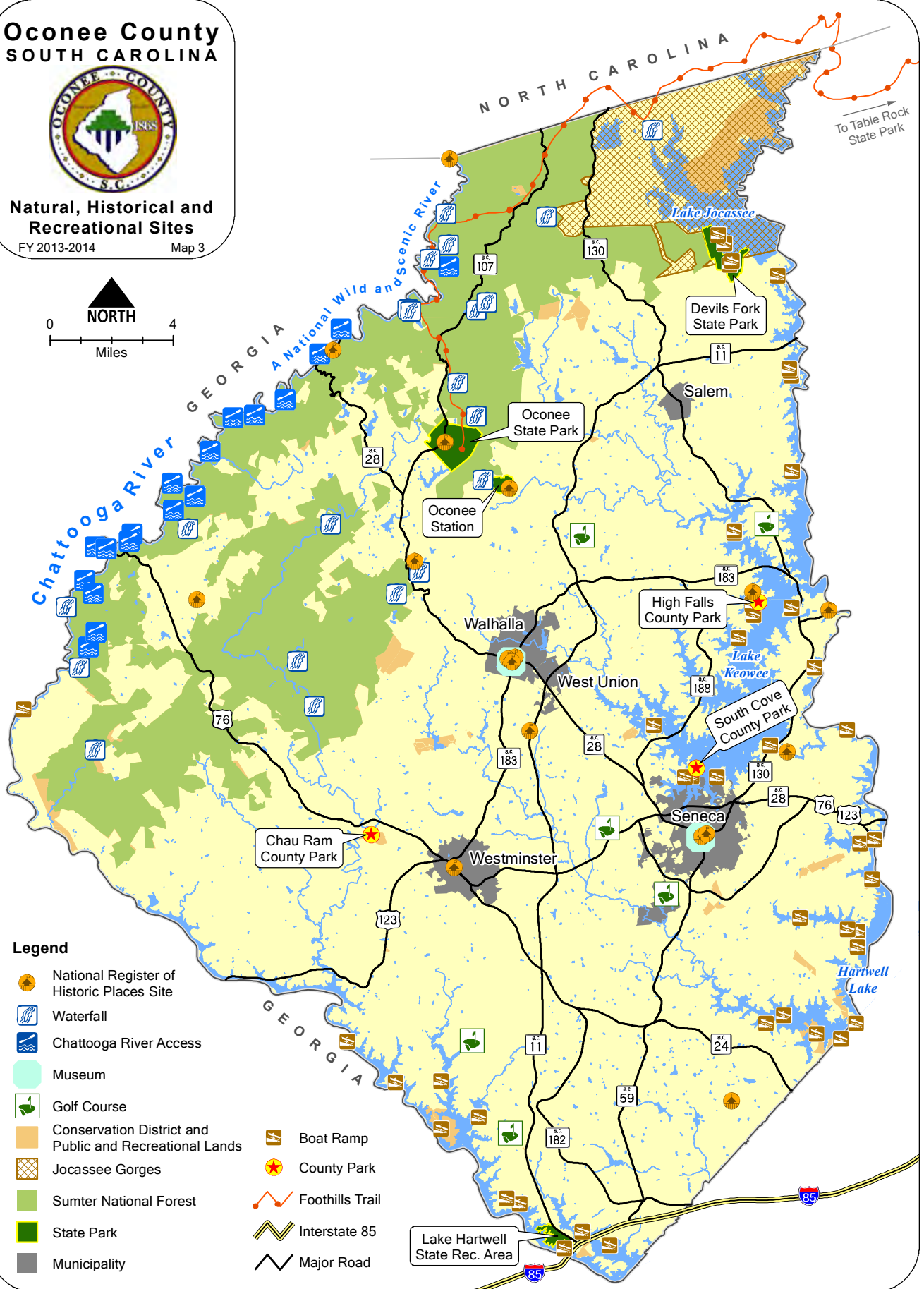
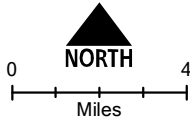
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY 2013-2014

Map 3



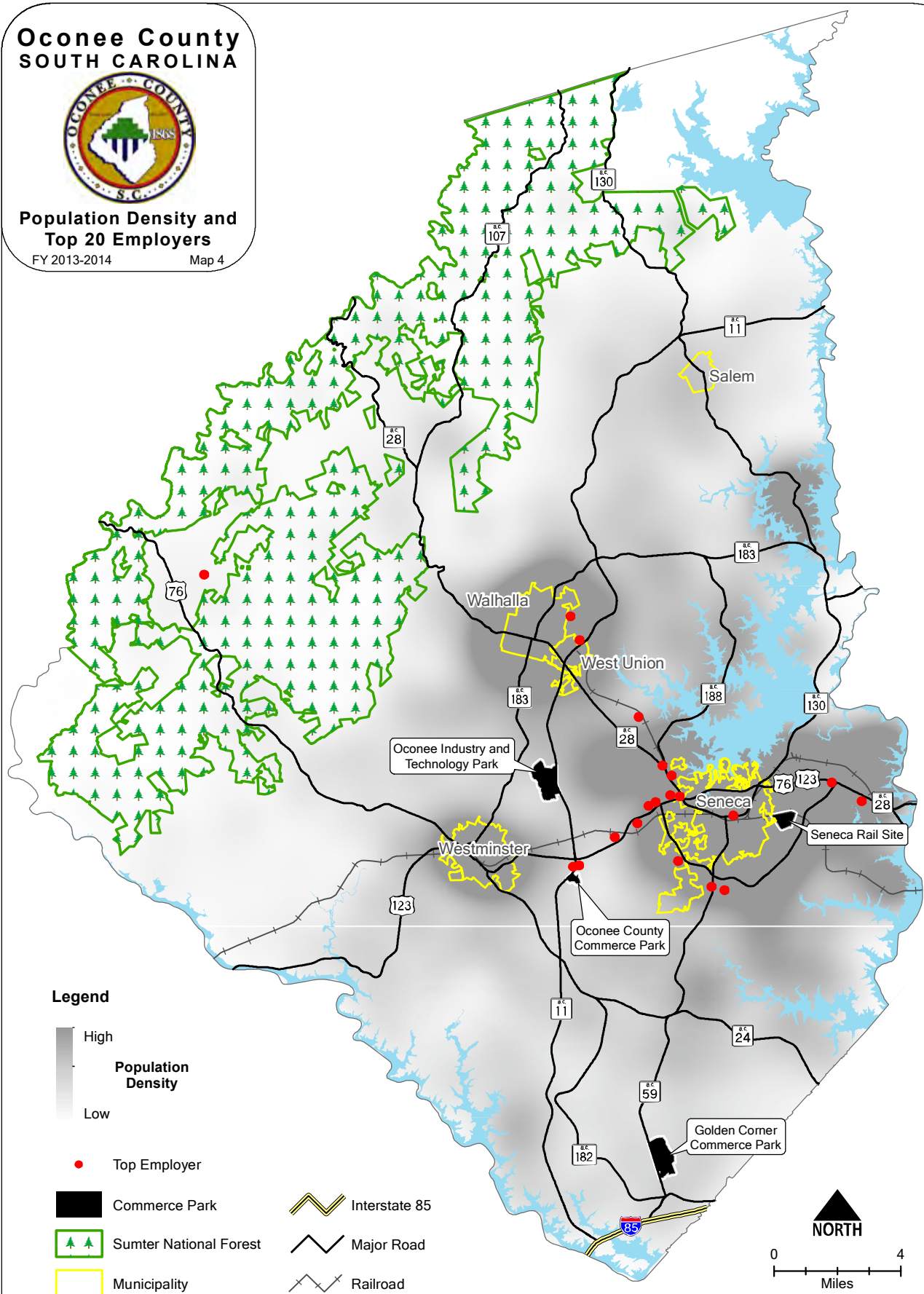
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY 2013-2014

Map 4



Source: S.C. Department of Employment and Workforce, 2014 Q3 and U.S. Census Bureau, 2010

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on 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, 2014, and the related notes to the financial statements, which collectively comprise Oconee County, South Carolina's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 17), and the Schedule of Funding Progress (on page 59) 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 30, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 30, 2014

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OCONEE COUNTY, SOUTH CAROLINA

MANAGEMENT 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, 2014. 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, 2014 by \$158,161,672, which was a decrease from the prior year of approximately (1.0) percent. Of this amount, \$40,043,795 (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 \$902,239 resulting from the fiscal year 2014 activity. Net position of the business-type activities decreased \$(2,478,796) due to the fiscal year 2014 activity. Overall the County's net position decreased \$(1,576,557).
- During the year, the County had expenses in governmental activities that were \$680,770 more than the \$53,069,750 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$104,974 more than the prior year revenues (before transfers) as reflected in the Changes in Net Position Figure 2.
- The General Fund reported an increase in fund balance of \$325,612 from fiscal year 2014 activity, resulting in an ending fund balance of \$22,132,964.
- In the General Fund, actual revenue sources available for appropriation were \$580,244 less than anticipated primarily due to property tax revenue and intergovernmental revenues. Expenditures were \$1,093,853 less than budgeted. Actual revenues were \$51,065 more 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 is divided into two kinds of activities:

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

The next statements are fund financial statements that begin on page 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, 2014 display combined net position of \$158.2 million, or approximately (1.0) percent lower than June 30, 2013. The largest portion of the net position (72.2 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 (2.5 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net position (25.3 percent) is unrestricted net position, with a balance of \$40.0 million at June 30, 2014. Unrestricted net position includes \$8,570,255 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	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 57,981,781	\$ 62,620,105	\$ 3,268,527	\$ 495,320	\$ 61,250,308	\$ 63,115,425
Capital assets	120,863,588	114,875,989	15,418,889	16,167,256	136,282,477	131,043,245
Total assets	<u>178,845,369</u>	<u>177,496,094</u>	<u>18,687,416</u>	<u>16,662,576</u>	<u>197,532,785</u>	<u>194,158,670</u>
Deferred charge on refunding	22,242	35,587	-	-	22,242	35,587
Total deferred outflows of resources	<u>22,242</u>	<u>35,587</u>	<u>-</u>	<u>-</u>	<u>22,242</u>	<u>35,587</u>
Long-term liabilities debt	30,000,221	31,148,082	4,808,083	145,024	34,808,304	31,293,106
Other liabilities	4,378,112	2,796,560	206,939	366,362	4,585,051	3,162,922
Total liabilities	<u>34,378,333</u>	<u>33,944,642</u>	<u>5,015,022</u>	<u>511,386</u>	<u>39,393,355</u>	<u>34,456,028</u>
Net position:						
Net investment in capital assets	98,724,529	95,788,551	15,418,889	16,167,256	114,143,418	111,955,807
Restricted	3,974,459	4,427,846	-	-	3,974,459	4,427,846
Unrestricted	41,790,290	43,370,642	(1,746,495)	(16,066)	40,043,795	43,354,576
Total net position	<u>\$144,489,278</u>	<u>\$ 143,587,039</u>	<u>\$ 13,672,394</u>	<u>\$ 16,151,190</u>	<u>\$158,161,672</u>	<u>\$ 159,738,229</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

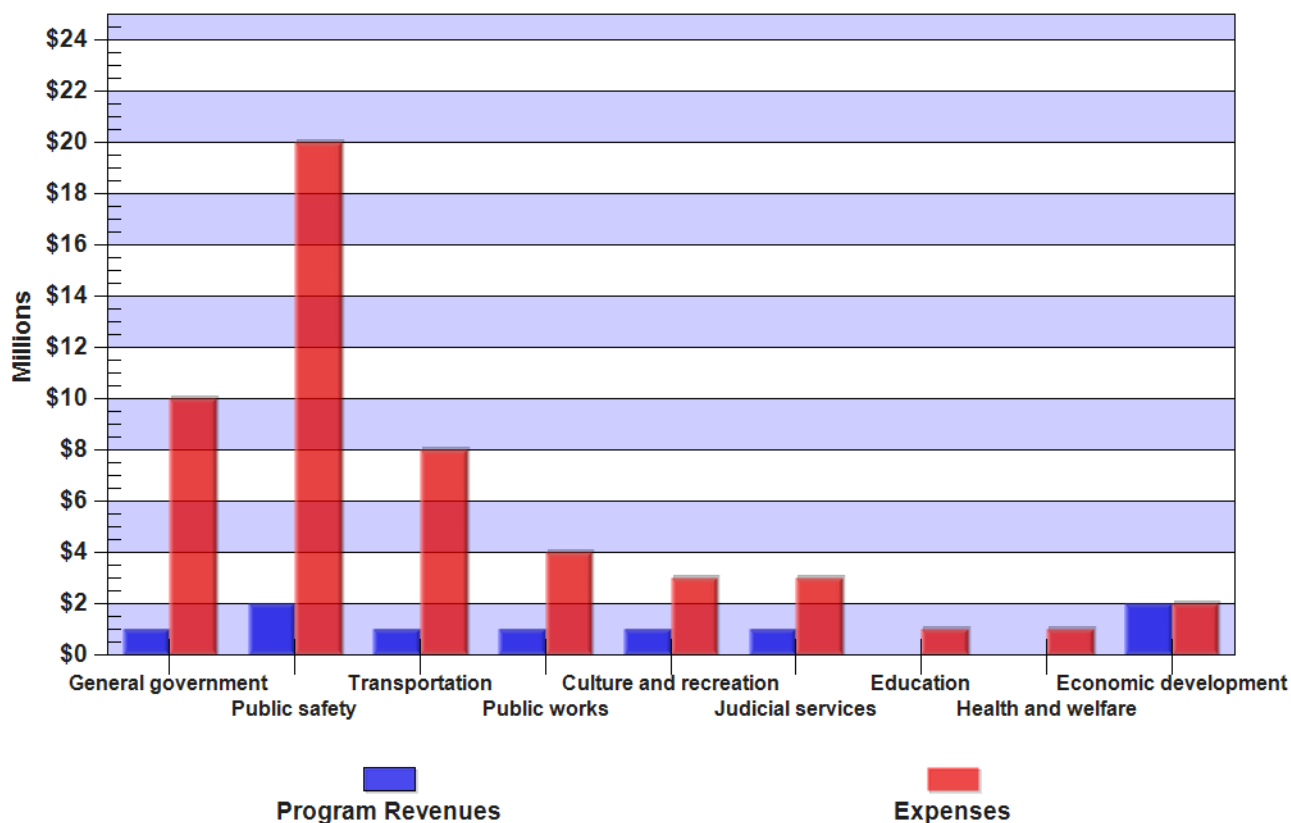
Oconee County's Changes in Net Position
Figure 2

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues						
Program revenues:						
Charges for services	\$ 5,124,232	\$ 5,147,842	\$ 3,438,048	\$ 3,693,046	\$ 8,562,280	\$ 8,840,889
Operating grants and contributions	1,925,061	1,646,556	-	-	1,925,061	1,646,556
Capital grants and contributions	2,022,895	677,399	-	3,141,110	2,022,895	3,818,509
General revenues:						
Property taxes	39,926,946	37,638,738	-	-	39,926,946	37,638,738
Other taxes	843,741	772,729	-	-	843,741	772,729
Grants and contributions not restricted to specific programs	2,743,615	2,732,272	-	-	2,743,615	2,732,272
Interest income	483,260	350,414	(1,552)	3,714	481,708	354,128
Miscellaneous	-	-	-	37,056	-	37,056
Proceeds from Legal Settlement	-	375,000	-	-	-	375,000
Insurance Recoveries	-	232,576	-	-	-	232,576
Total revenues	<u>53,069,750</u>	<u>49,573,527</u>	<u>3,436,496</u>	<u>6,874,926</u>	<u>56,506,246</u>	<u>56,448,453</u>
Program expenses						
General government	\$10,047,351	\$11,261,859	\$ -	\$ -	\$10,047,351	\$11,261,859
Public safety	20,131,431	19,204,344	-	-	20,131,431	19,204,344
Transportation	8,008,004	7,372,983	-	-	8,008,004	7,372,983
Public works	3,897,503	1,930,852	-	-	3,897,503	1,930,852
Culture and recreation	3,213,785	2,986,367	-	-	3,213,785	2,986,367
Judicial services	3,046,553	3,019,193	-	-	3,046,553	3,019,193
Education	1,041,785	1,036,754	-	-	1,041,785	1,036,754
Health and welfare	1,057,650	494,226	-	-	1,057,650	494,226
Economic development	2,454,331	1,517,386	-	-	2,454,331	1,517,386
Interest and fiscal charges	852,127	854,537	-	-	852,127	854,537
FOCUS	-	-	1,606,703	228,910	1,606,703	228,910
Rock quarry	-	-	2,725,580	2,702,814	2,725,580	2,702,814
Total expenses	<u>53,750,520</u>	<u>49,678,501</u>	<u>4,332,283</u>	<u>2,931,724</u>	<u>58,082,803</u>	<u>52,610,225</u>
Excess (deficiency) before transfers	(680,770)	(104,974)	(895,787)	3,943,202	(1,576,557)	3,838,228
Transfers	<u>1,583,009</u>	<u>116,991</u>	<u>(1,583,009)</u>	<u>(116,991)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 902,239</u>	<u>\$ 12,017</u>	<u>\$ (2,478,796)</u>	<u>\$ 3,826,211</u>	<u>\$ (1,576,557)</u>	<u>\$ 3,838,228</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 for the primary government, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, increased by \$57,793 to \$56.5 million, or (0.1) 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 decreased (3.2) percent, or a little more than \$278,609 from fiscal year 2013 to fiscal year 2014. Further, the County receives both operating and capital grants and contributions from state and federal governments as well as other non-government individuals and businesses. The operating grants and contributions, \$1.9 million, are used to fund the general operations of certain programs of the County. The operating grants increased from the prior year by \$278,505 or (17.5) percent. This increase is due to the governmental activities general government, public safety, culture and recreation and economic development programs. Capital grants and contributions fund the purchase of capital assets and improvements. During 2014, the County received over \$2.0 million in capital grants compared to the \$3.8 million received for fiscal year 2013, a 47.0 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 reimbursed the County for a portion of the broadband construction and installation expenses. The broadband project is completed and thus, the reimbursements have ended. Property tax revenues increase by \$2,288,205, due to an increased in the tax levy for fiscal year 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

The total governmental and business-type activities program expenses net increase is \$5,472,578 million, which is comprised of the following: decreases in general government of \$1,214,508, interest on long-term debt of \$2,410 for total decreases of \$1,216,918; increases in public safety \$927,087, transportation of \$635,021, public works of \$1,966,561, culture and recreation of \$227,418, judicial services of \$27,360, education of \$5,031, health and welfare of \$563,424, economic development of \$936,945, and business type activities of \$1,400,559 for increases totaling \$6,689,496. The prioritization and relative increase in expenses were aligned with the County Council's strategic plan to invest in public safety, transportation and public works to enhance Oconee County's quality of life. Additionally, cultural and recreational expenses were increased as well economic development in a joint effort with the business community to attract and retain business partners within the county to create opportunities for the citizens of the County. Health and welfare expenses are increased by the amount of direct aid given to various entities and human services organizations within the County.

