

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

Prepared by
Department of Finance

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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INTRODUCTORY SECTION

T. Scott Moulder

County Administrator

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



December 8, 2015

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, 2015, is hereby submitted pursuant to South Carolina Code of Laws, Title 4, Chapter 9, Section 150. The CAFR is intended to present the financial activity of the County for the fiscal year and the financial condition of the County as of June 30, 2015. This CAFR provides a fair presentation of the County's financial position and changes in financial position in accordance with the standards promulgated by the Governmental Accounting Standards Board (GASB).

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

In compliance with the laws of the State of South Carolina, the County's financial statements have been audited by Mauldin & Jenkins, Certified Public Accountants. The auditors issued an unmodified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2015. The independent auditors' report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Oconee County, incorporated in 1868, is located in the northwest corner of South Carolina in the scenic Blue Ridge foothills and mountains. Five incorporated municipalities exist within the 625 square miles of the County. Oconee County is empowered to levy a property tax on both real and personal property located within its boundaries in order to provide services to a population of approximately 75,045.

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 2014 to June of 2015, the county unemployment remained the same at 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 workforce remains around 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 necessary infrastructure projects, including water and waste water to support the Golden Corner Commerce Park located in the southern 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 projects 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 year 2015, 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 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 of 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 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, plastics, 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 a Capital Projects Advisory Committee, which has been charged with prioritizing proposed future large capital projects and making recommendations to Council. This committee is composed of a Council representative, the County Administrator, a representative from the Infrastructure Advisory Committee, and two citizen representatives. In addition to the voting members, a representative from the Planning Commission and the County's finance, facilities and planning directors serve in a non-voting advisory role. At present, the County is pursuing a strategic goal of using funds on projects that are predominately beneficial to local and regional economy.

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

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

During fiscal year 2015, the county invested very heavily in economic development to provide a backbone of infrastructure to the southern 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.

Financial Policies

The County's financial policies were created with the general purpose of enabling the County to achieve a long-term stable and positive financial condition. Below are some of the relevant financial policies:

- Fund Balance Reserve Policy – 25 to 30 % of regular general fund expenditures.
- Multi-Year Financial Forecasting – County Capital Improvement Plan must be updated and adopted on an annual basis.
- Quarterly Financial Recording and Monitoring – County Finance Department will provide Council with quarterly financial reports.
- Financial Accounting Award – Finance Department will prepare and submit the comprehensive annual financial report to the Governmental Finance Officers Association each year, for the award of excellence.
- Budgeting Award – Finance Department will prepare and submit the budget document to the Governmental Finance Officers Association each year, for the award of excellence.

Financial management is a crucial component of credit analysis at all levels of government, and a favorable credit rating is essential for the County in planning for the future.

Awards and Acknowledgements

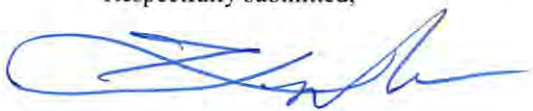
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oconee County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

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

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

GFOA awarded Oconee County a Distinguished Budget Award for the budget for the fiscal year beginning July 1, 2014. The County is proud of this recognition and believes this demonstrates to the Citizens of Oconee County how committed the County Council, Administration, and Staff are to achieving excellent financial results by properly planning and executing operational and capital plans in an orderly and professional manner.