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

Governmental Activities

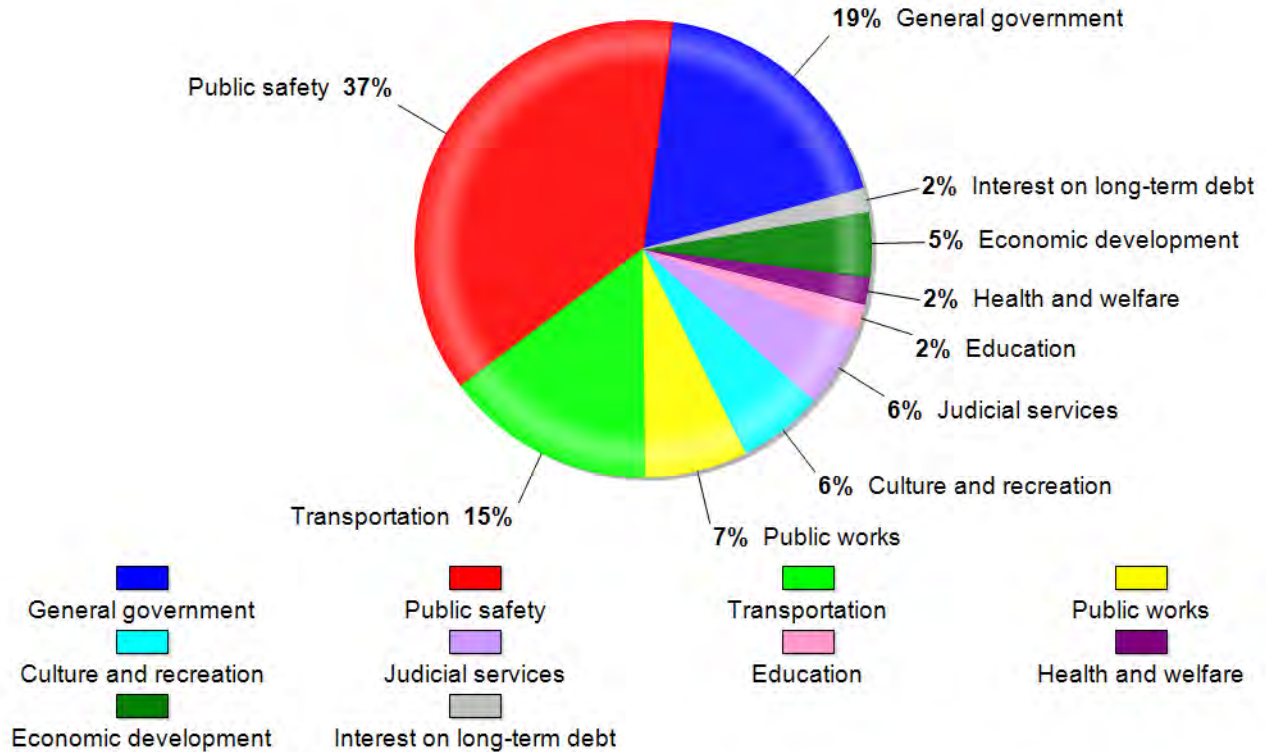
Net position of the County's governmental activities increased from 2013 to 2014. The net position of governmental activities increase by a total of \$902,239. The governmental activities unrestricted net position at June 30, 2014 totaled \$41.8 million, a decrease from the prior year of \$(1.6) million. Additionally, the fiscal year 2014 total restricted net position of the governmental activities operations decreased by \$453,387. Net investment in capital assets increased by \$2.4 million.

The cost of all governmental activities this year was \$53.8 million compared to \$49.7 million last year a net increase of \$4.1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Expenses by Program - Governmental Activities

Chart 2



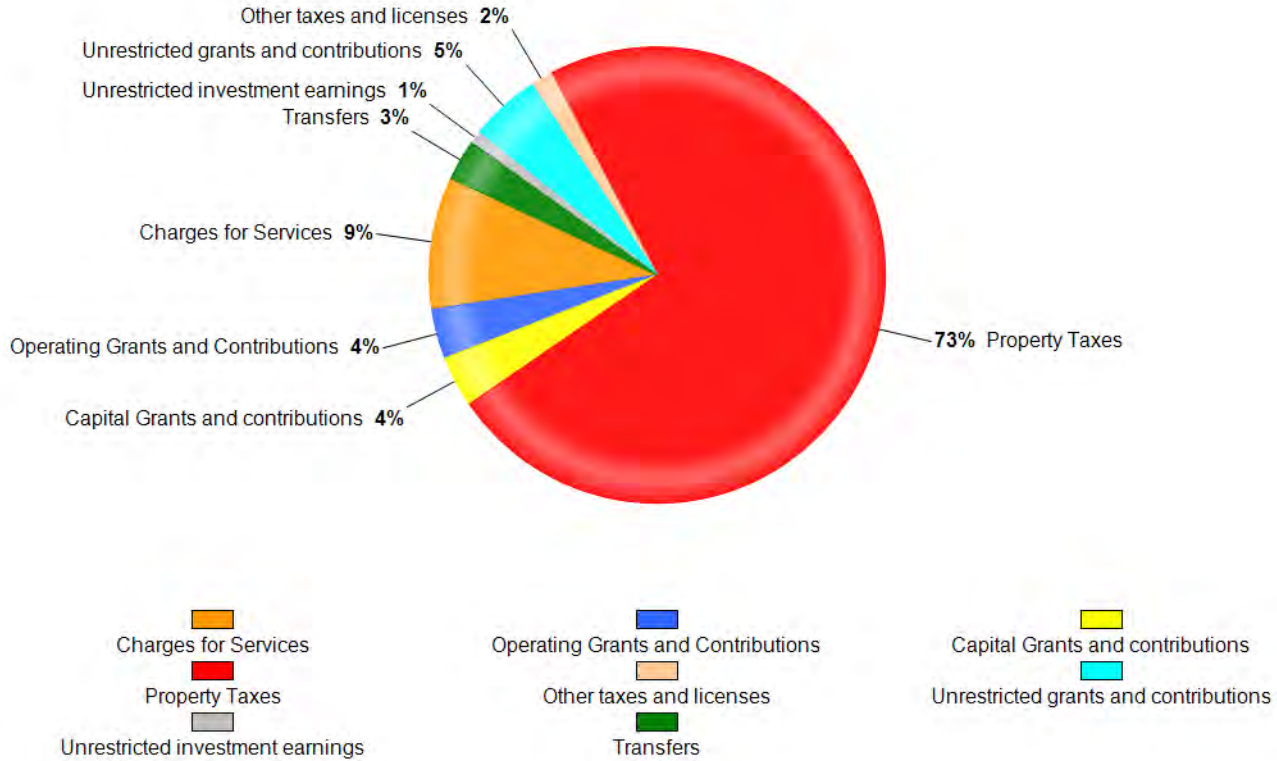
Expenses by Program - Governmental Activities

General government	\$10,047,351
Public safety	\$20,131,431
Transportation	\$8,008,004
Public works	\$3,897,503
Culture and recreation	\$3,213,785
Judicial services	\$3,046,553
Education	\$1,041,785
Health and welfare	\$1,057,650
Economic development	\$2,454,331
Interest on long-term debt	\$852,127

MANAGEMENT'S DISCUSSION AND ANALYSIS

Revenues by Source - Governmental Activities

Chart 3



Revenues by Source - Governmental Activities

Property Taxes	\$39,926,946
Charges for Services	\$5,124,232
Unrestricted grants and contributions	\$2,743,615
Capital grants and contributions	\$2,022,895
Operating grants and contributions	\$1,925,061
Transfers	\$1,583,009
Other taxes and licenses	\$843,741
Unrestricted investment earnings	\$483,260

MANAGEMENT'S DISCUSSION AND ANALYSIS

The amount that our taxpayers paid in County property taxes to finance the governmental activities was \$39.9 million. Some operating costs were paid either by those who directly benefited from the services offered (\$5.1 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$3.9 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, increased from \$7.5 million in 2013 to \$9.1 million in 2014.

Business-type Activities

Total net position of the business-type activities decreased by \$2.5 million or 15.3 percent. The Rock Quarry's net position decrease by \$917,115 while the FOCUS fund's net position decreased by \$1,561,681. Funds totaling \$1,583,009 were transferred from the Rock Quarry to the General Fund to augment the construction of infrastructure assets for the Golden Corner Commerce Park.

Fiscal year 2014 business-type activities program revenues decreased by \$3.4 million, or 50.0 percent, compared to fiscal year 2013 mainly as a result of the federal grant funds for the FOCUS project decreasing by \$3.1 million from the prior year. The Rock Quarry's sales improved over the prior year with an increase of \$613,924 compared to the fiscal year 2013. The business-type activities expenses increased 48.0 percent, or \$1,400,559.

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 completion of fiscal year 2014, the County's governmental funds reported total fund balances of \$52.3 million, which was a decrease from last year's total by \$6,415,473. The decrease was primarily related to activity within the Economic Development and Capital Projects Fund. Total governmental revenues increased \$4.1 million, or 8.3 percent as a result of increased property tax collections and intergovernmental revenues. Total governmental funds expenditures increased \$13,248,636 or 25.2 percent, from the prior year. The functions contributing to the increased expenditures were for principal retirement on debt, capital outlay, and economic development activities for the acquisition and construction of capital assets.

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 \$8.0 million, while its total fund balance was \$22.1 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 19.4 percent of the total General Fund budgeted expenditures for fiscal year 2014-2015. In comparison the total fund balance of the general fund represents 53.8% of the expenditures budgeted for fiscal year 2014-2015. It is important to note the General Fund expenditures decreased \$1,539,661 or 3.7% from fiscal 2013.

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, 2014 fund balance was \$14.4 million, a decrease of \$2.0 million from the June 30, 2013 fund balance.

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 2013-2014 were \$2,555,212. Expenditures related to the development of the Golden Corner Commerce Park infrastructure \$6.7 million and \$1.1 million for infrastructure to nearly complete the Echo Hills Commerce Park.

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 has completed the construction and installation of a countywide fiber optics broadband network. The total net position for both proprietary funds at June 30, 2014 was \$13.7 million of which \$5.0 million related to the Rock Quarry and \$8.7 million related to FOCUS. The Rock Quarry transferred \$1.6 million to the General Fund decreasing net position of the Rock Quarry by \$917,115 as compared to the prior year. The FOCUS fund's net position decreased \$1.6 million.

General Fund Budgetary Highlights

In the 2014 adopted budget, the General Fund's original budget totaled \$40,280,785. Purchase orders or encumbrances for capital acquisitions outstanding at June 30, 2014 did not lapse and were allowed to roll forward to the fiscal 2014-2015 budget year as allowed in the budget provisos. The 2014 carry-forward encumbrances shown as assigned to subsequent year's budget totaled \$574,435 at June 30, 2014.

By the end of the year, General Fund actual revenues totaled \$39,825,216. The total actual revenues were \$580,244 less than the final budget which is attributed to weaker than expected property tax collections and lower than anticipated intergovernmental revenues. During the year, expenditure budget amendments decreased the total budgeted expenditures by \$611,781. Actual expenditures totaled \$39,774,151, thus creating a positive budget variance where total expenditures were \$1,093,854 less than the amount budgeted. The difference between actual expenditures and final budgeted expenditures was accomplished by actual expenditures being less than the final budget in all functions and departmental units of the general fund.

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, 2014, totals \$136 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 \$5 million, or 4.0 percent, above last year. The increase is due to the numerous capital projects expenditures.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,249,630	\$ 3,213,554	\$ 393,590	\$ 374,548	\$ 3,643,220	\$ 3,588,102
Infrastructure Land Rights	36,841,456	36,841,456	-	-	36,841,456	36,841,456
Construction in Progress	14,184,682	5,243,995	-	10,448,463	14,184,682	15,692,458
Building and Improvements	36,200,690	37,719,033	253,424	278,864	36,454,114	37,997,897
Equipment and Vehicles	10,602,698	10,176,326	1,096,892	1,413,000	11,699,590	11,589,326
Infrastructure	19,784,432	21,681,625	13,385,964	3,356,480	33,170,396	25,038,105
Mineral Interests	-	-	289,019	295,901	289,019	295,901
Total	<u>\$ 120,863,588</u>	<u>\$ 114,875,989</u>	<u>\$ 15,418,889</u>	<u>\$ 16,167,256</u>	<u>\$ 136,282,477</u>	<u>\$ 131,043,245</u>

Major capital asset transactions during the year include:

- Purchase of 0.56 acres for the detention center and 0.98 acres for the Rock Quarry, \$55,118;
- Additional construction for the detention center facility, \$1,686,534;
- Construction of a new emergency substation located at Keowee Falls, \$182,076;
- Purchase of 30 vehicles, 1 fire truck, 7 solid waste compactor units, and 8 pieces of heavy construction equipment, \$2,226,140;
- Installation of playground equipment at South Cove Park, \$71,727;
- Software and information technology equipment, \$93,863;
- Various equipment for 911 communications, \$55,462;
- Purchase of various public safety equipment, \$75,383;
- Continuation of Pointe West roads infrastructure project, \$107,849;
- Construction in progress on 4 roads and 4 bridges, \$383,875;
- Completion of the fiber optics broadband network installation adding 39,742 strand miles, \$10,695,721;
- Economic Development construction in progress site for Seneca Rail (Propex), \$10,222;
- Economic Development Golden Corner Commercial Park, \$6,707,239;
- Construction for Echo Hills Industrial Park Site (Resale Property), expenditures for the year, \$1,135,902.

Additional information on the County's capital assets can be found in Note 5 on pages 43 - 46 of the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

As of June 30, 2014, the County had outstanding a total bonded debt of approximately \$17.8 million, all of which is backed by the full faith and credit of the County.

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation (GO) bonds						
Applicable to the debt margin:						
County GO bonds	\$ 15,028,793	\$ 17,334,444	\$ -	\$ -	\$ 15,028,793	\$ 17,334,444
County GO refunding bonds	2,050,499	2,637,105	-	-	2,050,499	2,637,105
Total GO bonds applicable to the debt margin	17,079,292	19,971,549	-	-	17,079,292	19,971,549
Not applicable to the debt margin:						
County GO bonds for special tax districts	760,000	835,000	-	-	760,000	835,000
Total GO bonds not applicable to the debt margin	\$ 760,000	\$ 835,000	\$ -	\$ -	\$ 760,000	\$ 835,000
Total GO bonds	\$ 17,839,292	\$ 20,806,549	\$ -	\$ -	\$ 17,839,292	\$ 20,806,549
Capital lease obligations	2,987,997	1,300,953	-	-	2,987,997	1,300,953
Special source refunding bond	-	3,125,000	-	-	-	3,125,000
Special source revenue refunding bonds	2,993,000	-	-	-	2,993,000	-
Total outstanding debt	\$ 23,820,289	\$ 25,232,502	\$ -	\$ -	\$ 23,820,289	\$ 25,232,502

At June 30, 2014, the County's total outstanding general obligation (GO) debt in the governmental funds was \$17,839,292. 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 September 24, 2013, the County entered into an annual appropriation lease to finance the acquisition of equipment and vehicles. The amount financed totals \$2,005,150 and is payable in equal annual installments on September 1, 2014 through 2017 and have an annual interest rate of 1.262%.

On April 1, 2014, the County issued special source refunding revenue bonds in the amount of \$2,993,000 to redeem the 2010 series special source revenue bonds which were originally issued to finance the infrastructure improvements for the Pointe West project. The newly issued bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The 2014 series bonds are payable in annual installments through 2025 and have an annual interest rate of 2.85%.

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 \$25.7 million, which is a 13.2 percent from the prior year due to an increase in the tax base plus normal retirement of indebtedness. GO debt issued for special tax districts does not apply to the legal debt margin calculation.

The outstanding balance of the series 2014 Pointe West special source refunding revenue bond were \$2,993,000. Since special source refunding revenue bonds are repaid with special revenues and not with property taxes, they are not included in the calculations of the above stated debt limits.

The 2011 capital lease purchase and the annual appropriations lease ended fiscal year 2013-2014 with outstanding balances totaling \$2,987,997. The enterprise funds do not have any existing or pending bonded debt or capital leases.

Additionally, the County maintains two closed municipal solid waste (MSW) landfills and two open construction and demolition (C&D) waste landfills. A portion of the long-term liabilities includes an estimate for the closure and post-closure care cost of these landfills. During 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, 2014 is \$2.4 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 \$1,327,049 for the governmental funds and \$28,973 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 \$2,428,494, an increase of \$250,601 from the 2012. The business-type activities net post-employment benefit obligation increased \$7,901 during 2013 to \$93,945 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 2014-2015 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

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, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Keowee Fire Tax District
ASSETS				
Cash and cash equivalents	\$ 31,467,045	\$ 2,925,965	\$ 34,393,010	\$ 576,174
Investments	8,809,714	-	8,809,714	-
Receivables:				
Taxes	1,536,679	-	1,536,679	9,866
Accounts	411,264	35,378	446,642	-
Due from other governments	1,267,346	-	1,267,346	11,250
Due from component unit	760,000	-	760,000	-
Inventories	173,068	307,184	480,252	-
Prepaid expenses	226,374	-	226,374	-
Seized assets	129,160	-	129,160	-
Assets held for sale	8,570,255	-	8,570,255	-
Internal balances	4,630,876	(4,630,876)	-	-
Capital Assets				
Nondepreciable	54,275,768	393,590	54,669,358	-
Depreciable, net	66,587,820	15,025,299	81,613,119	1,449,960
Total assets	<u>178,845,369</u>	<u>14,056,540</u>	<u>192,901,909</u>	<u>2,047,250</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	22,242	-	22,242	-
Total deferred outflows of resources	<u>22,242</u>	<u>-</u>	<u>22,242</u>	<u>-</u>
LIABILITIES				
Accounts payable	3,534,592	187,534	3,722,126	-
Accrued liabilities	669,462	19,405	688,867	7,490
Unearned revenues	174,058	-	174,058	-
Due to primary government	-	-	-	760,000
Noncurrent liabilities:				
Due within one year	4,151,658	54,289	4,205,947	2,820
Due in more than one year	25,848,563	122,918	25,971,481	25,370
Total liabilities	<u>34,378,333</u>	<u>384,146</u>	<u>34,762,479</u>	<u>795,680</u>
NET POSITION				
Net investment in capital assets	98,724,529	15,418,889	114,143,418	654,322
Restricted for public safety	2,650,931	-	2,650,931	-
Restricted for culture and recreation	227,726	-	227,726	-
Restricted for debt service	1,095,802	-	1,095,802	-
Unrestricted	41,790,290	(1,746,495)	40,043,795	597,248
Total net position	<u>\$ 144,489,278</u>	<u>\$ 13,672,394</u>	<u>\$ 158,161,672</u>	<u>\$ 1,251,570</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, 2014