Respectfully submitted,



T. Scott Moulder
County Administrator



Ladale V. Price
Director of Finance



Government Finance Officers Association

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

Presented to

**Oconee County
South Carolina**

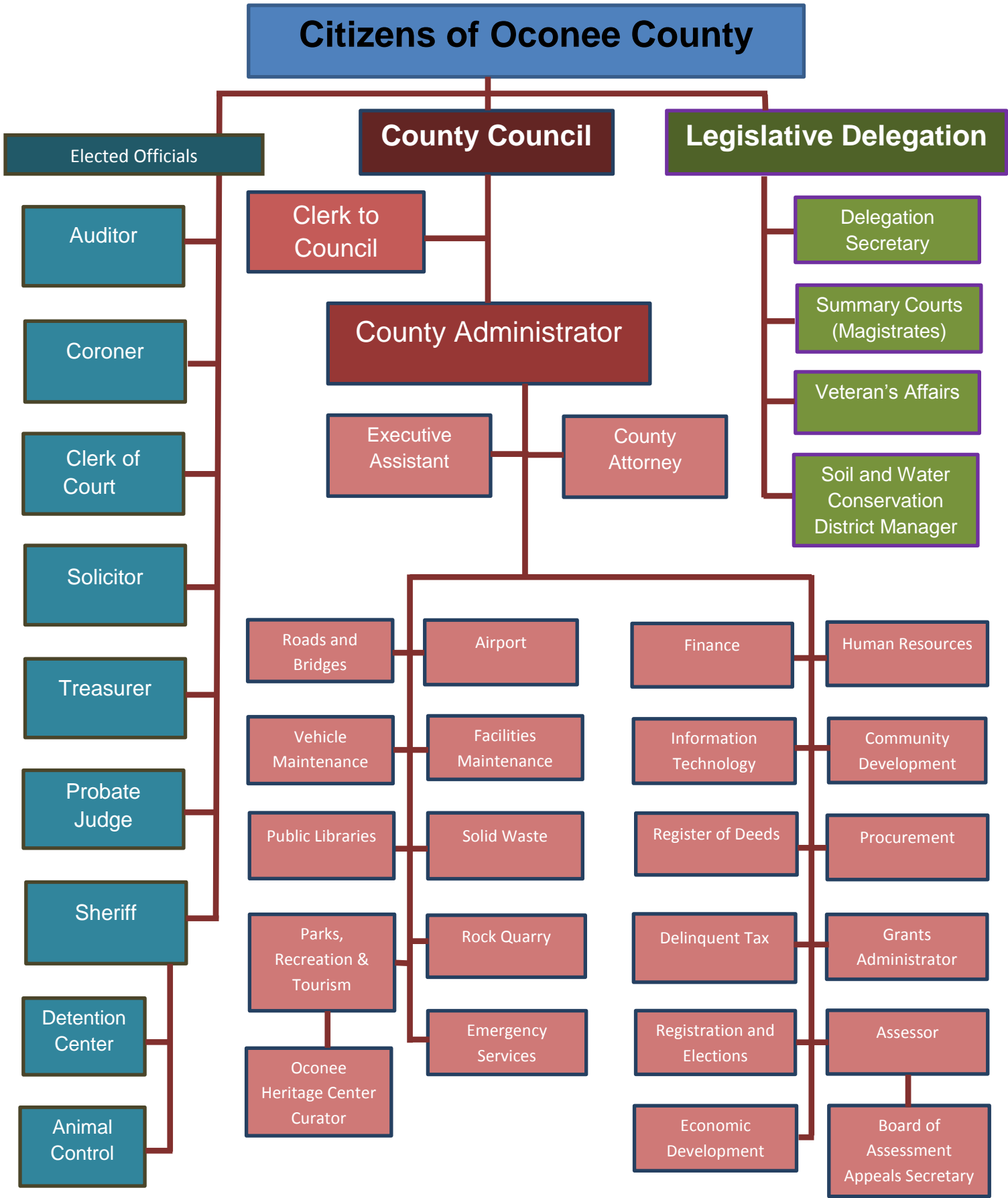
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014



Executive Director/CEO

Oconee County Organization Chart



OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL COUNTY OFFICIALS JUNE 30, 2015

MEMBERS OF COUNTY COUNCIL

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

LEGISLATIVE DELEGATION

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

APPOINTED OFFICIAL

T. Scott Moulder	County Administrator
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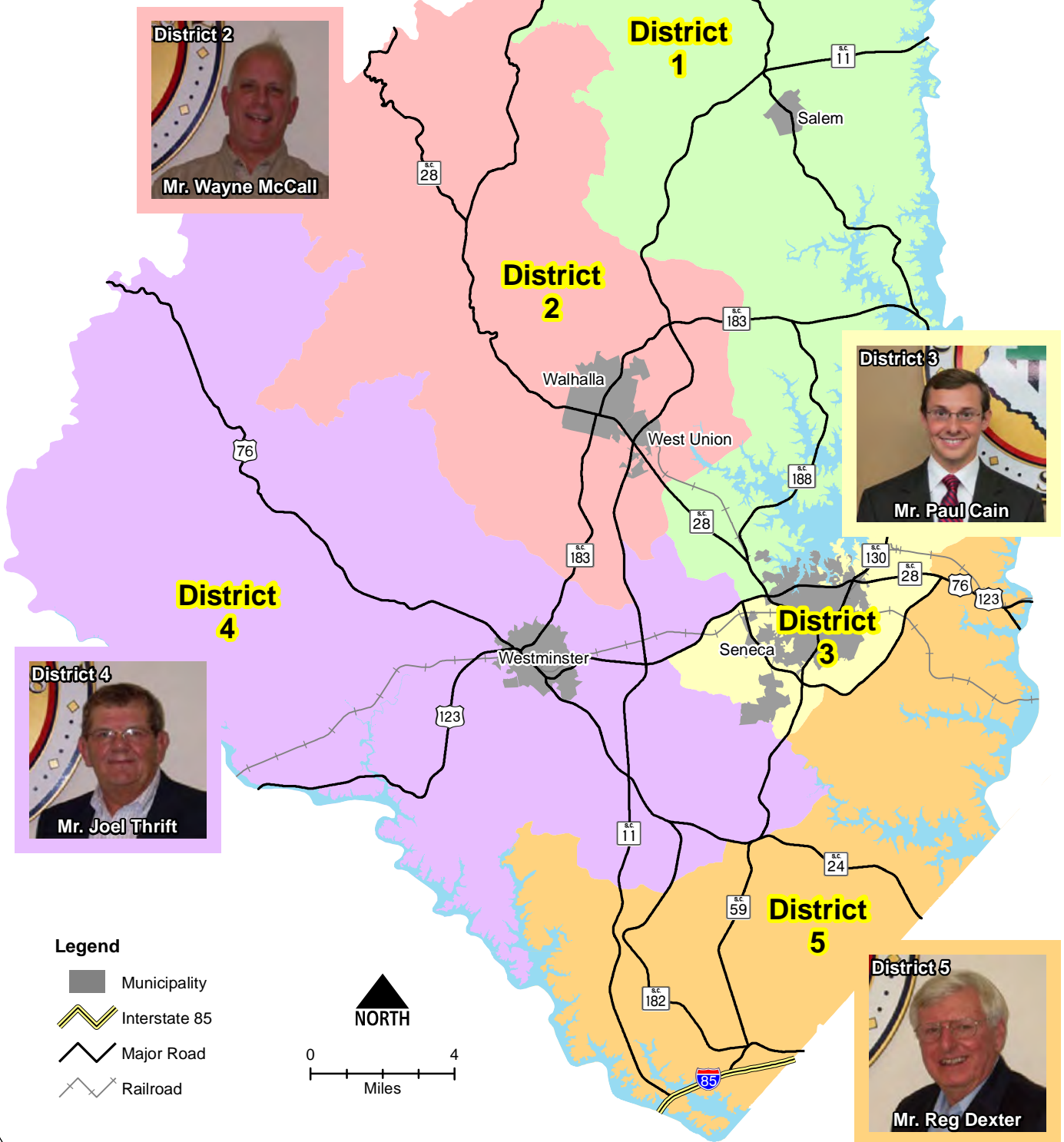
Oconee County
SOUTH CAROLINA