Function/Program	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals	Keowee Fire Tax District
Primary government:								
Governmental activities:								
General government	\$ 10,047,351	\$ 743,811	\$ 231,401	\$ 672	\$ (9,071,467)	\$ -	\$ (9,071,467)	\$ -
Public safety	20,131,431	1,050,750	804,020	3,000	(18,273,661)	-	(18,273,661)	-
Transportation	8,008,004	842,073	-	624,253	(6,541,678)	-	(6,541,678)	-
Public works	3,897,503	1,202,131	33,025	-	(2,662,347)	-	(2,662,347)	-
Culture and recreation	3,213,785	377,862	166,364	-	(2,669,559)	-	(2,669,559)	-
Judicial services	3,046,553	907,605	174,881	-	(1,964,067)	-	(1,964,067)	-
Education	1,041,785	-	-	-	(1,041,785)	-	(1,041,785)	-
Health and welfare	1,057,650	-	209,617	-	(848,033)	-	(848,033)	-
Economic development	2,454,331	-	305,753	1,394,970	(753,608)	-	(753,608)	-
Interest on long-term debt	852,127	-	-	-	(852,127)	-	(852,127)	-
Total governmental activities	<u>53,750,520</u>	<u>5,124,232</u>	<u>1,925,061</u>	<u>2,022,895</u>	<u>(44,678,332)</u>	<u>-</u>	<u>(44,678,332)</u>	<u>-</u>
Business-type activities:								
Oconee FOCUS	1,606,703	44,879	-	-	-	(1,561,824)	(1,561,824)	-
Rock Quarry	2,725,580	3,393,169	-	-	-	667,589	667,589	-
Total business-type activities	<u>4,332,283</u>	<u>3,438,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(894,235)</u>	<u>(894,235)</u>	<u>-</u>
Total primary government	<u>\$ 58,082,803</u>	<u>\$ 8,562,280</u>	<u>\$ 1,925,061</u>	<u>\$ 2,022,895</u>	<u>(44,678,332)</u>	<u>(894,235)</u>	<u>(45,572,567)</u>	<u>\$ -</u>
Component Unit:								
Keowee Fire Tax District	<u>\$ 836,949</u>	<u>\$ 50,000</u>	<u>\$ 27,826</u>	<u>\$ 46,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(712,135)</u>
General revenues:								
Property taxes levied for:								
General purposes					\$ 30,901,838	\$ -	\$ 30,901,838	\$ -
Public safety					1,363,997	-	1,363,997	668,699
Transportation					1,046,482	-	1,046,482	-
Debt service					3,525,333	-	3,525,333	-
Capital projects					541,480	-	541,480	-
Economic development					1,497,514	-	1,497,514	-
Education					1,050,302	-	1,050,302	-
Other taxes and licenses					843,741	-	843,741	-
Grants and contributions not restricted for a specific purpose					2,743,615	-	2,743,615	45,000
Unrestricted investment earnings					483,260	(1,552)	481,708	733
Miscellaneous					-	-	-	12,044
Transfers					1,583,009	(1,583,009)	-	-
Total general revenues and transfers					<u>45,580,571</u>	<u>(1,584,561)</u>	<u>43,996,010</u>	<u>726,476</u>
Change in net position					<u>902,239</u>	<u>(2,478,796)</u>	<u>(1,576,557)</u>	<u>14,341</u>
Net position, beginning of year					<u>143,587,039</u>	<u>16,151,190</u>	<u>159,738,229</u>	<u>1,237,229</u>
Net position, end of year					<u>\$ 144,489,278</u>	<u>\$ 13,672,394</u>	<u>\$158,161,672</u>	<u>\$ 1,251,570</u>

The accompanying notes are an integral part of these financial statements

OCONEE COUNTY, SOUTH CAROLINA

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General Fund	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 6,418,825	\$ 15,081,337	\$ 1,964,116	\$ 8,002,767	\$ 31,467,045
Investments	8,809,714	-	-	-	8,809,714
Taxes receivable, net	1,261,407	-	32,309	242,963	1,536,679
Accounts receivable, net	326,184	-	33	85,047	411,264
Due from other governments	765,882	28,253	-	473,211	1,267,346
Due from component unit	-	-	-	760,000	760,000
Advances to other funds	4,720,876	-	-	-	4,720,876
Prepaid expenditures	225,899	-	-	475	226,374
Inventories	173,068	-	-	-	173,068
Seized assets	-	-	-	129,160	129,160
Assets held for resale	2,855,060	-	5,715,195	-	8,570,255
Total assets	<u>\$ 25,556,915</u>	<u>\$ 15,109,590</u>	<u>\$ 7,711,653</u>	<u>\$ 9,693,623</u>	<u>\$ 58,071,781</u>
LIABILITIES					
Accounts payable	\$ 1,857,622	\$ 657,565	\$ 450,478	\$ 568,927	\$ 3,534,592
Accrued liabilities	458,845	-	-	5,080	463,925
Advances from other funds	-	-	-	90,000	90,000
Unearned revenue	2,737	-	-	171,321	174,058
Total liabilities	<u>2,319,204</u>	<u>657,565</u>	<u>450,478</u>	<u>835,328</u>	<u>4,262,575</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	1,003,712	-	23,405	183,269	1,210,386
Unavailable revenue - seized property	-	-	-	129,160	129,160
Unavailable revenue - intergovernmental	-	28,253	-	16,859	45,112
Unavailable revenue - forfeited land commission	101,035	-	-	-	101,035
Total deferred inflows of resources	<u>1,104,747</u>	<u>28,253</u>	<u>23,405</u>	<u>329,288</u>	<u>1,485,693</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	225,899	-	-	475	226,374
Inventories	173,068	-	-	-	173,068
Assets held for resale	2,855,060	-	5,715,195	-	8,570,255
Advances to other funds	4,720,876	-	-	-	4,720,876
Restricted for:					
General government	-	-	-	40,997	40,997
Public safety	-	-	-	1,435,748	1,435,748
Transportation	-	-	-	217,744	217,744
Culture and recreation	-	-	-	227,726	227,726
Judicial services	-	-	-	103,764	103,764
Education	-	-	-	998,838	998,838
Health and welfare	-	-	-	11,791	11,791
Economic development	-	-	-	1,088	1,088
Capital projects	-	14,423,772	858,769	3,640,069	18,922,610
Debt service	-	-	-	1,095,802	1,095,802
Assigned:					
Solid waste reserve	2,411,628	-	-	-	2,411,628
Health care reserve	3,215,644	-	-	-	3,215,644
Subsequent year's budget	574,435	-	663,806	754,965	1,993,206
Unassigned:	7,956,354	-	-	-	7,956,354
Total fund balances	<u>22,132,964</u>	<u>14,423,772</u>	<u>7,237,770</u>	<u>8,529,007</u>	<u>52,323,513</u>
	<u>\$ 25,556,915</u>	<u>\$ 15,109,590</u>	<u>\$ 7,711,653</u>	<u>\$ 9,693,623</u>	<u>\$ 58,071,781</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, 2014

Total fund balances for governmental funds:		\$ 52,323,513
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.		120,863,588
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		1,485,693
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	\$(17,839,292)	
Unamortized refunding deferral amount on general obligation bonds	22,242	
Capital lease obligations	(2,987,997)	
Special source refunding revenue bonds	(2,993,000)	
Other post-employment benefits	(2,428,494)	
Post-closure care liabilities	(2,424,389)	
Compensated absences payable	(1,327,049)	
Total long-term liabilities		(29,977,979)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.		(205,537)
Net position of governmental activities		<u>\$ 144,489,278</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, 2014

	General Fund	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 30,781,995	\$ -	\$ 1,489,094	\$ 7,481,877	\$ 39,752,966
Other taxes	-	-	-	636,153	636,153
Intergovernmental	3,435,084	-	964,032	1,936,246	6,335,362
Licenses, permits, and fees	2,929,329	-	-	12,903	2,942,232
Fines and forfeitures	360,186	-	-	102,319	462,505
Charges for services	1,706,415	-	-	-	1,706,415
Interest revenue	416,735	25,548	2,086	38,891	483,260
Other revenues	195,472	-	100,000	268,030	563,502
Total revenues	<u>39,825,216</u>	<u>25,548</u>	<u>2,555,212</u>	<u>10,476,419</u>	<u>52,882,395</u>
EXPENDITURES					
Current:					
General government	9,565,507	-	-	39,538	9,605,045
Public safety	15,782,519	-	-	2,507,187	18,289,706
Transportation	3,765,365	-	-	1,877,251	5,642,616
Public works	3,520,876	-	-	18,302	3,539,178
Culture and recreation	2,636,896	-	-	415,103	3,051,999
Judicial services	2,519,775	-	-	193,346	2,713,121
Education	-	-	-	1,041,785	1,041,785
Health and welfare	826,294	-	-	112,837	939,131
Economic development	819,558	-	7,584,590	405,753	8,809,901
Capital outlay	-	3,949,956	323,449	715,758	4,989,163
Debt service:					
Principal	318,106	-	-	5,980,000	6,298,106
Bond issuance costs	-	32,513	-	70,243	102,756
Interest	19,255	-	-	837,266	856,521
Total expenditures	<u>39,774,151</u>	<u>3,982,469</u>	<u>7,908,039</u>	<u>14,214,369</u>	<u>65,879,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,065</u>	<u>(3,956,921)</u>	<u>(5,352,827)</u>	<u>(3,737,950)</u>	<u>(12,996,632)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,638,938	-	1,306,977	154,453	3,100,368
Transfers out	(1,364,391)	-	-	(152,967)	(1,517,358)
Issuance of debt	-	2,005,150	-	2,993,000	4,998,150
Total other financing sources (uses)	<u>274,547</u>	<u>2,005,150</u>	<u>1,306,977</u>	<u>2,994,486</u>	<u>6,581,160</u>
Net change in fund balance	<u>325,612</u>	<u>(1,951,771)</u>	<u>(4,045,850)</u>	<u>(743,464)</u>	<u>(6,415,472)</u>
Fund balances - beginning 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>
Fund balances, end of year	<u>\$ 22,132,964</u>	<u>\$ 14,423,772</u>	<u>\$ 7,237,770</u>	<u>\$ 8,529,007</u>	<u>\$ 52,323,514</u>

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

OCONEE COUNTY, SOUTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds		\$ (6,415,473)
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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	\$ 12,040,839	
Depreciation expense	<u>(5,995,194)</u>	6,045,645

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(58,046)
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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.	187,362
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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 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	\$ 6,298,106	
Issuance of capital lease obligations	(2,005,150)	
Issuance of special source refunding revenue bonds	(2,993,000)	
Amortization of premium on long-term debt	112,257	
Amortization of the refunding deferral amount on the refunding general obligation bonds	<u>(13,345)</u>	1,398,867

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	\$ 114,576	
Compensated absences	(101,115)	
Accrued interest on long-term debt	8,237	
OPEB liability	<u>(277,813)</u>	(256,116)
		<u>\$ 902,239</u>

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 31,370,200	\$ 31,370,200	\$ 30,781,995	\$ (588,205)
Intergovernmental	3,490,980	3,824,655	3,435,084	(389,571)
Licenses, permits, and fees	2,680,950	2,680,950	2,929,329	248,379
Fines and forfeitures	301,500	301,500	360,186	58,686
Charges for services	1,783,492	1,574,492	1,706,415	131,923
Interest revenue	237,600	237,600	416,735	179,135
Other revenues	416,063	416,063	195,472	(220,591)
Total revenues	<u>40,280,785</u>	<u>40,405,460</u>	<u>39,825,216</u>	<u>(580,244)</u>
EXPENDITURES:				
Current:				
General government:				
County council	342,064	281,575	263,290	18,285
Legislative delegation	86,441	84,712	84,598	114
Non-departmental expenditures	1,643,922	1,607,536	1,579,770	27,766
Information technology	1,308,079	1,034,499	1,016,331	18,168
Procurement	202,662	163,972	162,308	1,664
Facilities maintenance	1,086,510	1,089,409	1,085,825	3,584
Voter registration and elections	173,965	206,479	205,898	581
Soil and water conservation district	71,740	69,905	67,068	2,837
Administrator	741,626	587,601	584,323	3,278
Vehicle maintenance	867,480	817,114	810,331	6,783
Register of deeds	328,283	313,827	308,270	5,557
Assessor	1,101,697	1,033,112	1,024,864	8,248
Auditor	462,857	448,208	442,403	5,805
Board of assessment appeals	11,622	5,143	4,634	509
Tax collector	453,898	434,868	419,904	14,964
Treasurer	517,197	505,637	488,245	17,392
Administrative services	980,199	1,048,661	1,017,445	31,216
Total general government	<u>10,380,242</u>	<u>9,732,258</u>	<u>9,565,507</u>	<u>166,751</u>
Public safety:				
Sheriff	6,442,098	6,735,170	6,466,643	268,527
Detention center	3,042,614	2,897,804	2,897,238	566
Communications	1,525,990	1,544,018	1,543,909	109
Animal control	523,533	487,944	487,835	109
Coroner	361,683	565,893	172,989	392,904
Community development	615,123	620,929	606,254	14,675
Fire services	3,041,166	3,079,086	3,025,254	53,832
Emergency services	632,274	587,296	582,397	4,899
Total public safety	<u>16,184,481</u>	<u>16,518,140</u>	<u>15,782,519</u>	<u>735,621</u>
Transportation:				
Airport	1,177,597	955,488	938,811	16,677
Direct aid	60,000	60,000	60,000	-
Roads and bridges	2,595,799	2,769,797	2,766,554	3,243
Total transportation	<u>3,833,396</u>	<u>3,785,285</u>	<u>3,765,365</u>	<u>19,920</u>
Public works:				
Solid waste	<u>3,673,451</u>	<u>3,522,532</u>	<u>3,520,876</u>	<u>1,656</u>

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
EXPENDITURES: (Continued)				
Culture and recreation:				
Library	\$ 1,392,757	\$ 1,382,476	\$ 1,325,574	\$ 56,902
Parks, recreation, and tourism	506,071	569,413	569,339	74
High falls park	276,622	275,476	275,035	441
South cove park	273,797	282,023	281,373	650
Chau ram park	188,807	185,970	185,575	395
Total culture and recreation	<u>2,638,054</u>	<u>2,695,358</u>	<u>2,636,896</u>	<u>58,462</u>
Judicial services:				
Clerk of court	736,715	617,509	600,646	16,863
Probate judge	383,191	369,915	364,050	5,865
Solicitor	677,375	668,231	668,025	206
Public defender	200,000	200,000	200,000	-
Magistrates	738,385	721,930	687,054	34,876
Total judicial services	<u>2,735,666</u>	<u>2,577,585</u>	<u>2,519,775</u>	<u>57,810</u>
Health and welfare:				
Department of social services	12,500	12,500	10,740	1,760
Health department	82,313	52,813	44,498	8,315
Veterans' affairs	190,427	185,013	182,437	2,576
Direct aid	590,610	588,619	588,619	-
Total health and welfare	<u>875,850</u>	<u>838,945</u>	<u>826,294</u>	<u>12,651</u>
Economic development:				
Economic development	<u>521,285</u>	<u>828,027</u>	<u>819,558</u>	<u>8,469</u>
Debt service	<u>637,360</u>	<u>369,874</u>	<u>337,361</u>	<u>32,513</u>
Total expenditures	<u>41,479,785</u>	<u>40,868,004</u>	<u>39,774,151</u>	<u>1,093,853</u>
Excess (deficiency) of revenues over (under) expenses	<u>(1,199,000)</u>	<u>(462,544)</u>	<u>51,065</u>	<u>513,609</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,054,000	1,638,938	1,638,938	-
Transfers out	<u>(55,000)</u>	<u>(1,376,391)</u>	<u>(1,364,391)</u>	<u>12,000</u>
Total other financing sources (uses)	<u>999,000</u>	<u>262,547</u>	<u>274,547</u>	<u>12,000</u>
Net change in fund balances	(200,000)	(199,997)	325,612	525,609
Fund balances, beginning of year	<u>21,807,352</u>	<u>21,807,352</u>	<u>21,807,352</u>	-
Fund balance, end of year	<u>\$ 21,607,352</u>	<u>\$ 21,607,355</u>	<u>\$ 22,132,964</u>	<u>\$ 525,609</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2014

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 2,925,965	\$ -	\$ 2,925,965
Account receivables, net of allowance	5,796	29,582	35,378
Inventories	307,184	-	307,184
Total current assets	<u>3,238,945</u>	<u>29,582</u>	<u>3,268,527</u>
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	393,590	-	393,590
Depreciable, net of accumulated depreciation	1,568,336	13,456,963	15,025,299
Total noncurrent assets	<u>1,961,926</u>	<u>13,456,963</u>	<u>15,418,889</u>
Total assets	<u>5,200,871</u>	<u>13,486,545</u>	<u>18,687,416</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	49,509	138,025	187,534
Accrued liabilities	15,384	4,021	19,405
Current portion, compensated absences	46,713	7,576	54,289
Total current liabilities	<u>111,606</u>	<u>149,622</u>	<u>261,228</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	24,894	4,079	28,973
Advances from other funds	-	4,630,876	4,630,876
Net OPEB obligation	82,486	11,459	93,945
Total noncurrent liabilities	<u>107,380</u>	<u>4,646,414</u>	<u>4,753,794</u>
Total liabilities	<u>218,986</u>	<u>4,796,036</u>	<u>5,015,022</u>
NET POSITION			
Investment in capital assets	1,961,926	13,456,963	15,418,889
Unrestricted	3,019,959	(4,766,454)	(1,746,495)
Total net position	<u>\$ 4,981,885</u>	<u>\$ 8,690,509</u>	<u>\$ 13,672,394</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, 2014

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 3,392,719	\$ 36,460	\$ 3,429,179
Miscellaneous operating revenues	450	8,419	8,869
Total operating revenues	<u>3,393,169</u>	<u>44,879</u>	<u>3,438,048</u>
OPERATING EXPENSES			
Salaries and fringe benefits	991,305	122,261	1,113,566
Supplies	421,838	19,901	441,739
Electricity and natural gas	70,841	11,019	81,860
Petroleum, oil, and lubricants	264,767	3,512	268,279
Machinery, equipment repairs and maintenance	547,409	397,322	944,731
Professional services	5,170	123,563	128,733
Miscellaneous	68,110	67,300	135,410
Depreciation and depletion	356,140	658,527	1,014,667
Total operating expenses	<u>2,725,580</u>	<u>1,403,405</u>	<u>4,128,985</u>
Operating income (loss)	<u>667,589</u>	<u>(1,358,526)</u>	<u>(690,937)</u>
NONOPERATING INCOME (EXPENSE)			
Interest income (loss)	(1,695)	143	(1,552)
Interest expense	-	(203,298)	(203,298)
Total nonoperating (loss)	<u>(1,695)</u>	<u>(203,155)</u>	<u>(204,850)</u>
Income (loss) before transfers	665,894	(1,561,681)	(895,787)
TRANSFERS			
Transfers out	(1,583,009)	-	(1,583,009)
Total transfers	<u>(1,583,009)</u>	<u>-</u>	<u>(1,583,009)</u>
Change in net position	(917,115)	(1,561,681)	(2,478,796)
Net position, beginning of year	<u>5,899,000</u>	<u>10,252,190</u>	<u>16,151,190</u>
Net position, end of year	<u>\$ 4,981,885</u>	<u>\$ 8,690,509</u>	<u>\$ 13,672,394</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, 2014

	Rock Quarry	FOCUS	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,438,684	\$ 166,671	\$ 3,605,355
Payments to suppliers	(1,415,493)	(682,231)	(2,097,724)
Payments to employees	(977,961)	(95,126)	(1,073,087)
Net cash provided by (used in) operating activities	<u>1,045,230</u>	<u>(610,686)</u>	<u>434,544</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	<u>(1,583,009)</u>	-	<u>(1,583,009)</u>
Net cash (used in) noncapital financing activities	<u>(1,583,009)</u>	-	<u>(1,583,009)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(19,040)	(247,260)	(266,300)
Advances from other funds	-	316,612	316,612
Net cash provided by (used in) capital and related financing activities	<u>(19,040)</u>	<u>69,352</u>	<u>50,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	(1,695)	-	(1,695)
Interest and dividends received	-	143	143
Net cash provided by (used in) investing activities	<u>(1,695)</u>	<u>143</u>	<u>(1,552)</u>
Net change in cash and cash equivalents	(558,514)	(541,191)	(1,099,705)
Cash cash equivalents:			
Beginning of year	<u>3,484,479</u>	<u>541,191</u>	<u>4,025,670</u>
End of year	<u>2,925,965</u>	-	<u>2,925,965</u>

(Continued)

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, 2014**

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 667,589	\$ (1,358,526)	\$ (690,937)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	356,140	658,527	1,014,667
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	45,515	(29,582)	15,933
Decrease in due from other governments	-	151,374	151,374
Decrease in inventories	25,747	-	25,747
(Decrease) in accounts payable	(63,105)	(59,614)	(122,719)
Increase in accrued liabilities	4,275	4,021	8,296
Increase in Net OPEB obligation	14,681	11,459	26,140
Increase (decrease) in compensated absences	(5,612)	11,655	6,043
Net cash provided by (used in) operating activities	<u>\$ 1,045,230</u>	<u>\$ (610,686)</u>	<u>\$ 434,544</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 7,713,339
Taxes receivable	<u>3,055,224</u>
Total assets	<u>10,768,563</u>
LIABILITIES	
Due to other taxing districts and agencies	10,741,761
Due to others	<u>26,802</u>
Total liabilities	<u>\$ 10,768,563</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

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OCONEE COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Government-wide financial statements (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund financial statements (Continued)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Fund financial statements (Continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Encumbrances (Continued)

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. Fund balances of the following governmental funds are assigned for subsequent year's budget:

Assigned Fund Balances by Fund June 30, 2014

General Fund	\$574,435
Economic Development	663,806
Emergency Services Protection District	295,704
Road Maintenance	93,805
Miscellaneous Special Revenue	7,192
911 Communications	286,684
Bridges and Culverts	<u>71,580</u>

Total fund balances assigned for subsequent year's budget	<u>\$1,993,206</u>
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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.