County Council Districts
and Representatives

FY2015-2016

Map 1



District 1



Mrs. Edda Cammick

District 2



Mr. Wayne McCall

District 3



Mr. Paul Cain

District 4



Mr. Joel Thrift

District 5



Mr. Reg Dexter

Legend

- Municipality
- Interstate 85
- Major Road
- Railroad



0 4
Miles

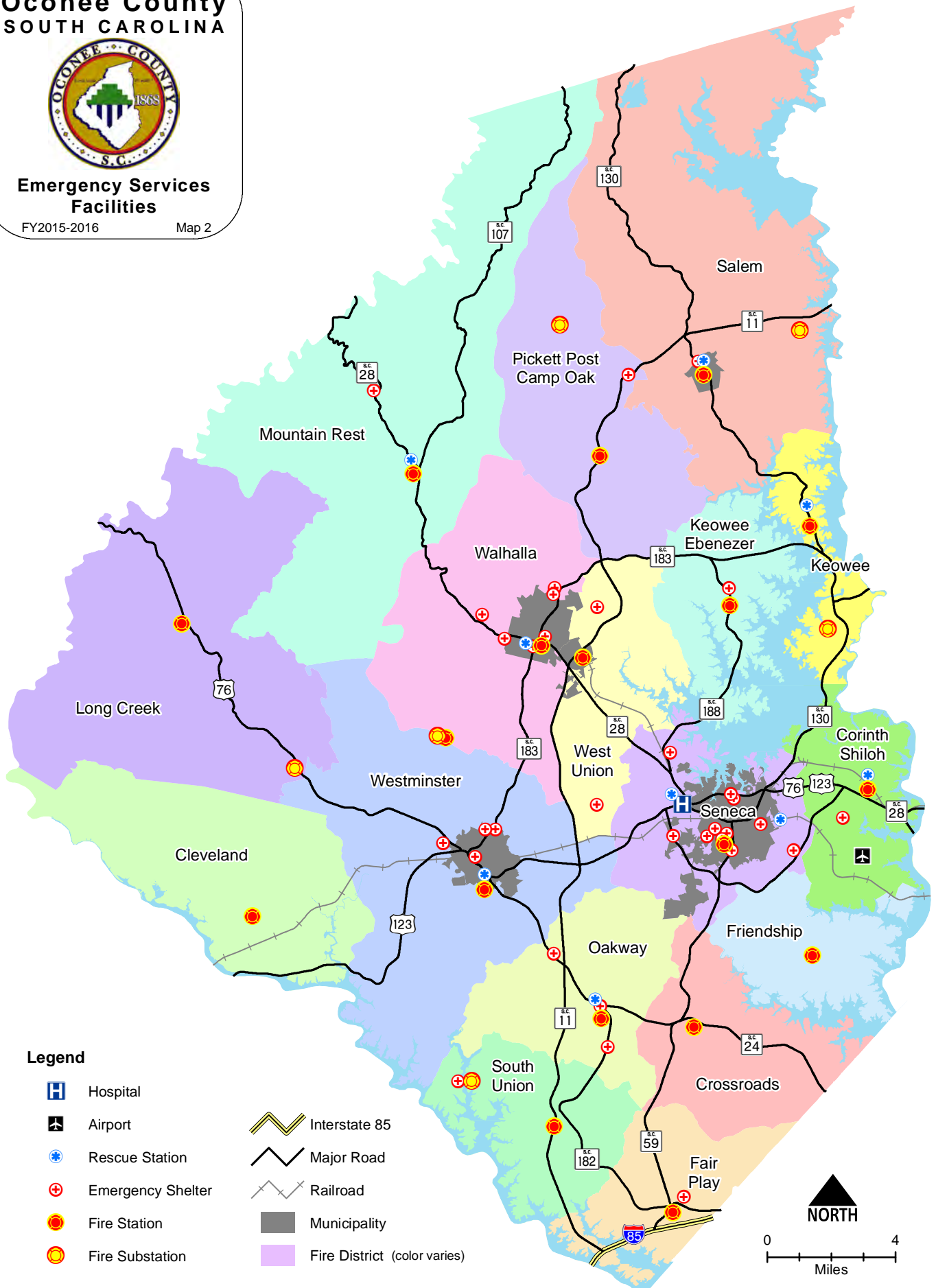
Oconee County SOUTH CAROLINA



Emergency Services Facilities

FY2015-2016

Map 2



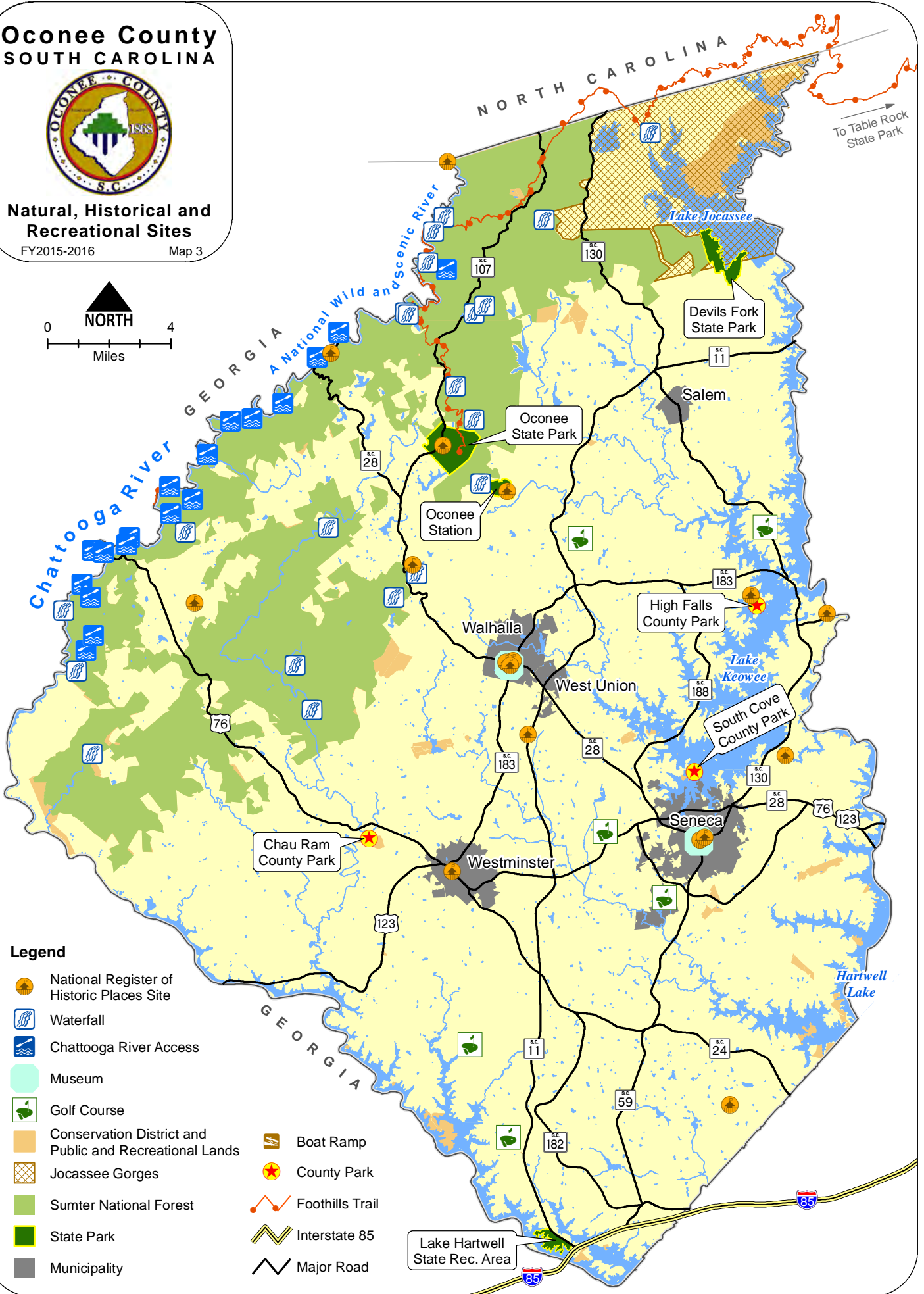
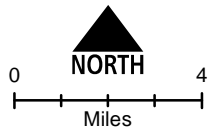
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY2015-2016

Map 3



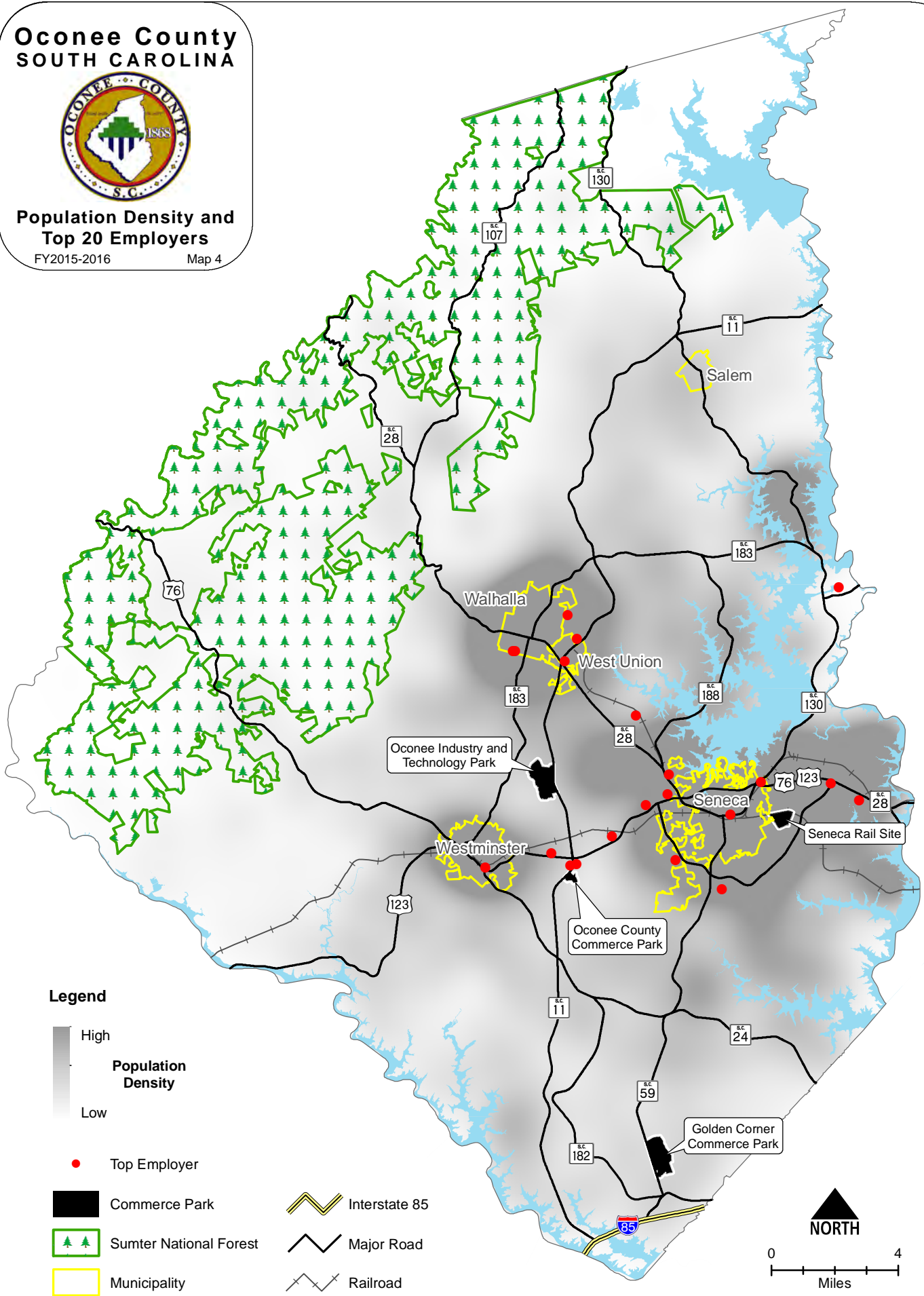
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY2015-2016

Map 4



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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Oconee County, South Carolina** (the "County"), as of and for the year ended June 30, 2015, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the 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 8, 2015, on our consideration of Oconee County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, South Carolina's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia
December 8, 2015