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

Inventories are valued at approximate cost using the average cost method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

For proprietary fund-types 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Capital assets

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

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

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

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

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

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

Compensated absences

It is the 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.

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.

In addition to liabilities, the statement of net position 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

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)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

Fund equity (Continued)

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

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

Assigned - This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The County Council adopts a budget ordinance including amounts assigned and the intent for the use of assigned funds. These amounts can only be changed by County Council, in a similar manner as employed in passage of the budget ordinance. This classification includes amounts assigned for solid waste reserve for post-closure closure costs; health care reserves to assure ample reserves exist to pay for health care claims and related benefits; and amounts reserved for encumbrances for capital outlay carry-forwards to the subsequent year's budget.

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 the subsequent fiscal year's budgeted General Fund regular expenditures. At June 30, 2014, the County's unassigned fund balance was below the targeted amount as established in the policy. The amount of unassigned general fund balance established by policy is \$10,270,640. The actual amount of unassigned fund balance for the general fund at June 30, 2014 totals \$7,956,354 or approximately 19.4 percent of fiscal 2014-2015 general fund regular budgeted expenditures. In large part, this shortfall is attributable to the long-term advances in 2012 and 2013 to the FOCUS fund.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position or Equity (Continued)

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. The County had no extraordinary or special items for the fiscal year ended June 30, 2014.

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.

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, 2014, expenditures exceeded appropriations as follows:

Fund	Excess
Debt Service Fund	
Principal	\$ 65,000
Bond issuance costs	67,243

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2014, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 34,393,010
Investments	8,809,714
Agency Fund - cash and cash equivalents	7,713,339
Component Unit - cash and cash equivalents	576,174
	<u>\$ 51,492,237</u>
 Cash deposited with financial institutions	 \$ 23,405,637
SC State Investment Pool	16,766,071
Certificates of deposit	11,320,529
	<u>\$ 51,492,237</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, 2014, the carrying amount of the County's deposits was \$50,916,063 and the bank balance was \$52,322,456. 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 \$6,918 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 \$576,174 and the bank balance was \$588,635 at June 30, 2014. 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, 2014, 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	\$ 16,766,071	\$ 16,766,071	\$ -	\$ -
Certificates of deposit	11,320,529	2,764,429	7,318,100	1,238,000
	<u>\$ 28,086,600</u>	<u>\$ 19,530,500</u>	<u>\$ 7,318,100</u>	<u>\$ 1,238,000</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 anyone type of security or issuer will be minimized, although there is no formal limit on the amount the County may invest in anyone issuer.

Custodial credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

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

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

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

Receivables as of June 30, 2014, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Capital Projects</u>	<u>Economic Development</u>	<u>Nonmajor Governmental</u>
Taxes receivable	\$1,287,150	\$ -	\$ 32,968	\$ 247,923
Accounts receivable	414,684	-	33	85,047
Due from other governments	765,882	28,253	-	473,211
Less: Allowance	<u>(114,243)</u>	<u>-</u>	<u>(659)</u>	<u>(4,960)</u>
Net receivables	<u>\$2,353,473</u>	<u>\$ 28,253</u>	<u>\$ 32,342</u>	<u>\$ 801,221</u>

	<u>FOCUS</u>	<u>Rock Quarry</u>	<u>Total</u>
Taxes receivable	\$ -	\$ -	\$ 1,568,041
Accounts receivable	29,582	65,417	594,763
Due from other governments	-	-	1,267,346
Less: Allowance	<u>-</u>	<u>(59,621)</u>	<u>(179,483)</u>
Net receivables	<u>\$ 29,582</u>	<u>\$ 5,796</u>	<u>\$ 3,250,667</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, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Governmental Activities					
Capital Assets Not Being Depreciated					
Land	\$ 3,213,554	\$ 36,076	\$ -	\$ -	\$ 3,249,630
Other costs	36,841,456	-	-	-	36,841,456
Construction in progress	5,243,995	9,131,262	-	(190,575)	14,184,682
Total capital assets not being depreciated	<u>45,299,005</u>	<u>9,167,338</u>	<u>-</u>	<u>(190,575)</u>	<u>54,275,768</u>
Capital Assets Being Depreciated					
Buildings and improvements	54,275,633	73,524	(42,867)	182,075	54,488,365
Equipment and vehicles	38,856,290	2,799,977	(152,408)	8,500	41,512,359
Infrastructure	71,407,758	-	(319)	-	71,407,439
Other	46,675	-	-	-	46,675
Total capital assets being depreciated	<u>164,586,356</u>	<u>2,873,501</u>	<u>(195,594)</u>	<u>190,575</u>	<u>167,454,838</u>
Less Accumulated Depreciation					
Buildings and improvements	(16,556,600)	(1,731,075)	-	-	(18,287,675)
Equipment and vehicles	(28,679,964)	(2,367,245)	137,548	-	(30,909,661)
Infrastructure	(49,726,133)	(1,896,874)	-	-	(51,623,007)
Other	(46,675)	-	-	-	(46,675)
Total accumulated depreciation	<u>(95,009,372)</u>	<u>(5,995,194)</u>	<u>137,548</u>	<u>-</u>	<u>(100,867,018)</u>
Total capital assets being depreciated, net	<u>69,576,984</u>	<u>(3,121,693)</u>	<u>(58,046)</u>	<u>190,575</u>	<u>66,587,820</u>
Governmental activities capital assets, net	<u>\$ 114,875,989</u>	<u>\$ 6,045,645</u>	<u>\$ (58,046)</u>	<u>\$ -</u>	<u>\$ 120,863,588</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	\$ 312,083
Public Safety	1,779,783
Transportation	2,690,366
Public Works	476,361
Culture and Recreation	228,075
Judicial Services	327,093
Health and Welfare	155,254
Economic Development	<u>26,179</u>
Total Governmental Activities Depreciation Expense	<u><u>\$ 5,995,194</u></u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Transfers	Balance June 30, 2014
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land	\$ 374,548	\$ 19,042	\$ -	\$ -	\$ 393,590
Construction in progress	<u>10,448,463</u>	<u>233,819</u>	<u>-</u>	<u>(10,682,282)</u>	<u>-</u>
Total capital assets not being depreciated	<u>10,823,011</u>	<u>252,861</u>	<u>-</u>	<u>(10,682,282)</u>	<u>393,590</u>
Capital Assets Being Depreciated					
Buildings and improvements	544,786	-	-	-	544,786
Equipment and vehicles	6,209,132	13,439	-	-	6,222,571
Infrastructure	3,563,460	-	-	10,682,282	14,245,742
Mineral interests	<u>529,934</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,934</u>
Total capital assets being depreciated	<u>10,847,312</u>	<u>13,439</u>	<u>-</u>	<u>10,682,282</u>	<u>21,543,033</u>
Less Accumulated Depreciation					
Buildings and improvements	(265,922)	(25,440)	-	-	(291,362)
Equipment and vehicles	(4,796,132)	(329,547)	-	-	(5,125,679)
Infrastructure	(206,980)	(652,798)	-	-	(859,778)
Mineral interests	<u>(234,033)</u>	<u>(6,882)</u>	<u>-</u>	<u>-</u>	<u>(240,915)</u>
Total accumulated Depreciation	<u>(5,503,067)</u>	<u>(1,014,667)</u>	<u>-</u>	<u>-</u>	<u>(6,517,734)</u>
Total capital assets being depreciated, net	<u>5,344,245</u>	<u>(1,001,228)</u>	<u>-</u>	<u>10,682,282</u>	<u>15,025,299</u>
Business-type activities capital assets, net	<u><u>\$ 16,167,256</u></u>	<u><u>\$ (748,367)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,418,889</u></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	\$ 356,140
FOCUS Fund	<u>658,527</u>
Total Business-Type Activities Depreciation Expense	<u><u>\$ 1,014,667</u></u>

B. Component Unit

Capital asset activity for the Keowee Fire Tax District for the year ended June 30, 2014 was as follows:

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital Assets Being Depreciated				
Buildings and improvements	\$ 1,561,039	\$ -	\$ -	\$ 1,561,039
Equipment and vehicles	<u>269,633</u>	<u>28,708</u>	<u>-</u>	<u>298,341</u>
Total capital assets being, depreciated	<u>1,830,672</u>	<u>28,708</u>	<u>-</u>	<u>1,859,380</u>
Less Accumulated Depreciation				
Buildings and improvements	(214,680)	(44,685)	-	(259,365)
Equipment and vehicles	<u>(125,420)</u>	<u>(24,635)</u>	<u>-</u>	<u>(150,055)</u>
Total accumulated depreciation	<u>(340,100)</u>	<u>(69,320)</u>	<u>-</u>	<u>(409,420)</u>
Total capital assets being depreciated, net	<u><u>\$ 1,490,572</u></u>	<u><u>\$ (40,612)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,449,960</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A. Primary Government

	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Governmental Activities					
General Obligation Bonds	\$ 20,000,000	\$ -	\$ (2,855,000)	\$ 17,145,000	\$ 2,100,000
General Obligation Bond Premiums	806,549	-	(112,257)	694,292	-
Total General Obligation Bonds	20,806,549	-	(2,967,257)	17,839,292	2,100,000
Capital Lease Obligations	1,300,953	2,005,150	(318,106)	2,987,997	815,916
Special Source Revenue Bonds	3,125,000	-	(3,125,000)	-	-
Special Source Refunding Revenue Bonds	-	2,993,000	-	2,993,000	235,000
Post-Closure Care Costs	2,538,965	-	(114,576)	2,424,389	118,012
Annual Leave	1,225,934	941,811	(840,696)	1,327,049	882,730
Net Post-Employment Benefit Obligation	2,150,681	277,813	-	2,428,494	-
	<u>\$ 31,148,082</u>	<u>\$ 6,217,774</u>	<u>\$ (7,365,635)</u>	<u>\$ 30,000,221</u>	<u>\$ 4,151,658</u>
	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Business-Type Activities					
Annual Leave	\$ 77,219	\$ 67,480	\$ (61,437)	\$ 83,262	\$ 54,289
Net Post-Employment Benefit Obligation	67,805	26,140	-	93,945	-
	<u>\$ 145,024</u>	<u>\$ 93,620</u>	<u>\$ (61,437)</u>	<u>\$ 177,207</u>	<u>\$ 54,289</u>

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

General Obligation Bonds: During the year ended June 30, 2008, the County issued series 2007 general obligation bonds in the amount of \$1,200,000. The bond proceeds were used to (1) construct a new substation for the Keowee Fire Tax District and (2) expand the current headquarters of the Keowee Fire Tax District. General obligation bonds outstanding at June 30, 2014, 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>\$ 760,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

A. Primary Government (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, 2014, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2010 General Obligation Refunding Bonds	2 -5 %	7 years	2017	<u>\$ 5,300,000</u>	\$ 2,005,000
		Plus unamortized premium			<u>45,499</u>
					<u>\$ 2,050,499</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, 2014, are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
2011 General Obligation Bonds	2-5%	20 years	2031	<u>\$ 17,000,000</u>	\$ 11,920,000
		Plus unamortized premium			<u>615,041</u>
					<u>\$ 12,535,041</u>

During 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, 2014, are as follows:

Purpose	Rate	Original Term	Due Date	Amount	Outstanding Amount
2013 General Obligation Bonds	3 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	\$ 2,460,000
		Plus unamortized premium			<u>33,752</u>
					<u>\$ 2,493,752</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

A. Primary Government (Continued)

The annual requirements to amortize all general obligation bonds as of June 30, 2014, including interest payments, are as follows:

Year Ending June 30,	General Obligation Bonds		
	Principal	Interest	Total
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	770,000	414,352	1,184,352
2020-2024	4,065,000	1,664,228	5,729,228
2025-2029	4,355,000	834,880	5,189,880
2030-2031	1,625,000	98,200	1,723,200
	<u>\$ 17,145,000</u>	<u>\$ 5,063,798</u>	<u>\$ 22,208,798</u>

Debt service funds of \$1,095,802 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.

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.

On September 24, 2013, the County entered into a capital lease agreement as a lessee for financing and acquisition of \$2,005,150 in equipment. The annual appropriation lease bears interest of 1.262% per annual and is payable in five equal installments on September 1st of each successive year from 2014 through 2017 in the amount of \$516,792.

The following is an analysis of equipment leased under capital leases as of June 30, 2014:

Machinery and Equipment and Construction in Progress	\$ 3,268,427
Less: Accumulated Depreciation	<u>(493,928)</u>
	<u>\$ 2,774,499</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)

A. Primary Government (Continued)

Capital Leases (Continued)

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, 2014:

Fiscal Year Ending June 30,	Governmental Funds
2015	\$ 854,152
2016	854,152
2017	854,152
2018	516,792
Total Minimum Lease Payments	\$ 3,079,248
Less: Amount Representing Interest	(91,251)
	<u>\$ 2,987,997</u>

Special Source Refunding Revenue Bonds

On April 1, 2014, the County issued special source refunding revenue bonds in the amount of \$2,993,000 to redeem the 2010 series special source revenue bonds which were issued to finance the infrastructure improvements for the Pointe West project. These newly issued bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The 2014 series bonds are payable in annual installments through 2025 and have an annual interest rate of 2.85%.

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

Year Ending June 30,	Special Source Refunding Revenue Bonds		
	Principal	Interest	Total
2015	\$ 235,000	\$ 85,301	\$ 320,301
2016	242,000	78,603	320,603
2017	249,000	71,706	320,706
2018	256,000	64,609	320,609
2019	262,000	57,314	319,314
2020-2024	1,437,000	169,490	1,606,490
2025	312,000	8,892	320,892
	<u>\$ 2,993,000</u>	<u>\$ 535,915</u>	<u>\$ 3,528,915</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (Continued)
B. Component Unit

Long-term liabilities for the Keowee Fire Tax District at June 30, 2014 were as follows:

Keowee Fire Tax District	Balance June 30, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
Annual Leave	\$ 28,095	\$ 95	\$ -	\$ 28,190	\$ 2,820
	<u>\$ 28,095</u>	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 28,190</u>	<u>\$ 2,820</u>

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, 2014, calculated as follows:

	MSW	C&D1	C&DII	Total
Total Estimated Current Closure and Post-Closure Care Cost	\$ 1,777,190	\$ 524,427	\$ 605,733	
Percentage of Landfill Capacity Used to Date	100%	98%	22%	
Reported Liability for Closure and Post-Closure Care Cost	<u>\$ 1,777,190</u>	<u>\$ 513,938</u>	<u>\$ 133,261</u>	<u>\$ 2,424,389</u>
Total Estimated Current Closure and Post-Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>\$ 10,489</u>	<u>\$ 472,472</u>	
Landfill's Approximate Remaining Life in Years	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 16</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, 2014. 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 \$18,003,446, \$17,414,106, and \$16,717,506 for the years ended June 30, 2014, 2013, and 2012, 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 of 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 7.5 percent of their salary for the year ended June 30, 2014. The County is required to contribute 10.60 percent of employees' salary for the years ended June 30, 2014. In addition, the County pays 0.15 percent of payroll for group life contributions.

PORS - Participating employees contribute 7.84 percent of their annual covered payroll. The County contributes on their behalf 12.84 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 (PORS). 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.

The General Fund provides retirement contribution benefit funding as established Retirement Division of the State Budget and Control Board for all employees of governmental fund-types for (SCRS) as well as the (PORS).

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, 2014 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 % or Wages	Total Contributions
SCRS					
June 30, 2014	\$ 884,917	7.50%	\$ 1,253,853	10.60%	\$ 2,138,770
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
PORS					
June 30, 2014	\$ 482,088	7.84%	\$ 792,825	12.840%	\$ 1,274,913
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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (Continued)

A. Primary Government (Continued)

Retirement Plan (Continued)

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

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

Deferred Compensation Plan

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

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

Other Post Employment 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. Employees hired on or after July 1, 2010, are not eligible to participate in this plan. Employees hired before 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 for employees on a pay-as-you go basis as provided in the annual budget ordinance. The cost of other post employment benefits for all governmental fund-types are funded by the General Fund. The cost of these benefits is recognized as an expense for employees who are paid from Proprietary Funds 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 2014, 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 \$414,177 for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (Continued)

A. Primary Government (Continued)

Other Post Employment Benefits (OPEB) (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:

	2014
Annual Required Contribution	\$ 751,519
Interest on OPEB Obligation	99,832
Adjustment to Annual Required Contribution	<u>(133,221)</u>
Annual OPEB Costs	718,130
Contributions Made	<u>(414,177)</u>
Increase in Net OPEB Obligation	303,953
Net OPEB Obligation - Beginning of Year	<u>2,218,486</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,522,439</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 718,130	\$ 414,177	57.70 %	\$ 2,522,439
2013	715,043	456,541	63.85 %	2,218,486
2012	1,265,807	592,163	46.78 %	1,959,984

Funding Status and Progress

As of June 30, 2013, 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 \$8,485,199. The covered payroll (annual payroll of active employees covered by the plan) was \$12,537,849; the ratio of the UAAL to the covered payroll was 67.7 percent.

Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (Continued)

A. Primary Government (Continued)

Funding Status and Progress (Continued)

Actuarial Methods and Assumptions

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

In the June 2013 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 7.5 percent to 4.5 percent per year over twelve 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.

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, PO Box 11960, Capitol Station, Columbia, SC 29211-1960.

PORS members are required to contribute 7.84 percent respectively of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate for PORS is 12.84 percent respectively of annual covered payroll. The percentage does not include amounts for group life and accidental death coverage. For the period ended June 30, 2014, \$377,455 of wages were subject to retirement, which is 99 percent of total salaries of \$380,880. The contribution requirements of plan members and the District are established and may be amended by the PORS. The District's contributions to PORS for the years and the period ended June 30, 2014, 2013, 2012 were as follows:

	<u>PORS</u>
June 30, 2014	\$ 28,525
June 30, 2013	28,100
June 30, 2012	26,614

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, 2014.

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. (Three individuals were excluded from this stop-loss coverage and had different specific deductibles). The estimated annual cost to the County is \$5,996,262. At year end, claims due and payable total approximately \$330,851 and are recorded as a liability in the respective funds with employees receiving this benefit. The following totals were recorded as liabilities of the respective funds as of June 30, 2014: General Fund \$315,950; Proprietary Fund - Focus \$1,623; and, Proprietary Fund - Rock Quarry \$13,278.

Effective January 1, 2013, the County revised the retiree health benefits for individuals who were qualified for Medicare. As a result retirees eligible for health care began receiving a defined contribution towards the purchase of a Medicare Supplement Plan through Hartford Life. The outcome is that 71 retirees are no longer participating in the County's Self Insured Health Insurance Plan on June 30, 2014 as this option was no longer fiscally sustainable. As the plan document currently stands, all employees hired before July 1, 2010 could become eligible for this plan as long as they meet the service requirements of 20 years of continuous service and ultimately retire from Oconee County. As of this date, there are approximately 285 employees that are active who were hired before July 1, 2010 and could ultimately benefit from the retiree plan.

Active retirees as of December 31, 2013 who have not yet attained the age of 65 or otherwise qualified for Medicare are grandfathered in if they meet the service requirements of the retiree plan document. In effect, they can participate in the County's self funded health insurance plan along with their spouse and other dependents as long as premiums are paid timely. Once these grandfathered retirees and their spouses become eligible for Medicare, the County will automatically enroll them into the Medicare Supplement Plan through Hartford Life.

Active employees who had at least 20 years of service on December 31, 2013 were grandfathered into the plan in much the same way as active retirees. In short, these employees will be eligible for participation in the self-insured health plan until they attain eligibility for Medicare. Once these grandfathered employees reach Medicare eligibility they will be removed from the self-insured health plan and automatically enrolled in the Medicare Supplement Plan through Hartford Life. Those grandfathered employees who become retirees will receive the same stipend as the active retirees do in each category (pre-medicare and medicare eligible). All contributions are being funded through a Retiree Health Reimbursement Account and the funds can only be used in accordance with the plan document.

The following indicates claims versus premiums for the past three fiscal years for the self insured health insurance plan:

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2014	\$ 478,761	\$ 4,198,846	\$ 4,346,756	\$ 330,851
2013	546,895	5,555,041	5,623,175	478,761
2012	635,531	5,697,296	5,785,932	546,895

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2014 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Accomodations Tax	\$ 90,000
General Fund	FOCUS	4,630,876
		<u>\$ 4,720,876</u>

Advances are used for long-term interfund loans. The General Fund had two outstanding advances at June 30, 2014. 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.

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

Total transfers during the year ended June 30, 2014 consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Rock Quarry Fund	\$ 1,583,009
General Fund	Other Governmental Funds	55,929
Other Governmental Funds	Other Governmental Funds	97,038
Other Governmental Funds	General Fund	57,414
Economic Development Fund	General Fund	1,306,977
		<u>\$ 3,100,367</u>

The transfers noted above were used to (1) provide operational funds, (2) provide salary subsidies, and/or (3) provide funds for the construction costs associated with the infrastructure for economic development for Golden Corner Commerce Park. 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
2015	\$ 51,599
2016	37,750
2017	35,444
2018	29,338
2019	27,823
	<u>\$ 181,954</u>

Construction commitments June 30, 2014 totaled approximately \$14,213,779.

NOTE 13. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2014, the company paid property taxes in the amount of \$27.6 million based on assessed property values of \$133.6 million. This represents approximately 26 percent of the 2013 levy. Approximately \$18.8 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, 2014, 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.

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
6/30/2009	\$ -	\$ 14,201,310	\$ 14,201,310	-%	\$ 16,053,849	88.5%
6/30/2011	-	7,584,954	7,584,954	-	15,328,947	49.5%
6/30/2013	-	8,485,199	8,485,199	-	12,537,849	67.7%

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

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

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

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

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

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

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

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

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 Culverts 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, 2014

	Special Revenue Funds				
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications	State Accommodations Tax
ASSETS					
Cash and cash equivalents	\$ 1,438,432	\$ 425,481	\$ 194,907	\$ 935,498	\$ 31,997
Taxes receivable, net	49,830	19,562	-	-	-
Accounts receivable, net	-	-	17,138	44,448	-
Due from other governments	-	-	272,621	118,444	65,635
Due from component unit	-	-	-	-	-
Prepaid expenditures	-	-	475	-	-
Seized assets	-	-	129,160	-	-
Total assets	<u>\$ 1,488,262</u>	<u>\$ 445,043</u>	<u>\$ 614,301</u>	<u>\$ 1,098,390</u>	<u>\$ 97,632</u>
LIABILITIES					
Accounts payable	\$ 206,433	\$ 122,082	\$ 207,496	\$ 9,648	\$ 19,690
Accrued liabilities	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	36,164	-	-
Total liabilities	<u>206,433</u>	<u>122,082</u>	<u>243,660</u>	<u>9,648</u>	<u>19,690</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	38,437	11,748	-	-	-
Unavailable revenue - seized property	-	-	129,160	-	-
Unavailable revenue - intergovernmental	-	-	16,859	-	-
Total deferred inflows of resources	<u>38,437</u>	<u>11,748</u>	<u>146,019</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	-	-	475	-	-
Restricted for:					
General government	-	-	40,997	-	-
Public safety	425,038	-	129,786	802,058	-
Transportation	-	217,408	336	-	-
Debt service	-	-	-	-	-
Culture and recreation	-	-	32,849	-	77,942
Judicial services	-	-	108	-	-
Education	-	-	-	-	-
Health and welfare	-	-	11,791	-	-
Economic development	-	-	1,088	-	-
Capital projects	522,650	-	-	-	-
Assigned:					
Subsequent year's budget	295,704	93,805	7,192	286,684	-
Total fund balances	<u>1,243,392</u>	<u>311,213</u>	<u>224,622</u>	<u>1,088,742</u>	<u>77,942</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,488,262</u>	<u>\$ 445,043</u>	<u>\$ 614,301</u>	<u>\$ 1,098,390</u>	<u>\$ 97,632</u>

Special Revenue Funds (Continued)

Local Accommodations Tax	Sheriff's Victims Assistance	Solicitor's Victims Assistance	Library State Aid	Tri-County Technical College
\$ 178,237	\$ 45,081	\$ 37,012	\$ 785	\$ 989,480
-	-	-	-	44,892
23,461	-	-	-	-
5,277	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 206,975</u>	<u>\$ 45,081</u>	<u>\$ 37,012</u>	<u>\$ 785</u>	<u>\$ 1,034,372</u>
\$ 40	\$ -	\$ -	\$ 785	\$ -
-	2,217	1,010	-	-
90,000	-	-	-	-
-	-	-	-	-
<u>90,040</u>	<u>2,217</u>	<u>1,010</u>	<u>785</u>	<u>-</u>
-	-	-	-	35,534
-	-	-	-	-
-	-	-	-	-
-	-	-	-	35,534
-	-	-	-	-
-	-	-	-	-
-	42,864	36,002	-	-
-	-	-	-	-
-	-	-	-	-
116,935	-	-	-	-
-	-	-	-	-
-	-	-	-	998,838
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>116,935</u>	<u>42,864</u>	<u>36,002</u>	<u>-</u>	<u>998,838</u>
<u>\$ 206,975</u>	<u>\$ 45,081</u>	<u>\$ 37,012</u>	<u>\$ 785</u>	<u>\$ 1,034,372</u>

OCONEE COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	<u>Special Revenue Funds (Continued)</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	<u>Duke Energy Fixed Nuclear Facility</u>	<u>Clerk of Court Federal Child Support</u>	<u>Debt Service</u>	<u>Bridges and Culverts Capital Projects</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 136,365	\$ 95,820	\$ 309,093	\$ 3,184,579	\$ 8,002,767
Taxes receivable, net	-	-	108,077	20,602	242,963
Accounts receivable, net	-	-	-	-	85,047
Due from other governments	-	11,234	-	-	473,211
Due from component unit	-	-	760,000	-	760,000
Prepaid expenditures	-	-	-	-	475
Seized assets	-	-	-	-	129,160
Total assets	<u>\$ 136,365</u>	<u>\$ 107,054</u>	<u>\$ 1,177,170</u>	<u>\$ 3,205,181</u>	<u>\$ 9,693,623</u>
LIABILITIES					
Accounts payable	\$ 1,208	\$ 1,545	\$ -	\$ -	\$ 568,927
Accrued liabilities	-	1,853	-	-	5,080
Advances from other funds	-	-	-	-	90,000
Unearned revenue	135,157	-	-	-	171,321
Total liabilities	<u>136,365</u>	<u>3,398</u>	<u>-</u>	<u>-</u>	<u>835,328</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	-	-	81,368	16,182	183,269
Unavailable revenue - seized property	-	-	-	-	129,160
Unavailable revenue - intergovernmental	-	-	-	-	16,859
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>81,368</u>	<u>16,182</u>	<u>329,288</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	-	-	-	-	475
Restricted for:					
General government	-	-	-	-	40,997
Public safety	-	-	-	-	1,435,748
Transportation	-	-	-	-	217,744
Debt service	-	-	1,095,802	-	1,095,802
Culture and recreation	-	-	-	-	227,726
Judicial services	-	103,656	-	-	103,764
Education	-	-	-	-	998,838
Health and welfare	-	-	-	-	11,791
Economic development	-	-	-	-	1,088
Capital projects	-	-	-	3,117,419	3,640,069
Assigned:					
Subsequent year's budget	-	-	-	71,580	754,965
Total fund balances	<u>-</u>	<u>103,656</u>	<u>1,095,802</u>	<u>3,188,999</u>	<u>8,529,007</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 136,365</u>	<u>\$ 107,054</u>	<u>\$ 1,177,170</u>	<u>\$ 3,205,181</u>	<u>\$ 9,693,623</u>

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OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue Funds				
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications	State Accommodations Tax
REVENUES:					
Property taxes	\$ 1,359,571	\$ 1,046,482	\$ -	\$ -	\$ -
Other taxes	-	-	-	273,334	143,582
Intergovernmental	-	204,043	1,171,120	322,156	-
Licenses, permits, and fees	-	-	12,903	-	-
Fines and forfeitures	-	-	-	-	-
Interest revenue	-	-	4,062	378	29
Other revenues	-	-	242,779	-	-
Total revenues	<u>1,359,571</u>	<u>1,250,525</u>	<u>1,430,864</u>	<u>595,868</u>	<u>143,611</u>
EXPENDITURES:					
Current:					
General government	-	-	39,538	-	-
Public safety	1,258,069	-	451,612	667,390	-
Transportation	-	939,312	391,957	-	-
Public works	-	-	18,302	-	-
Culture and recreation	-	-	84,751	-	144,407
Judicial services	-	-	-	-	-
Education	-	-	-	-	-
Health and welfare	-	-	112,837	-	-
Economic development	-	-	405,753	-	-
Capital outlay	671,348	-	-	18,957	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>1,929,417</u>	<u>939,312</u>	<u>1,504,750</u>	<u>686,347</u>	<u>144,407</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(569,846)</u>	<u>311,213</u>	<u>(73,886)</u>	<u>(90,479)</u>	<u>(796)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(97,038)	-	(30,929)
Issuance of debt	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(97,038)</u>	<u>-</u>	<u>(30,929)</u>
Net change in fund balances	<u>(569,846)</u>	<u>311,213</u>	<u>(170,924)</u>	<u>(90,479)</u>	<u>(31,725)</u>
Fund balances, beginning of year	<u>1,813,238</u>	<u>-</u>	<u>395,546</u>	<u>1,179,221</u>	<u>109,667</u>
Fund balances, end of year	<u>\$ 1,243,392</u>	<u>\$ 311,213</u>	<u>\$ 224,622</u>	<u>\$ 1,088,742</u>	<u>\$ 77,942</u>

Special Revenue Funds (Continued)

Local Accommodations Tax	Sheriff's Victims Assistance	Solicitor's Victims Assistance	Library State Aid	Tri-County Technical College
\$ -	\$ -	\$ -	\$ -	\$ 1,046,688
219,237	-	-	-	-
-	-	-	92,841	-
-	-	-	-	-
-	68,954	33,365	-	-
128	-	-	-	-
-	-	-	-	-
<u>219,365</u>	<u>68,954</u>	<u>33,365</u>	<u>92,841</u>	<u>1,046,688</u>
-	-	-	-	-
-	110,448	-	-	-
-	-	-	-	-
-	-	-	-	-
118,557	-	-	67,388	-
-	-	58,880	-	-
-	-	-	-	1,041,785
-	-	-	-	-
-	-	-	25,453	-
-	-	-	-	-
-	-	-	-	-
<u>118,557</u>	<u>110,448</u>	<u>58,880</u>	<u>92,841</u>	<u>1,041,785</u>
<u>100,808</u>	<u>(41,494)</u>	<u>(25,515)</u>	<u>-</u>	<u>4,903</u>
-	30,000	13,000	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>30,000</u>	<u>13,000</u>	<u>-</u>	<u>-</u>
100,808	(11,494)	(12,515)	-	4,903
<u>16,127</u>	<u>54,358</u>	<u>48,517</u>	<u>-</u>	<u>993,935</u>
<u>\$ 116,935</u>	<u>\$ 42,864</u>	<u>\$ 36,002</u>	<u>\$ -</u>	<u>\$ 998,838</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Special Revenue Funds (Continued)</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u> Bridges and Culverts Capital Projects	
	<u>Duke Energy Fixed Nuclear Facility</u>	<u>Clerk of Court Federal Child Support</u>	<u>Debt Service</u>		<u>Totals</u>
REVENUES:					
Property taxes	\$ -	\$ -	\$ 3,515,909	\$ 513,227	\$ 7,481,877
Other taxes	-	-	-	-	636,153
Intergovernmental	-	146,086	-	-	1,936,246
Licenses, permits, and fees	-	-	-	-	12,903
Fines and forfeitures	-	-	-	-	102,319
Interest revenue	-	-	34,294	-	38,891
Other revenues	25,251	-	-	-	268,030
Total revenues	<u>25,251</u>	<u>146,086</u>	<u>3,550,203</u>	<u>513,227</u>	<u>10,476,419</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	39,538
Public safety	19,668	-	-	-	2,507,187
Transportation	-	-	-	545,982	1,877,251
Public works	-	-	-	-	18,302
Culture and recreation	-	-	-	-	415,103
Judicial services	-	134,466	-	-	193,346
Education	-	-	-	-	1,041,785
Health and welfare	-	-	-	-	112,837
Economic development	-	-	-	-	405,753
Capital outlay	-	-	-	-	715,758
Debt service:					
Principal	-	-	5,980,000	-	5,980,000
Interest	-	-	837,266	-	837,266
Bond issuance costs	-	-	70,243	-	70,243
Total expenditures	<u>19,668</u>	<u>134,466</u>	<u>6,887,509</u>	<u>545,982</u>	<u>14,214,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,583</u>	<u>11,620</u>	<u>(3,337,306)</u>	<u>(32,755)</u>	<u>(3,737,950)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	19,417	92,036	-	-	154,453
Transfers out	(25,000)	-	-	-	(152,967)
Issuance of debt	-	-	2,993,000	-	2,993,000
Total other financing sources (uses)	<u>(5,583)</u>	<u>92,036</u>	<u>2,993,000</u>	<u>-</u>	<u>2,994,486</u>
Net change in fund balances	-	103,656	(344,306)	(32,755)	(743,464)
Fund balances, beginning of year	-	-	1,440,108	3,221,754	9,272,471
Fund balances, end of year	<u>\$ -</u>	<u>\$ 103,656</u>	<u>\$ 1,095,802</u>	<u>\$ 3,188,999</u>	<u>\$ 8,529,007</u>

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OCONEE COUNTY, SOUTH CAROLINA
EMERGENCY SERVICES PROTECTION DISTRICT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,323,589	\$ 1,323,589	\$ 1,359,571	\$ 35,982
Total revenues	<u>1,323,589</u>	<u>1,323,589</u>	<u>1,359,571</u>	<u>35,982</u>
EXPENDITURES				
Public safety	1,094,100	1,503,279	1,258,069	245,210
Capital outlay	<u>800,000</u>	<u>1,258,112</u>	<u>671,348</u>	<u>586,764</u>
Total expenditures	<u>1,894,100</u>	<u>2,761,391</u>	<u>1,929,417</u>	<u>831,974</u>
Net change in fund balance	(570,511)	(1,437,802)	(569,846)	867,956
Fund balances, beginning of year	<u>1,813,238</u>	<u>1,813,238</u>	<u>1,813,238</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,242,727</u>	<u>\$ 375,436</u>	<u>\$ 1,243,392</u>	<u>\$ 867,956</u>

OCONEE COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE TAX
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budgeted Amount</u>	<u>Final Budgeted Amount</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,046,482	\$ (3,518)
Intergovernmental	-	204,044	204,043	(1)
Total Revenues	<u>1,050,000</u>	<u>1,254,044</u>	<u>1,250,525</u>	<u>(3,519)</u>
EXPENDITURES				
Transportation:	<u>1,050,000</u>	<u>1,254,044</u>	<u>939,312</u>	<u>314,732</u>
Total expenditures	<u>1,050,000</u>	<u>1,254,044</u>	<u>939,312</u>	<u>314,732</u>
Net change in fund balances	-	-	311,213	311,213
Fund balances, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,213</u>	<u>\$ 311,213</u>

OCONEE COUNTY, SOUTH CAROLINA

911 COMMUNICATIONS

SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 335,000	\$ 335,000	\$ 273,334	\$ (61,666)
Intergovernmental	139,000	139,000	322,156	183,156
Interest revenue	500	500	378	(122)
Total revenues	<u>474,500</u>	<u>474,500</u>	<u>595,868</u>	<u>121,368</u>
EXPENDITURES				
Public safety	648,000	1,334,538	667,390	667,148
Capital outlay	250,000	68,262	18,957	49,305
Total expenditures	<u>898,000</u>	<u>1,402,800</u>	<u>686,347</u>	<u>716,453</u>
Net change in fund balance	(423,500)	(928,300)	(90,479)	837,821
Fund balances, beginning of year	<u>1,179,221</u>	<u>1,179,221</u>	<u>1,179,221</u>	-
Fund balances, end of year	<u>\$ 2,626,631</u>	<u>\$ 250,921</u>	<u>\$ 1,088,742</u>	<u>\$ 837,821</u>