OCONEE COUNTY, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Oconee County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2015. Please read the information presented here in conjunction with additional information presented with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The County implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pension*, which required a restatement of beginning net position in the governmental activities and business-type activities in the amounts of \$30,556,116 and \$1,416,108, respectively.
- Oconee County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources as of June 30, 2015 by \$128,573,480, which was an increase from the prior year of 1.9 percent. The County's deficit unrestricted net position was \$7,426,652.
- The County's governmental activities reported an increase in net position of \$3,560,446 resulting from the fiscal year 2015 activity. Net position of the business-type activities decreased \$1,176,414 due to the fiscal year 2015 activity. Overall the County's net position increased \$2,384,032.
- During the year, the County had expenditures in governmental activities that were \$2,810,446 less than the \$54,219,572 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$680,770 more than the prior year revenues (before transfers) as reflected in the Changes in Net Position Figure 2.
- The General Fund reported a decrease in fund balance of \$699,494 resulting from fiscal year 2015 activity, resulting in an ending fund balance of \$21,433,470.
- In the General Fund, actual revenue sources available for appropriation were \$706,426 less than anticipated primarily due to property tax revenue, intergovernmental revenue and charges for services. Actual expenditures were \$1,009,307 less than the final budgeted expenditures. Further, actual revenues were \$1,579,588 less than actual expenditures.

USING THIS ANNUAL REPORT

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

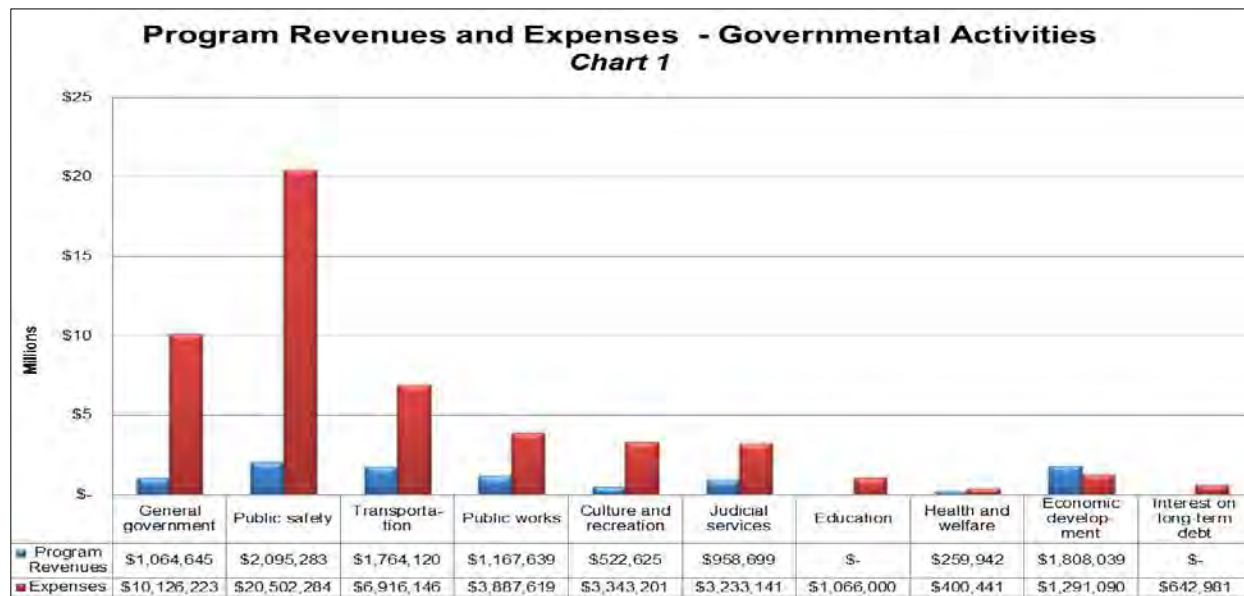
As noted earlier, net position may serve over time as one of the most useful indicators of a government's financial condition. The government-wide financial statements for the fiscal year ended June 30, 2015 display combined net position of \$128.6 million, or 1.9 percent above June 30, 2014. The largest portion of the net position (102.2 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 (3.4 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net position (-5.8 percent) is unrestricted net position, with a negative balance of \$7.4 million at June 30, 2015. Unrestricted net position includes \$8,566,242 of assets held for development that are not available to satisfy the obligations of the County because those assets are to be donated for economic development in the County.