OCONEE COUNTY, SOUTH CAROLINA**SHERIFF'S VICTIMS ASSISTANCE****SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 76,000	\$ 76,000	\$ 68,954	\$ (7,046)
Total revenues	76,000	76,000	68,954	(7,046)
EXPENDITURES				
Public safety	110,983	110,983	110,448	535
Total expenditures	110,983	110,983	110,448	535
Deficiency of revenues under expenditures	(34,983)	(34,983)	(41,494)	(6,511)
OTHER FINANCING SOURCES				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	30,000	30,000	30,000	-
Net change in fund balance	(4,983)	(4,983)	(11,494)	(6,511)
Fund balances, beginning of year	54,358	54,358	54,358	-
Fund balances, end of year	\$ 49,375	\$ 49,375	\$ 42,864	\$ (6,511)

OCONEE COUNTY, SOUTH CAROLINA**SOLICITOR'S VICTIMS ASSISTANCE****SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Fines and forfeitures	<u>\$ 38,000</u>	<u>\$ 38,000</u>	<u>\$ 33,365</u>	<u>\$ (4,635)</u>
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>33,365</u>	<u>(4,635)</u>
EXPENDITURES				
Judicial services	<u>60,432</u>	<u>60,432</u>	<u>58,880</u>	<u>1,552</u>
Total expenditures	<u>60,432</u>	<u>60,432</u>	<u>58,880</u>	<u>1,552</u>
Deficiency of revenues under expenditures	<u>(22,432)</u>	<u>(22,432)</u>	<u>(25,515)</u>	<u>(3,083)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Total other financing sources	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>-</u>
Net change in fund balance	<u>(9,432)</u>	<u>(9,432)</u>	<u>(12,515)</u>	<u>(3,083)</u>
Fund balances, beginning of year	<u>48,517</u>	<u>48,517</u>	<u>48,517</u>	<u>-</u>
Fund balances, end of year	<u>\$ 39,085</u>	<u>\$ 39,085</u>	<u>\$ 36,002</u>	<u>\$ (3,083)</u>

OCONEE COUNTY, SOUTH CAROLINA
TRI-COUNTY TECHNICAL COLLEGE OPERATIONS
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	<u>\$ 1,060,500</u>	<u>\$ 1,060,500</u>	<u>\$ 1,046,688</u>	<u>\$ (13,812)</u>
Total revenues	<u>1,060,500</u>	<u>1,060,500</u>	<u>1,046,688</u>	<u>(13,812)</u>
EXPENDITURES				
Education	<u>1,041,785</u>	<u>1,041,785</u>	<u>1,041,785</u>	<u>-</u>
Total expenditures	<u>1,041,785</u>	<u>1,041,785</u>	<u>1,041,785</u>	<u>-</u>
Net change in fund balance	18,715	18,715	4,903	(13,812)
Fund balances, beginning of year	<u>993,935</u>	<u>993,935</u>	<u>993,935</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,012,650</u>	<u>\$ 1,012,650</u>	<u>\$ 998,838</u>	<u>\$ (13,812)</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, 2014

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 3,698,000	\$ 3,698,000	\$ 3,515,909	\$ (182,091)
Interest revenue	-	-	34,294	34,294
Total revenues	<u>3,698,000</u>	<u>3,698,000</u>	<u>3,550,203</u>	<u>(147,797)</u>
EXPENDITURES				
Debt service:				
Principal	2,990,000	5,915,000	5,980,000	(65,000)
Interest	472,321	871,943	837,266	34,677
Bond issuance costs	-	3,000	70,243	(67,243)
Total expenditures	<u>3,462,321</u>	<u>6,789,943</u>	<u>6,887,509</u>	<u>(97,566)</u>
Excess (deficiency) of revenues over (under) expenses	<u>235,679</u>	<u>(3,091,943)</u>	<u>(3,337,306)</u>	<u>(245,363)</u>
OTHER FINANCING SOURCES				
Issuance of debt	-	2,993,000	2,993,000	-
Total other financing sources	<u>-</u>	<u>2,993,000</u>	<u>2,993,000</u>	<u>-</u>
Net change in fund balance	235,679	(98,943)	(344,306)	(245,363)
Fund balances, beginning of year	<u>1,440,108</u>	<u>1,440,108</u>	<u>1,440,108</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,675,787</u>	<u>\$ 1,341,165</u>	<u>\$ 1,095,802</u>	<u>\$ (245,363)</u>

OCONEE COUNTY, SOUTH CAROLINA
BRIDGES AND CULVERTS CAPITAL PROJECT FUND
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Original Budgeted Amount	Final Budgeted Amount	Actual	Variance
Revenues				
Property taxes	\$ 498,000	\$ 498,000	\$ 513,227	\$ 15,227
Total revenues	<u>498,000</u>	<u>498,000</u>	<u>513,227</u>	<u>15,227</u>
Expenditures				
Transportation:	1,050,000	1,086,702	545,982	540,720
Total expenditures	<u>1,050,000</u>	<u>1,086,702</u>	<u>545,982</u>	<u>540,720</u>
Net change in fund balances	(552,000)	(588,702)	(32,755)	555,947
Fund balances, beginning of year	<u>3,221,754</u>	<u>3,221,754</u>	<u>3,221,754</u>	-
Fund balances, end of year	<u>\$ 2,669,754</u>	<u>\$ 2,633,052</u>	<u>\$ 3,188,999</u>	<u>\$ 555,947</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
SDOC General Fund				
ASSETS				
Cash and cash equivalents	\$ 542,439	\$ 43,728,864	\$ (43,871,556)	\$ 399,747
Taxes receivable	1,783,651	406,276	-	2,189,927
Total assets	<u>\$ 2,326,090</u>	<u>\$ 44,135,140</u>	<u>\$ (43,871,556)</u>	<u>\$ 2,589,674</u>
LIABILITIES				
Due to other taxing districts and agencies	<u>\$ 2,326,090</u>	<u>\$ 44,135,140</u>	<u>\$ (43,871,556)</u>	<u>\$ 2,589,674</u>
Total liabilities	<u>\$ 2,326,090</u>	<u>\$ 44,135,140</u>	<u>\$ (43,871,556)</u>	<u>\$ 2,589,674</u>
SDOC Debt Retirement				
ASSETS				
Cash and cash equivalents	\$ 7,443,383	\$ 17,101,648	\$ (18,851,741)	\$ 5,693,290
Taxes receivable	543,815	112,827	-	656,642
Total assets	<u>\$ 7,987,198</u>	<u>\$ 17,214,475</u>	<u>\$ (18,851,741)</u>	<u>\$ 6,349,932</u>
LIABILITIES				
Due to other taxing districts and agencies	<u>\$ 7,987,198</u>	<u>\$ 17,214,475</u>	<u>\$ (18,851,741)</u>	<u>\$ 6,349,932</u>
Total liabilities	<u>\$ 7,987,198</u>	<u>\$ 17,214,475</u>	<u>\$ (18,851,741)</u>	<u>\$ 6,349,932</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 16,984	\$ 4,749,442	\$ (4,745,153)	\$ 21,273
Total assets	<u>\$ 16,984</u>	<u>\$ 4,749,442</u>	<u>\$ (4,745,153)</u>	<u>\$ 21,273</u>
LIABILITIES				
Due to other taxing districts and agencies	<u>\$ 16,984</u>	<u>\$ 4,749,442</u>	<u>\$ (4,745,153)</u>	<u>\$ 21,273</u>
Total liabilities	<u>\$ 16,984</u>	<u>\$ 4,749,442</u>	<u>\$ (4,745,153)</u>	<u>\$ 21,273</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 95,949	\$ 1,577,391	\$ (1,389,713)	\$ 283,627
Total assets	<u>\$ 95,949</u>	<u>\$ 1,577,391</u>	<u>\$ (1,389,713)</u>	<u>\$ 283,627</u>
LIABILITIES				
Due to other taxing districts and agencies	<u>\$ 95,949</u>	<u>\$ 1,577,391</u>	<u>\$ (1,389,713)</u>	<u>\$ 283,627</u>
Total liabilities	<u>\$ 95,949</u>	<u>\$ 1,577,391</u>	<u>\$ (1,389,713)</u>	<u>\$ 283,627</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
Municipal Tax				
ASSETS				
Cash and cash equivalents	\$ 38,633	\$ 2,981,645	\$ (2,963,371)	\$ 56,907
Taxes receivable	185,053	15,943	-	200,996
Total assets	<u>\$ 223,686</u>	<u>\$ 2,997,588</u>	<u>\$ (2,963,371)</u>	<u>\$ 257,903</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 223,686	\$ 2,997,588	\$ (2,963,371)	\$ 257,903
Total liabilities	<u>\$ 223,686</u>	<u>\$ 2,997,588</u>	<u>\$ (2,963,371)</u>	<u>\$ 257,903</u>
Keowee Fire Tax District				
ASSETS				
Cash and cash equivalents	\$ 5,693	\$ 712,113	\$ (704,773)	\$ 13,033
Taxes receivable	5,316	2,343	-	7,659
Total assets	<u>\$ 11,009</u>	<u>\$ 714,456</u>	<u>\$ (704,773)</u>	<u>\$ 20,692</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 11,009	\$ 714,456	\$ (704,773)	\$ 20,692
Total liabilities	<u>\$ 11,009</u>	<u>\$ 714,456</u>	<u>\$ (704,773)</u>	<u>\$ 20,692</u>
Magistrate Cash Bond/Juror				
ASSETS				
Cash and cash equivalents	\$ 15,541	\$ 1,179,148	\$ (1,180,771)	\$ 13,918
Total assets	<u>\$ 15,541</u>	<u>\$ 1,179,148</u>	<u>\$ (1,180,771)</u>	<u>\$ 13,918</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 15,541	\$ 1,179,148	\$ (1,180,771)	\$ 13,918
Total liabilities	<u>\$ 15,541</u>	<u>\$ 1,179,148</u>	<u>\$ (1,180,771)</u>	<u>\$ 13,918</u>
Delinquent Tax				
ASSETS				
Cash and cash equivalents	\$ 511,147	\$ 2,943,733	\$ (2,475,952)	\$ 978,928
Total assets	<u>511,147</u>	<u>2,943,733</u>	<u>(2,475,952)</u>	<u>978,928</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 511,147	\$ 2,943,733	\$ (2,475,952)	\$ 978,928
Total liabilities	<u>\$ 511,147</u>	<u>\$ 2,943,733</u>	<u>\$ (2,475,952)</u>	<u>\$ 978,928</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
Sheriff				
ASSETS				
Cash and cash equivalents	\$ 244,996	\$ 40,564	\$ (157,063)	\$ 128,497
Total assets	<u>\$ 244,996</u>	<u>\$ 40,564</u>	<u>\$ (157,063)</u>	<u>\$ 128,497</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 244,996	\$ 40,564	\$ (157,063)	\$ 128,497
Total liabilities	<u>\$ 244,996</u>	<u>\$ 40,564</u>	<u>\$ (157,063)</u>	<u>\$ 128,497</u>
Fireman's Insurance and Inspection Fund				
ASSETS				
Cash and cash equivalents	\$ 68	\$ 225,518	\$ (225,485)	\$ 101
Total assets	<u>\$ 68</u>	<u>\$ 225,518</u>	<u>\$ (225,485)</u>	<u>\$ 101</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 68	\$ 225,518	\$ (225,485)	\$ 101
Total liabilities	<u>\$ 68</u>	<u>\$ 225,518</u>	<u>\$ (225,485)</u>	<u>\$ 101</u>
Probate Judge				
ASSETS				
Cash and cash equivalents	\$ 13,856	\$ 14	\$ -	\$ 13,870
Total assets	<u>\$ 13,856</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 13,870</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,856	\$ 14	\$ -	\$ 13,870
Total liabilities	<u>\$ 13,856</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 13,870</u>
Register of Deeds				
ASSETS				
Cash and cash equivalents	\$ 11,472	\$ 15,525	\$ (11,482)	\$ 15,515
Total assets	<u>\$ 11,472</u>	<u>\$ 15,525</u>	<u>\$ (11,482)</u>	<u>\$ 15,515</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 11,472	\$ 15,525	\$ (11,482)	\$ 15,515
Total liabilities	<u>\$ 11,472</u>	<u>\$ 15,525</u>	<u>\$ (11,482)</u>	<u>\$ 15,515</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
<hr/> Solicitor's Worthless Check Program <hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 61,936	\$ (43,608)	\$ 18,328
Total assets	<u>\$ -</u>	<u>\$ 61,936</u>	<u>\$ (43,608)</u>	<u>\$ 18,328</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 61,936	\$ (43,608)	\$ 18,328
Total liabilities	<u>\$ -</u>	<u>\$ 61,936</u>	<u>\$ (43,608)</u>	<u>\$ 18,328</u>
<hr/> Retiree Health Reimbursement <hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 96,483	\$ (95,689)	\$ 794
Total assets	<u>\$ -</u>	<u>\$ 96,483</u>	<u>\$ (95,689)</u>	<u>\$ 794</u>
LIABILITIES				
Due to others	\$ -	\$ 96,483	\$ (95,689)	\$ 794
Total liabilities	<u>\$ -</u>	<u>\$ 96,483</u>	<u>\$ (95,689)</u>	<u>\$ 794</u>
<hr/> Employee Health Flex Spending <hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 57,824	\$ (31,816)	\$ 26,008
Total assets	<u>\$ -</u>	<u>\$ 57,824</u>	<u>\$ (31,816)</u>	<u>\$ 26,008</u>
LIABILITIES				
Due to others	\$ -	\$ 57,824	\$ (31,816)	\$ 26,008
Total liabilities	<u>\$ -</u>	<u>\$ 57,824</u>	<u>\$ (31,816)</u>	<u>\$ 26,008</u>
<hr/> Pickens County <hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 24,339	\$ -	\$ 24,339
Total assets	<u>\$ -</u>	<u>\$ 24,339</u>	<u>\$ -</u>	<u>\$ 24,339</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 24,339	\$ -	\$ 24,339
Total liabilities	<u>\$ -</u>	<u>\$ 24,339</u>	<u>\$ -</u>	<u>\$ 24,339</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES ALL AGENCY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	June 30, 2013	Increases	Decreases	June 30, 2014
<hr/>				
Williamsburg County				
<hr/>				
ASSETS				
Cash and cash equivalents	\$ -	\$ 25,164	\$ -	\$ 25,164
Total assets	<u>\$ -</u>	<u>\$ 25,164</u>	<u>\$ -</u>	<u>\$ 25,164</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 25,164	\$ -	\$ 25,164
Total liabilities	<u>\$ -</u>	<u>\$ 25,164</u>	<u>\$ -</u>	<u>\$ 25,164</u>
Totals				
<hr/>				
ASSETS				
Cash and cash equivalents	\$ 8,940,161	\$ 75,521,351	\$ (76,748,173)	\$ 7,713,339
Taxes receivable	2,517,835	537,389	-	3,055,224
Total assets	<u>\$11,457,996</u>	<u>\$ 76,058,740</u>	<u>\$ (76,748,173)</u>	<u>\$10,768,563</u>
LIABILITIES				
Due to other taxing districts and agencies	11,457,996	\$ 75,904,433	\$ (76,620,668)	\$10,741,761
Due to others	-	\$ 154,307	\$ (127,505)	\$ 26,802
Total liabilities	<u>\$11,457,996</u>	<u>\$ 76,058,740</u>	<u>\$ (76,748,173)</u>	<u>\$10,768,563</u>