Oconee County's Net Position Figure 1						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 46,951,869	\$ 57,981,781	\$ 3,262,074	\$ 3,268,527	\$ 50,213,943	\$ 61,250,308
Capital assets	132,178,534	120,863,588	15,676,314	15,418,889	147,854,848	136,282,477
Total assets	\$ 179,130,403	\$ 178,845,369	\$ 18,938,388	\$ 18,687,416	\$ 198,068,791	\$ 197,532,785
Deferred charge on refunding	\$ 8,897	\$ 22,242	\$ -	\$ -	\$ 8,897	\$ 22,242
Pension - South Carolina Retirement System	1,794,436	1,174,583	122,655	80,286	1,917,091	1,254,869
Pension - South Carolina Police Officers' Retirement System	1,112,208	791,950	-	-	1,112,208	791,950
Total deferred outflows of resources	\$ 2,915,541	\$ 1,988,775	\$ 122,655	\$ 80,286	\$ 3,038,196	\$ 2,069,061
Long-term liabilities	\$ 26,623,777	\$ 30,000,221	\$ 7,071,997	\$ 6,250,188	\$ 33,695,774	\$ 36,250,409
Other liabilities	35,021,003	36,900,761	788,080	261,228	35,809,083	37,161,989
Total liabilities	\$ 61,644,780	\$ 66,900,982	\$ 7,860,077	\$ 6,511,416	\$ 69,504,857	\$ 73,412,398
Pension - South Carolina Retirement System	\$ 1,771,607	\$ -	\$ 121,094	\$ -	\$ 1,892,701	\$ -
Pension - South Carolina Police Officers' Retirement System	1,135,949	-	-	-	1,135,949	-
Total deferred inflows of resources	\$ 2,907,556	\$ -	\$ 121,094	\$ -	\$ 3,028,650	\$ -
Net position:						
Net investment in capital assets	\$ 115,776,114	\$ 98,724,529	\$ 15,676,314	\$ 15,418,889	\$ 131,452,428	\$ 114,143,418
Restricted	4,547,704	3,974,459	-	-	4,547,704	3,974,459
Unrestricted (deficit)	(2,830,210)	11,234,174	(4,596,442)	(3,162,603)	(7,426,652)	8,071,571
Total net position	\$ 117,493,608	\$ 113,933,162	\$ 11,079,872	\$ 12,256,286	\$ 128,573,480	\$ 126,189,448

Oconee County's Changes in Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 5,220,956	\$ 5,124,232	\$ 4,644,528	\$ 3,438,048	\$ 9,865,484	\$ 8,562,280
Operating grants and contributions	1,888,624	1,925,061	-	-	1,888,624	1,925,061
Capital grants and contributions	2,531,412	2,022,895	-	-	2,531,412	2,022,895
General revenues:						
Property taxes	40,208,079	39,926,946	-	-	40,208,079	39,926,946
Other taxes	883,996	843,741	-	-	883,996	843,741
Grants and contributions not restricted to specific programs	2,760,812	2,743,615	-	-	2,760,812	2,743,615
Interest income	521,943	483,260	13,883	143	535,826	483,403
Miscellaneous	-	-	-	-	-	-
Proceeds from Legal Settlement	-	-	-	-	-	-
Gain on sale of capital assets	-	-	-	-	-	-
Insurance recoveries	203,750	-	-	-	203,750	-
Total revenues	\$ 54,219,572	\$ 53,069,750	\$ 4,658,411	\$ 3,438,191	\$ 58,877,983	\$ 56,507,941
Program expenses						
General government	\$ 10,126,223	\$ 10,047,351	\$ -	\$ -	\$ 10,126,223	\$ 10,047,351
Public safety	20,502,284	20,131,431	-	-	20,502,284	20,131,431
Transportation	6,916,146	8,008,004	-	-	6,916,146	8,008,004
Public works	3,887,619	3,897,503	-	-	3,887,619	3,897,503
Culture and recreation	3,343,201	3,213,785	-	-	3,343,201	3,213,785
Judicial services	3,233,141	3,046,553	-	-	3,233,141	3,046,553
Education	1,066,000	1,041,785	-	-	1,066,000	1,041,785
Health and welfare	400,441	1,057,650	-	-	400,441	1,057,650
Economic development	1,291,090	2,454,331	-	-	1,291,090	2,454,331
Interest and fiscal charges	642,981	852,127	-	-	642,981	852,127
FOCUS	-	-	2,324,110	1,606,703	2,324,110	1,606,703
Rock quarry	-	-	2,760,715	2,727,275	2,760,715	2,727,275
Total expenses	\$ 51,409,126	\$ 53,750,520	\$ 5,084,825	\$ 4,333,978	\$ 56,493,951	\$ 58,084,498
Excess (deficiency) before transfers	\$ 2,810,446	\$ (680,770)	\$ (426,414)	\$ (895,787)	\$ 2,384,032	\$ (1,576,557)
Transfers	750,000	1,583,009	(750,000)	(1,583,009)	-	-
Increase (decrease) in net position	\$ 3,560,446	\$ 902,239	\$ (1,176,414)	\$ (2,478,796)	\$ 2,384,032	\$ (1,576,557)



The Statement of Activities on page 17 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, increased to \$58.9 million, or 4.2 percent, from the prior year.

Certain County programs are authorized to charge for services provided to its constituents. For the County as a whole, the charges for services increased 15.2 percent, or \$1.3 million, from fiscal year 2014 to fiscal year 2015. 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 decreased from the prior year by \$36,437 (1.9 percent). This decrease is due to the governmental activities general government, culture and recreation and economic development programs. Capital grants and contributions fund the purchase of capital assets and improvements. During 2015, the County received \$2.5 million in capital grants compared to the \$2 million received for fiscal year 2014, a 25.1 percent increase. The majority of this increase pertains to the transportation and economic development programs. Property tax revenues increased by \$281,133 (0.7 percent).