OCONEE COUNTY, SOUTH CAROLINA

SUMMARY SCHEDULE OF COURTS FINES, ASSESSMENTS AND SURCHARGES CLERK OF COURT AND MAGISTRATE COURT JUNE 30, 2014

	Collections	Amount Remitted to County Treasurer	Amount Remitted to State Treasurer	Amount Allocated to Victims Assistance
Clerk of Court				
Fines and Fees	\$ 22,621	\$ -	\$ 22,621	\$ -
Assessments	12,371	-	8,940	3,431
Surcharges	46,651	-	16,717	29,934
Totals	<u>\$ 81,643</u>	<u>\$ -</u>	<u>\$ 48,278</u>	<u>\$ 33,365</u>
Magistrate Court				
Fines and Fees	\$ 359,918	\$ 359,918	\$ -	\$ -
Assessments	625,754	-	585,316	40,438
Surcharges	199,602	-	171,086	28,516
Totals	<u>\$ 1,185,274</u>	<u>\$ 359,918</u>	<u>\$ 756,402</u>	<u>\$ 68,954</u>
Victims Assistance				
Balance for victims assistance, beginning of year				\$ 102,875
Amounts allocated for victims assistance, 7/1/13 - 6/30/14				
Assessments and surcharges				102,319
Amounts spent for victims assistance in fiscal year 2014				
from assessments and surcharge				
Salaries and benefits				(169,328)
General fund subsidy				<u>43,000</u>
Balance for victims assistance - end of year				<u>\$ 78,866</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.....	104 - 106
<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.....	107 - 110
<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 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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	\$ 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	\$ 98,724,529
Restricted	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	3,974,459
Unrestricted	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	41,790,290
Total governmental activities net position	<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>	<u>\$ 144,489,278</u>
Business-type activities										
Net investment in capital assets	\$ 8,905,344	\$ 8,043,088	\$ 7,503,708	\$ 2,908,740	\$ 2,715,788	\$ 2,292,824	\$ 2,195,987	\$ 11,367,562	\$ 16,167,255	\$ 15,418,889
Unrestricted	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)	(1,746,495)
Total business-type activities net position	<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>\$ 16,151,189</u>	<u>\$ 13,672,394</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 114,143,418
Restricted	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	3,974,459
Unrestricted	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	40,043,795
Total primary government net position	<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>	<u>\$ 158,161,672</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 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	\$ 10,047,351
Public safety	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	20,131,431
Transportation	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	8,008,004
Public works	-	-	-	-	-	3,728,944	3,892,013	4,901,973	1,930,852	3,897,503
Culture and recreation	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	3,213,785
Judicial	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	3,046,553
Education	-	-	-	-	-	972,117	1,112,556	1,048,376	1,036,754	1,041,785
Health and welfare	1,001,238	717,572	6,009,235	790,730	785,094	764,810	1,293,650	1,262,341	494,226	1,057,650
Economic development	-	-	-	-	-	553,264	756,688	617,995	1,517,386	2,454,331
Miscellaneous	-	899,571	-	-	-	-	-	-	-	-
Interest and fiscal changes	1,365,084	722,418	560,882	445,295	447,120	384,690	313,024	590,972	854,537	852,127
Total governmental activities expenses	<u>30,611,290</u>	<u>31,749,121</u>	<u>37,625,737</u>	<u>39,112,449</u>	<u>44,366,075</u>	<u>46,916,568</u>	<u>50,113,356</u>	<u>52,087,836</u>	<u>49,678,500</u>	<u>53,750,520</u>
Business - type activities:										
Rock quarry	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	1,606,703
FOCUS	-	-	-	-	-	-	-	18,604	2,702,814	2,725,580
Solid waste	3,703,326	4,429,812	4,700,221	-	-	-	21,245	-	-	-
Total business - type activities	<u>5,524,195</u>	<u>6,909,963</u>	<u>6,960,703</u>	<u>2,352,819</u>	<u>2,246,791</u>	<u>2,724,555</u>	<u>2,331,525</u>	<u>2,247,052</u>	<u>2,931,724</u>	<u>4,332,283</u>
Total primary government expenses	<u>36,135,485</u>	<u>38,659,084</u>	<u>44,586,440</u>	<u>41,465,268</u>	<u>46,612,866</u>	<u>49,641,123</u>	<u>52,444,881</u>	<u>54,334,888</u>	<u>52,610,225</u>	<u>58,082,803</u>
Program revenues										
Primary government:										
Governmental activities:										
Charges for services:										
General government	2,338,113	4,272,850	4,473,204	5,138,752	4,657,574	635,354	682,115	699,104	721,041	743,811
Public safety	572,175	137,139	125,180	153,435	133,514	712,860	581,997	545,666	954,080	1,050,750
Transportation	-	-	-	-	-	549,140	689,700	911,261	954,518	842,073
Public works	-	-	-	-	-	861,453	1,186,979	1,221,323	1,145,528	1,202,131
Culture and recreation	274,896	-	-	-	-	348,402	376,308	377,337	358,074	377,862
Judicial	1,108,509	1,860	2,889	2,460	1,730	1,281,388	1,106,359	1,109,336	1,005,102	907,605
Health and welfare	19,967	-	-	-	-	33,670	-	87,487	-	-
Economic development	-	-	-	-	-	-	-	-	9,500	-
Operating grants and contributions	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	1,925,061
Capital grants and contributions	644,983	2,149,799	898,741	2,498,147	2,394,832	4,251,132	3,943,974	1,899,031	677,399	2,022,895
Total governmental activities program revenues	<u>6,421,057</u>	<u>7,928,486</u>	<u>6,924,219</u>	<u>9,085,776</u>	<u>9,182,639</u>	<u>10,771,396</u>	<u>11,225,446</u>	<u>8,242,346</u>	<u>7,471,798</u>	<u>9,072,188</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Charges for Services:										
Rock quarry	2,985,868	2,993,067	2,771,383	3,082,349	3,037,173	3,404,756	3,242,740	2,854,380	2,779,245	3,393,169
FOCUS	-	-	-	-	-	-	-	1,110	913,801	44,879
Solid waste	1,411,017	1,014,610	1,125,509	-	-	-	-	-	-	-
Operating grants and contributions	7,388	25,062	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	20,115	-	-	-	210,434	6,455,725	3,141,110	-
Total business-type activities program revenues	4,404,273	4,032,739	3,917,007	3,082,349	3,037,173	3,404,756	3,453,174	9,311,215	6,834,156	3,438,048
Total primary government program revenues	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	12,510,236
Net (expense) revenue										
Governmental activities	\$ (24,190,233)	\$ (23,820,635)	\$ (30,701,518)	\$ (30,026,673)	\$ (35,183,436)	\$ (36,145,172)	\$ (38,887,910)	\$ (43,845,490)	\$ (42,206,702)	\$ (44,678,332)
Business-type activities	(1,119,922)	(2,877,224)	(3,043,696)	729,530	790,382	680,201	1,121,649	7,064,163	3,902,432	894,235
Total primary government	(25,310,155)	(26,697,859)	(33,745,214)	(29,297,143)	(34,393,054)	(35,464,971)	(37,766,261)	(36,781,327)	(38,304,270)	(45,572,567)
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	23,424,084	29,468,762	30,079,163	32,121,201	33,947,622	35,671,288	36,735,928	38,093,094	37,638,742	39,926,946
Other taxes	1,038,757	1,241,952	1,203,630	1,221,173	1,231,011	848,922	874,795	755,113	772,729	843,741
Unrestricted grants and contributions	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	2,743,615
Unrestricted investment earnings	465,943	1,117,714	1,523,229	1,485,206	1,061,380	498,702	370,259	427,725	350,417	483,260
Sale of capital assets	9,048	(1,112)	(253,191)	(18,678)	(740,289)	-	-	-	-	-
Capital contributions	-	7,567,013	-	-	-	-	-	-	-	-
Miscellaneous	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	1,297,237	(3,021,235)	(2,846,497)	800,878	900,669	687,650	989,861	633,309	116,991	1,583,009
Total governmental activities general revenues and other changes in net position	29,768,826	43,779,278	33,900,628	40,067,568	40,327,194	41,731,219	42,630,366	42,333,229	42,218,727	45,580,571

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:										
Unrestricted investment earnings	98,239	208,908	224,958	111,247	110,287	7,449	9,372	4,478	3,714	(1,552)
Miscellaneous	2,501,458	-	-	-	-	-	-	-	37,056	-
Transfers	(1,297,237)	3,021,235	2,846,497	(800,878)	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)	(1,583,009)
Total business-type activities general revenues and other changes in net position	1,302,460	3,230,143	3,071,455	(689,631)	(790,382)	(680,201)	(980,489)	(628,831)	(76,221)	(1,584,561)
Total primary government general revenues and other changes in net position	<u>\$ 31,071,286</u>	<u>\$ 47,009,421</u>	<u>\$ 36,972,083</u>	<u>\$ 39,377,937</u>	<u>\$ 39,536,812</u>	<u>\$ 41,051,018</u>	<u>\$ 41,649,877</u>	<u>\$ 41,704,398</u>	<u>\$ 42,142,499</u>	<u>\$ 43,996,010</u>
Change in net position										
Governmental activities	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	902,239
Business-type activities	182,538	352,919	27,759	39,899	-	-	141,160	6,435,332	3,826,211	(2,478,796)
Total primary government change in net position	<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>	<u>\$ (1,576,557)</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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 891,340	\$ 679,695	\$ 599,901	\$ 179,781	\$ 590,626	\$ 4,734,890				
Unreserved	10,530,439	13,918,914	12,868,375	18,107,692	22,832,404	19,663,178				
Total General fund	<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	\$ 1,181,612	\$ 1,885,917	\$ 10,196,048	\$ 11,265,793	\$ 11,422,123	\$ 18,103,322				
Unreserved, reported in:										
Special revenue funds	5,646,333	3,847,185	-	-	-	2,471,822				
Debt service funds	1,193,315	-	-	-	-	-				
Capital projects funds	999,227	1,026,126	965,737	4,459,452	2,962,854	-				
Total all other governmental funds	<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>\$ 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	\$ 7,974,903
Restricted							-	1,401,505	-	-
Assigned							7,338,896	8,236,071	6,319,226	6,201,707
Unassigned							13,008,265	7,521,789	7,912,690	7,956,354
Total General fund							<u>\$ 25,172,051</u>	<u>\$ 24,633,149</u>	<u>\$ 21,807,352</u>	<u>\$ 22,132,964</u>
All other governmental funds										
Nonspendable							\$ 4,782,659	\$ 5,150,854	\$ 5,120,760	\$ 5,715,670
Restricted							23,000,044	21,761,098	31,810,874	23,056,108
Assigned							4,720,626	6,514,510	-	1,418,771
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>	<u>\$ 30,190,549</u>
Total all governmental funds							<u>57,455,429</u>	<u>\$ 58,037,909</u>	<u>\$ 58,738,986</u>	<u>\$ 52,323,513</u>

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									
	2005	2006	2007	2008	2009	2010 ⁽¹⁾	2011	2012	2013	2014
Revenues:										
Property taxes	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	39,752,966
Other taxes	-	-	-	-	-	538,901	634,857	502,286	656,268	636,153
Intergovernmental	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	6,335,362
Licenses, permits and fees	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	2,942,232
Fines and forfeitures	534,514	584,120	581,574	704,937	639,085	582,737	522,071	485,898	442,930	462,505
Charges for services	-	-	-	-	-	855,538	1,449,809	1,681,043	1,714,530	1,706,415
County airport	499,601	570,288	585,237	649,305	475,413	-	-	-	-	-
PRT commission	238,384	265,049	271,163	291,232	300,169	-	-	-	-	-
Fee in lieu of taxes and franchise fees	776,413	967,047	897,146	771,530	971,447	-	-	-	-	-
Interest and investment income	465,942	1,117,714	1,523,229	1,486,802	1,061,380	498,704	370,260	428,175	350,414	483,260
Miscellaneous and other	559,655	4,399,713	942,750	844,500	1,129,037	453,342	1,581,827	612,032	620,736	563,502
Total revenues	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	52,882,395
Expenditures:										
General government	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	9,605,045
Public safety	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	5,729,661
Transportation	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	5,642,616
Public works	-	-	-	-	-	3,492,000	3,811,897	3,935,370	3,674,946	3,539,178
Culture and recreation	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	3,051,999
Judicial services	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	2,713,121
Education	-	-	-	-	-	972,117	1,049,556	1,013,376	1,036,754	1,041,785
Health and welfare	933,955	675,870	640,455	680,787	638,131	613,646	718,538	682,022	340,292	939,131
Economic development	-	-	-	-	-	353,204	745,294	608,382	1,497,332	8,809,901
Nondepartmental	-	899,571	-	-	-	-	-	-	-	-
Capital outlay	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	4,989,163
Debt service										
Principal retirement	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	6,298,106
Interest and fiscal charges	1,353,157	828,607	555,532	460,619	447,120	376,340	393,536	815,861	905,084	856,521
Bond issue costs	-	-	-	-	-	-	195,907	-	79,154	102,756
Total expenditures	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	65,879,027
Excess (deficiency) of revenues over (under) expenditures	(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)	(12,955,038)

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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	108,915	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	74,504	-	14,992	232,576	-
Bonds and capital leases proceeds	1,700,000	-	-	1,477,683	-	3,500,000	22,300,000	1,614,812	2,638,954	4,998,150
Bond premium	-	-	-	-	-	-	981,266	-	-	-
Payments to refunding bonds escrow	-	-	-	-	-	-	(5,411,024)	-	-	-
Transfer in	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	3,100,368
Transfer out	(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)	(1,517,358)
Total other financing sources (uses)	<u>3,116,067</u>	<u>(3,007,763)</u>	<u>(1,761,173)</u>	<u>2,291,771</u>	<u>1,032,865</u>	<u>4,280,461</u>	<u>18,917,972</u>	<u>2,305,439</u>	<u>3,019,692</u>	<u>6,581,160</u>
Special items:										
Gain on sale of land	-	-	-	-	-	-	944,370	-	-	-
Courthouse settlement	-	-	-	-	-	825,000	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>825,000</u>	<u>944,370</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<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>	<u>(6,415,473)</u>
Debt Services as a Percentage of Noncapital Expenditures	<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>9.28 %</u>	<u>22.36 %</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
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	143,279,923	457,166,510	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
2014	322,552,303	41,212,757	157,529,631	521,294,691	71.0	9,142,100,263	5.70

Source: Oconee County Auditor

Note: Property in the County was reassessed in fiscal year 2006 & 2011.

OCONEE COUNTY, SOUTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Oconee County:										
Operating	64.0	68.0	64.3	64.1	64.1	63.9	61.1	58.9	58.9	57.6
Debt service	3.5	4.5	4.1	4.1	4.1	1.4	1.9	6.0	6.0	6.0
Economic development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2
Bridges and culverts	-	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tri-County Technical Operations	2.1	2.1	2.6	2.1	2.1	2.7	2.1	2.1	2.1	2.1
Road maintenance fee	-	-	-	-	-	-	-	-	-	2.1
Total Oconee County	70.6	75.6	73.0	72.3	72.3	70.0	67.1	69.0	69.0	71.0
School District										
Operating	120.5	123.0	113.0	109.8	110.5	111.4	107.1	101.4	110.1	110.1
Debt Service	13.9	18.0	18.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Total School District	134.4	141.0	131.0	140.8	141.5	142.4	138.1	132.4	141.1	141.1
Special Districts										
City of Seneca	50.0	50.0	50.0	50.0	52.3	52.3	52.3	52.3	52.3	55.3
Town of Salem	30.0	30.0	30.0	30.0	31.0	32.4	32.4	32.4	32.4	34.9
City of Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
Town of West Union	39.0	39.0	39.0	39.0	40.3	41.3	41.3	42.0	45.0	46.0
City of Westminster	88.0	88.0	88.0	88.0	90.7	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	2.9
Keowee Fire Special District	14.5	14.5	13.7	14.0	13.5	14.5	14.4	14.5	14.5	14.5
Total Special Districts	305.5	305.5	304.7	307.9	314.7	318.1	318.0	318.8	321.8	328.3
Total direct and overlapping rates	510.5	522.1	508.7	521.0	528.5	530.5	523.2	520.2	531.9	540.4

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

PRINCIPLE PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

2014				2005			
Rank	Taxpayer	Assessed Valuation	% of County Gross Assessed Valuation	Rank	Taxpayer	Assessed Valuation	% of County Gross Assessed Valuation
1	Duke Energy Corporation	\$ 132,543,080	25.43%	1	Duke Energy Corporation	\$ 110,150,030	31.25%
2	Blue Ridge Electric Coop Inc	6,597,510	1.27%	2	Blue Ridge Electric Coop Inc	4,893,170	1.39%
3	BASF Catalyst LLC	4,149,562	0.80%	3	Westpoint Stevens Inc	4,308,340	1.22%
4	Sandvic Inc	3,488,403	0.67%	4	Cryovac Inc	3,640,780	1.03%
5	Covidien	3,245,682	0.62%	5	Engelhard Corporation	3,515,600	1.00%
6	Cryovac Inc	2,843,080	0.55%	6	Bellsouth Tel. Inc	3,276,490	0.93%
7	Itron Electricity Metering Inc	2,489,118	0.48%	7	Schlumberger Inc	2,884,370	0.82%
8	Borg Warner Torq Sytems Inc	2,340,041	0.45%	8	Square D Company	1,983,250	0.56%
9	Bellsouth Communications Inc	1,904,150	0.37%	9	US Engine Valve Company	1,839,180	0.52%
10	High Pointe LLC	1,891,360	0.36%	10	Greenfield Industries Inc	1,354,360	0.38%
		<u>161,491,986</u>	<u>31.00%</u>			<u>137,845,570</u>	<u>39.10%</u>
Total Gross Digest Assessment		<u>\$ 521,294,691</u>		Total Gross Digest Assessment		<u>\$ 352,460,067</u>	

OCONEE COUNTY, SOUTH CAROLINA

PROPERTY TAXES 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
2005	\$ 23,967,285	\$ 23,150,413	96.59 %	\$ 574,694	\$ 23,725,107	98.99 %
2006	29,734,480	28,537,940	95.98 %	898,377	29,436,317	99.00 %
2007	31,713,210	30,738,875	96.93 %	758,149	31,497,024	99.32 %
2008	33,109,438	32,008,545	96.67 %	649,634	32,658,179	98.64 %
2009	33,769,581	32,376,414	95.87 %	737,626	33,114,040	98.06 %
2010	35,142,666	33,697,683	95.89 %	647,573	34,345,256	97.73 %
2011	35,142,660	33,749,807	96.04 %	720,960	34,470,767	98.09 %
2012	37,241,977	35,899,993	96.40 %	1,341,984	37,241,977	100.00 %
2013	35,707,481	34,513,231	96.66 %	901,118	35,414,349	99.18 %
2014	36,786,238	35,519,429	96.56 %	735,590	36,255,019	98.56 %

Sources: Oconee County Treasurer

OCONEE COUNTY, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General obligation bonds	\$ 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	\$ 17,839,292
Special source revenue bonds	716,394	640,977	-	-	-	3,500,000	3,500,000	3,315,000	3,125,000	2,993,000
Capital leases	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	2,987,997
Total Governmental Activities	<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>	<u>\$ 23,820,289</u>
Personal Income	\$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	\$2,519,026,000	\$2,600,607,000
Outstanding Debt to Personal Income	1.05 %	0.72 %	0.54 %	0.51 %	0.40 %	0.48 %	1.11 %	1.02 %	1.00 %	0.92 %
Population	70,581	71,490	72,407	73,089	73,829	74,273	74,300	74,418	74,627	75,045
Outstanding Debt Per Capita	\$ 280	\$ 196	\$ 156	\$ 154	\$ 127	\$ 146	\$ 345	\$ 327	\$ 338	\$ 317

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

OCONEE COUNTY, SOUTH CAROLINA

RATIO 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			
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
2014	75,045	521,294,691	17,839,292	1,095,802	16,743,390	3.21	%	223

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, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Direct debt:			
Oconee County direct debt	\$ 23,820,288	100.00 %	<u>\$ 23,820,288</u>
Overlapping debt:			
School District of Oconee County	41,245,000	100.00 %	41,245,000
Incorporated Municipalities:			
City of Westminster	2,537,283	1.19 %	30,194
Town of West Union	-	0.31 %	-
Town of Salem	-	0.14 %	-
City of Walhalla	347,174	1.49 %	5,173
City of Seneca	349,462	6.12 %	21,387
Special Purpose District:			
Emergency Services Protection District	-	90.75 %	-
Keowee Fire District	25,370	8.64 %	2,192
Total overlapping debt			<u>41,303,946</u>
Total direct and overlapping debt			<u>\$ 65,124,234</u>

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 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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assessed Value of Taxable Property	\$ 352,460,067	\$ 407,321,641	\$ 436,402,261	\$ 457,165,825	\$ 473,103,274	\$ 485,175,818	\$ 514,602,648	\$ 517,959,088	\$ 515,557,710	\$ 521,294,691
Legal Debt Limit*	\$ 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	\$ 41,703,575
Net Debt Applicable to Limit	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	15,982,948
Legal Debt Margin	<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>	<u>\$ 25,720,627</u>
Total net debt applicable to the limit as a percentage of debt limit	52.30 %	30.79 %	24.81 %	19.67 %	14.77 %	12.52 %	49.22 %	43.06 %	44.93 %	38.33 %

Legal Debt Margin Calculaiton for Fiscal Year 2014

Assessed valuation	\$ 521,294,691
Debt limit - 8 percent of total assessed value*	41,703,574
Debt applicable to limit:	
General obligation bonds	17,079,292
Less: amount set aside for repayment of general obligation bonds	<u>1,095,802</u>
Debt qualifying for margin	<u>15,983,490</u>
Legal debt margin	<u>\$ 25,720,084</u>

Source: Oconee County Auditor and Oconee County Treasurer

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.

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

OCONEE COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST FIVE FISCAL YEARS

2010 Special Source Revenue Bonds - Point West Project					
Year	Debt Service Requirements				
	Fee in Lieu of Taxes	Principal	Interest	Total	Coverage
2012	\$ 346,000	\$ 185,000	\$ 161,000	\$ 346,000	1.00
2013	342,490	190,000	152,490	342,490	1.00
2014	343,750	200,000	143,750	343,750	1.00

Source: Oconee County Administrative Services Department

Note: Bonds were issued in fiscal year 2010 with the first principle 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 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
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	2,519,026	24,075	10,567	44.0	9.7%
2014	75,045	2,600,607	34,848	10,525	43.2	5.7%

^{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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2014				2005			
Rank	Employer	Number of Employees	% of Employed	Rank	Employer	Number of Employees	% of Employed
1	School District of Oconee County	1,605	5.00 %	1	School District of Oconee County	1,650	6.41 %
2	Duke Energy Corporation	1,500	4.68 %	2	Duke Energy Corporation	1,357	5.27 %
3	Oconee Medical Center	1,370	4.27 %	3	Oconee Memorial Hospital	1,042	4.05 %
4	Borg Warner Torq Systems, Inc.	700	2.18 %	4	Itron, Inc.	855	3.32 %
5	U.S. Engine Valve Corporation	647	2.02 %	5	Dunlop Slazenger Group	600	2.33 %
6	Snhneider Electric - Square D	600	1.87 %	6	Schneider Electric - Square D	500	1.94 %
7	Itron, Inc	550	1.71 %	7	Oconee County Government	458	1.78 %
8	ITEKT/Koyo Bearings USA, Inc.	515	1.61 %	8	West Point Stevens, Inc.	400	1.55 %
9	Oconee County Government	450	1.40 %	9	Engelharh Corp. - Chemical Catalyst Group	360	1.40 %
10	Sandvik, Inc.	315	0.98 %	10	Timken U.S. Corp.	360	1.40 %
	Total Employed by Principal Employers	8,252			Total Employed by Principal Employers	7,582	
	Total Employed in Oconee County	32,082			Total Employed in Oconee County	25,756	

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government										
Administrative Services	0	0	0	0	0	0	0	0	0	11
Administrator	4	3	2	2	2	2	2	3	3	2
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	10	10	11	11	10	10	11	11	11	11
Finance	7	7	7	8	8	9	8	7	6	0
Human Resources	5	5	5	4	4	4	4	4	5	0
Information Technology	11	11	13	8	8	10	9	12	10	7
Planning	2	2	3	4	3	3	3	2	1	0
Procurement	5	4	4	3	3	3	3	3	2	2
Register of Deeds	5	5	5	5	5	4	4	4	4	4
Registration and Elections	2	2	2	2	2	2	2	2	2	2
Vehicle Maintenance	16	15	15	15	14	14	14	14	14	14
Assessor	13	14	14	18	21	17	18	18	18	18
Auditor	7	7	7	7	7	7	7	7	7	7
Delinquent Tax Collector	4	4	4	3	3	3	3	3	3	3
Treasurer	6	6	6	6	7	7	7	7	7	7
Total General Administration	<u>98</u>	<u>96</u>	<u>99</u>	<u>97</u>	<u>98</u>	<u>96</u>	<u>96</u>	<u>98</u>	<u>94</u>	<u>89</u>
Public Safety										
Animal Control	5	6	6	6	6	6	6	6	6	6
Building Codes	9	10	10	11	11	9	9	7	9	9
Communications	17	17	19	18	18	18	18	22	22	22
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	25	25	27	28	36	36	36	31	35	36
Emergency Services	4	3	3	3	16	12	13	20	3	3
Rural Fire	4	4	4	4	0	0	0	0	17	17
Sheriff's Office	83	84	88	87	89	90	87	88	91	91
Total Public Safety	<u>148</u>	<u>150</u>	<u>158</u>	<u>158</u>	<u>177</u>	<u>172</u>	<u>170</u>	<u>175</u>	<u>184</u>	<u>185</u>
Transportation										
Airport	5	5	5	5	5	5	5	4	4	4
Roads and Bridges	36	37	37	38	38	38	38	36	37	37
Total Transportation	<u>41</u>	<u>42</u>	<u>42</u>	<u>43</u>	<u>43</u>	<u>43</u>	<u>43</u>	<u>40</u>	<u>41</u>	<u>41</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities (Continued)										
Judicial Services										
Clerk of Court	10	10	10	11	10	10	10	10	10	11
Magistrate	10	9	9	9	9	9	9	9	9	9
Probate Court	5	5	5	5	6	6	7	6	6	6
Solicitor	6	6	7	7	8	10	10	10	10	10
Total Judicial Services	<u>31</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>35</u>	<u>36</u>	<u>35</u>	<u>35</u>	<u>36</u>
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	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	49	43	43	42	39	36	36	36	36	38
Total Public Works	<u>50</u>	<u>44</u>	<u>44</u>	<u>43</u>	<u>40</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>39</u>
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	18
Parks, Recreation, and Tourism	15	10	13	13	13	14	13	13	13	14
Total Culture and Recreation	<u>33</u>	<u>28</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>32</u>	<u>31</u>	<u>31</u>	<u>31</u>	<u>32</u>
Economic Development	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>2</u>	<u>4</u>
Total Governmental Activities	<u>407</u>	<u>396</u>	<u>411</u>	<u>410</u>	<u>428</u>	<u>421</u>	<u>420</u>	<u>424</u>	<u>428</u>	<u>430</u>
Business- Type Activities										
Rock Quarry	18	17	17	16	16	16	16	15	15	17
FOCUS	18	17	17	16	16	0	0	0	0	3
Total Business- Type Activities	<u>36</u>	<u>34</u>	<u>34</u>	<u>32</u>	<u>32</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>20</u>
Total Primary Government	<u>443</u>	<u>430</u>	<u>445</u>	<u>442</u>	<u>460</u>	<u>437</u>	<u>436</u>	<u>439</u>	<u>443</u>	<u>450</u>

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
County Council										
Regular meetings	24	24	24	22	24	22	24	30	21	22
Special meetings	6	6	8	15	14	15	14	12	9	7
Finance										
Accounts payable disbursements	10,100	9,541	10,516	10,767	10,939	10,869	10,338	10,775	10,024	10,746
Payroll disbursements	11,858	11,530	12,532	12,753	12,298	12,427	13,103	12,606	12,513	13,548
Human resources										
Applications processed	2,182	1,656	2,568	2,621	2,832	3,148	3,300	2,321	2,652	1,531
Terminations	80	72	72	62	90	108	115	97	105	64
Planning										
Land use/subdivision reviews	N/A	N/A	154	156	209	150	278	400	400	450
Procurement										
Number of requests for proposals (RFP)	6	8	2	7	8	8	5	11	13	15
Number of purchase orders	712	698	875	1,020	1,002	1,002	1,180	872	846	820
Register of Deeds										
Recorded documents	21,758	23,884	23,458	20,226	15,832	15,832	16,229	15,502	16,746	16,262
Registration and elections										
Current registered voters	36,076	38,391	39,244	44,233	50,000	46,785	N/A	44,844	47,000	50,000
Vehicle maintenance										
Repair orders processed	2,800	2,421	2,640	2,600	1,272	1,272	2,610	2,420	2,311	2,225
Assessor										
Assessment appeals processed	800	6,500	6,500	800	500	1,205	6,200	1,200	1,274	730
Auditor										
Real estate, vehicle, and business property notices	N/A	N/A	141,037	145,712	148,031	156,190	159,000	150,500	150,169	146,324
Temporary tags	N/A	N/A	1,272	1,223	1,167	1,144	1,040	1,200	1,284	1,071
Board of assessment and appeals										
Appeals filed	7	8	131	180	100	25	61	N/A	15	7
Hearings held	2	3	25	N/A	29	6	30	38	4	5
Delinquent tax collector										
Records processed	5,094	5,955	9,085	6,892	7,551	8,080	8,645	6,805	6,216	6,680
Treasurer										
Tax notices mailed	145,900	141,805	129,137	N/A	N/A	N/A	151,974	152,011	175,572	193,569

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Animal Control										
Animals received	5,198	5,234	5,198	5,433	5,434	5,241	5,300	4,000	4,000	4,416
Animals adopted	N/A	N/A	721	767	965	1,029	1,200	1,000	1,000	1,079
Building codes										
Permits issued	2,197	2,100	1,667	2,207	1,338	1,000	1,076	1,208	1,185	1,483
Coroner ⁽¹⁾										
Deaths	329	362	366	496	547	559	560	575	677	641
Detention Center										
Average daily population	118	130	139	154	159	159	161	149	129	135
Emergency services⁽¹⁾										
Medical rescue call reponses	4,511	4,538	4,457	4,379	4,509	4,521	4,090	4,800	5,129	5,022
Special rescue call responses	32	36	29	31	62	53	30	10	27	31
Fire call responses	2,278	2,254	1,812	1,306	2,133	3,330	N/A	N/A	5,800	4,660
Hazardous material call responses	N/A	N/A	N/A	N/A	N/A	32	20	N/A	N/A	20
Sheriff's office										
Service calls	N/A	N/A	N/A	48,000	37,666	6,023	35,519	41,257	48,570	45,477
Arrest warrants served	2,236	3,840	3,548	3,382	3,700	3,700	3,407	3,056	3,217	3,353
Transportation										
Roads and bridges										
Work orders	1,900	2,514	4,849	2,775	6,938	6,938	7,262	6,847	8,709	16,015
Tons of gravel hauled	35,006	42,007	42,007	42,400	32,763	32,263	44,198	41,399	29,873	19,995
Judicial services										
Clerk of court										
Foreclosure auctions	177	138	138	118	63	393	420	300	237	201
Cases processed	7,130	6,769	6,769	6,810	3,966	6,147	6,810	5,450	5,603	3,069
Magistrate										
Municipal arrest warrants	5,524	4,753	5,526	6,670	1,162	2,236	2,034	1,730	7,796	1,067
Municipal traffic ticket cases	9,996	10,297	9,764	11,752	7,250	14,903	13,461	10,305	1,632	9,915

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Health and Welfare										
Department of social services										
Food stamps cases	2,460	2,787	2,975	3,100	3,800	4,390	4,450	5,223	5,223	5,006
Child protective services investigations	271	331	368	310	213	259	270	175	175	318
Public works										
Solid waste										
Municipal solid waste (MSW) tons	39,641	36,880	35,816	37,773	36,779	36,779	34,101	36,794	36,632	36,982
Construction and demolition (C&D) tons	20,393	19,594	23,440	25,014	21,308	21,308	17,905	19,299	14,870	16,023
Culture and recreation										
Library										
Computer users	20,143	25,344	27,880	39,838	44,556	54,441	59,330	54,000	57,095	54,459
Registered patrons	38,329	41,665	33,131	33,428	32,941	37,370	41,258	42,267	49,125	44,640
Enterprise fund										
Rock quarry										
Tons shot	479,907	481,097	489,316	552,517	499,084	392,630	450,000	480,000	477,732	497,295
Tons sold/used	446,835	488,917	435,554	493,165	452,608	497,819	458,000	460,000	421,886	418,632

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

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013	2014
General Government										
Nondepartmental										
Buildings	4	4	4	4	4	4	4	4	4	4
Heavy equipment	5	5	5	5	5	3	3	3	3	4
Land (acres)	18.379	18.379	18.379	18.379	18.379	18.379	18.379	18.379	18.379	18.846
Vehicles	41	41	47	45	58	48	46	48	39	37
Culture and Recreation										
Non-Departmental										
Buildings	1	1	1	1	1	-	-	-	-	-
Land (acres)	0.75	0.75	0.75	0.75	0.75	-	-	-	-	-
Library										
Building - Branches	3	3	3	3	3	3	3	3	3	3
Land (acres)	3.171	3.171	3.171	3.17	3.171	3.171	3.291	3.291	3.291	3.291
Vehicles	1	1	1	2	2	2	2	2	3	3
Parks, Recreation, and Tourism										
Buildings	17	18	18	18	18	18	17	18	18	18
Heavy equipment	3	3	3	4	4	4	5	5	5	4
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171
Vehicles	10	10	10	12	10	12	12	10	12	14
Economic Development										
Economic Development										
Buildings	1	1	1	1	1	1	2	2	2	1
Land (acres)	0.5	0.5	0.5	0.5	0.5	0.5	3.33	3.33	3.33	2.831
Vehicles	1	1	1	1	1	1	1	1	1	1
Industrial Development Land										
for Resale (acres)										
Land - Echo Hills Commerce Park	-	-	-	-	-	-	407	406.71	398.11	397.16
Land - Golden Corner Commerce Center Park	-	397.226	397.226	397.226	397.226	397.226	397.226	397.226	366.800	360.870
Land - Oconee County Commerce Center	33.17	33.17	33.17	33.17	33.17	33.17	33.17	33.17	13.38	13.38
Land - Propex	-	-	-	-	-	-	-	111.082	111.082	111.082

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013	2014
Health and Welfare										
Nondepartmental										
Buildings	-	-	-	-	-	-	-	-	1	3
Health clinic	1	1	1	1	1	1	1	1	1	6
Nursing home	1	1	1	1	1	1	1	1	1	-
Other	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
Function/Program										
Department of Social Services										
Buildings	-	-	1	1	1	1	1	1	1	1
Land (acres)	-	-	9.472	9.472	9.472	9.472	9.472	9.742	9.742	9.742
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	2	2
Land (acres)	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785
Magistrate										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
Vehicles	2	2	2	2	2	2	2	2	2	3
Solicitor										
Vehicles	1	1	1	2	1	2	2	1	1	1
Public Safety										
Nondepartmental										
Buildings	3	3	4	4	4	4	4	3	7	7
Land (acres)	11.486	11.486	11.486	11.486	11.486	11.486	11.710	11.710	39.115	39.675
Vehicles	2	2	3	3	1	9	11	9	9	9

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013	2014
Animal Control										
Buildings	1	1	1	1	2	2	2	2	2	2
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Vehicles	6	6	6	8	8	8	8	9	5	6
Coroner										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Vehicles	1	1	2	2	1	1	1	1	1	1
Emergency/Fire Services¹										
Buildings	2	2	2	2	2	2	2	2	2	6
Patrol boats	1	1	3	3	3	3	3	3	8	8
Vehicles	77	85	82	87	91	96	103	110	114	121
Sheriff's Department										
Aircraft	-	-	-	-	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	1	2	2
Patrol boats	1	1	1	1	1	2	2	2	5	5
Vehicles	82	94	106	118	120	122	119	118	123	136
<u>Function/Program</u>										
Public Waste										
Solid Waste^{2,3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Construction and demolition (C&D) landfill	1	1	1	1	1	1	1	1	1	1
Heavy equipment	10	10	12	15	16	16	16	17	56	64
Vehicles	14	15	15	16	16	17	16	18	15	15
Transportation										
Airport										
Buildings	5	5	5	5	5	4	4	4	4	5
Heavy equipment	-	-	-	1	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	5	6	7	7	6	6	6	6	7
Roads and Bridges										
Buildings	2	2	4	4	4	4	4	4	4	4
Heavy equipment	37	37	38	45	49	54	55	62	60	64
Land (acres)	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	312.864
Vehicles	45	45	47	53	53	49	51	46	45	48

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year									
	2005	2006	2007 ¹	2008	2009	2010	2011	2012	2013	2014
Enterprise Funds										
FOCUS										
Vehicles	-	-	-	-	-	-	-	1	1	1
Rock Quarry										
Buildings	4	4	4	4	4	4	4	3	3	3
Heavy equipment	21	21	21	24	25	18	19	18	17	17
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	28.118	29.098
Vehicles	12	11	12	13	15	10	12	12	11	10

Source: Oconee County Administrative Services

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

¹ During fiscal year 2007-2008, Solid waste was reclassified from an enterprise fund to the General Fund under the General Government function.

¹ 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

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**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***

**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, 2014, 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 30, 2014. Our report 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 of the financial statements, we considered Oconee County, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Oconee County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Oconee County, South Carolina's internal control.

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

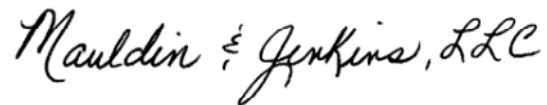
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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

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

Macon, Georgia
December 30, 2014



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

**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, 2014. 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, 2014.

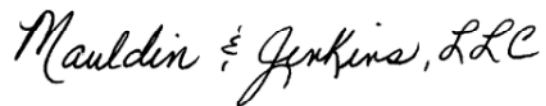
Report on Internal Control Over Compliance

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.



Macon, Georgia
December 30, 2014

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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)			
Schools and Roads - Grants to States	10.665	n/a	\$ 204,043
Schools and Roads - Grants to States	10.665	n/a	36,008
(Passed through the SC Dept of Social Services)			
State Administration Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5SC400407	22,618
Total U.S. Department of Agriculture			262,669
<u>U.S. Department of Justice</u>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2012-DJ-BX-1156	3,174
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013-DJ-BX-0707	21,652
Total U.S. Department of Justice			24,826
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	3-45-0016-020-2014	26,766
(Passed through the SC Department of Public Safety)			
State and Community Highway Safety	20.600	2JC13010	8,548
State and Community Highway Safety	20.600	2JC14010	2,266
(Passed through the SC Office of Adjutant General)			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0334-13-01	264
Total U.S. Department of Transportation			37,844
<u>Institute of Museum and Library Services</u>			
(Passed through the SC State Library)			
Grants to States	45.310	IID-10-25	147
Grants to States	45.310	IIIA-12-07	50
Grants to States	45.310	IIIA-12-17	685
Grants to States	45.310	IIIA-13-101	1,921
Grants to States	45.310	IIIA-13-09	1,000
Grants to States	45.310	IID-12-308	250
Grants to States	45.310	IID-13-135	1,000
Total Institute of Museum and Library Services			5,053
<u>U.S. Department of Homeland Security</u>			
(Passed through the SC Emergency Management Division)			
Emergency Management Performance Grants	97.042	13EMPG01	33,729
Emergency Management Performance Grants	97.042	12EMPG01	11,195
Homeland Security Grant Program	97.067	11CCP01	9,000
Total U.S. Department of Homeland Security			53,924

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
<u>U.S. Department of the Interior</u>			
(Passed through the SC National Heritage Corridor)			
Historic Preservation Fund Grants-In-Aid	15.904	P28052905113	\$ 26,743
Total U.S. Department of the Interior			26,743
<u>U.S. Department of Health and Human Services</u>			
(Passed through the SC Dept of Health and Environmental Control)			
<u>Hospital and Public Health Emergency Preparedness</u>			
<u>Aligned Cooperative Agreements</u>	93.074	5U90TP000551-02	14,320
(Passed through the SC Department of Social Services)			
Child Support Enforcement - Transaction Reimbursement	93.563	G1401SC1401	115,833
Child Support Enforcement - Incentive	93.563	G1401SC1401	4,219
Child Support Enforcement - Service of Process	93.563	G1401SC1401	11,319
Child Support Enforcement - Filing Fees	93.563	G1401SC1401	21,900
Promoting Safe and Stable Families	93.563	G1310SCFPSS	238
Temporary Assistance for Needy Families	93.558	G1402SCTANF	20,646
Child Support Enforcement	93.563	G1401SC1401	64
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G1404SC1400	532
Foster Care - Title IV-E	93.658	G1401SC1401	13,184
Social Services Block Grant	93.667	G1402SCSOSR	8,728
Medical Assistance Program	93.778	n/a	21,151
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G1401SCCCDF	275
Non-Federal Other	n/a	n/a	4,694
Total U.S. Department of Health and Human Services			237,103
Total Expenditure of Federal Awards			\$ 648,162

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 accrual basis of accounting. 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*.

NOTE II. MEASUREMENT FOCUS

The determination of when an award is expended is based on when the activity related to the award occurred.

NOTE III. PROGRAM TYPE DETERMINATION

Type A programs are defined as federal programs with federal expenditures exceeding the larger of \$300,000 or three percent of total federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

NOTE III. METHOD OF MAJOR PROGRAM SELECTION

The risk based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended June 30, 2014.

NOTE IV. SUBRECIPIENTS

During the fiscal year ended June 30, 2014, the County did not pass any funds through to subrecipients.

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:
Material weaknesses identified? ___ yes X no

Significant deficiencies identified not considered to be material weaknesses? ___ yes X none reported

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

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

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.563	U.S. Department of Health and Human Services – Child Support Enforcement
10.665	U.S. Department of Agriculture – Schools and Roads - Grants to States

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

Auditee qualified as low-risk auditee? ___ yes X no

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS

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.

Status: Resolved

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.

Status: Resolved

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.

Status: Resolved

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS (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.

Status: Resolved