The total governmental and business-type activities program expenses decreased \$1.6 million, which is composed primarily of decreases in economic development (\$1,163,241), transportation (\$1,091,858), health and welfare (\$657,209) and interest on long-term debt (\$209,146) offset by increases in FOCUS (\$717,407), public safety (\$370,853), judicial services (\$186,588), culture and recreation (\$129,416), general government (\$78,872), Rock Quarry (\$35,135), and education (\$24,215). The decrease in economic development expenses resulted from the construction progress being impeded by slow approval of the federal grants to fund the further development of the waste water treatment facilities for the Golden Corner Commerce Park (GCCP). FOCUS expenses increased mainly due to professional services and employee salaries and fringe benefits. The net revenue, (difference between program revenues and program expenses), for all programs and services increased \$4.0 million from the previous year, due to the decreased expenses noted.

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

Governmental Activities

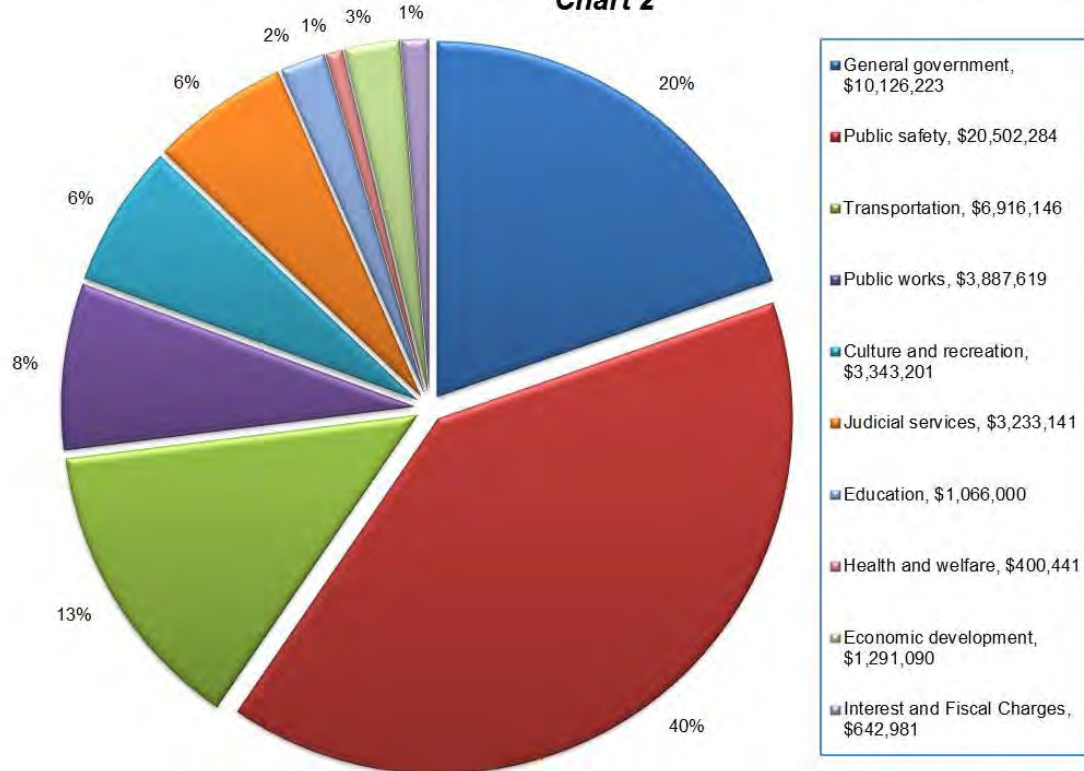
Net position of the County's governmental activities increased from 2014 to 2015. This \$3,560,446 increase is due to increased revenues and decreased expenditures in 2015 as compared to 2014. The governmental activities unrestricted net position at June 30, 2015 totaled a negative \$2.8 million, a decrease from the prior year of \$14.1 million. This significant decrease is the result of the implementation of GASB 68 during the year. Additionally, the fiscal year 2015 total net position from the governmental activities operations included an increase in the restricted net position of \$573,245. Furthermore, the net investment in capital assets increased by \$17.1 million.

The cost of all governmental activities this year was \$51.4 million compared to \$53.8 million last year due mainly to the decrease in economic development and transportation.

The amount that our taxpayers paid in County property taxes to finance the governmental activities was \$40.2 million. Some operating costs were paid either by those who directly benefited from the services offered (\$5.2 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$4.4 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, increased marginally from \$9.1 million in 2014 to \$9.6 million in 2015. Both the transportation and economic development programs capital grants and contributions increased as a result of state and federal funding opportunities with initiatives that provide infrastructure improvements and job growth and encourage economic development in the County.

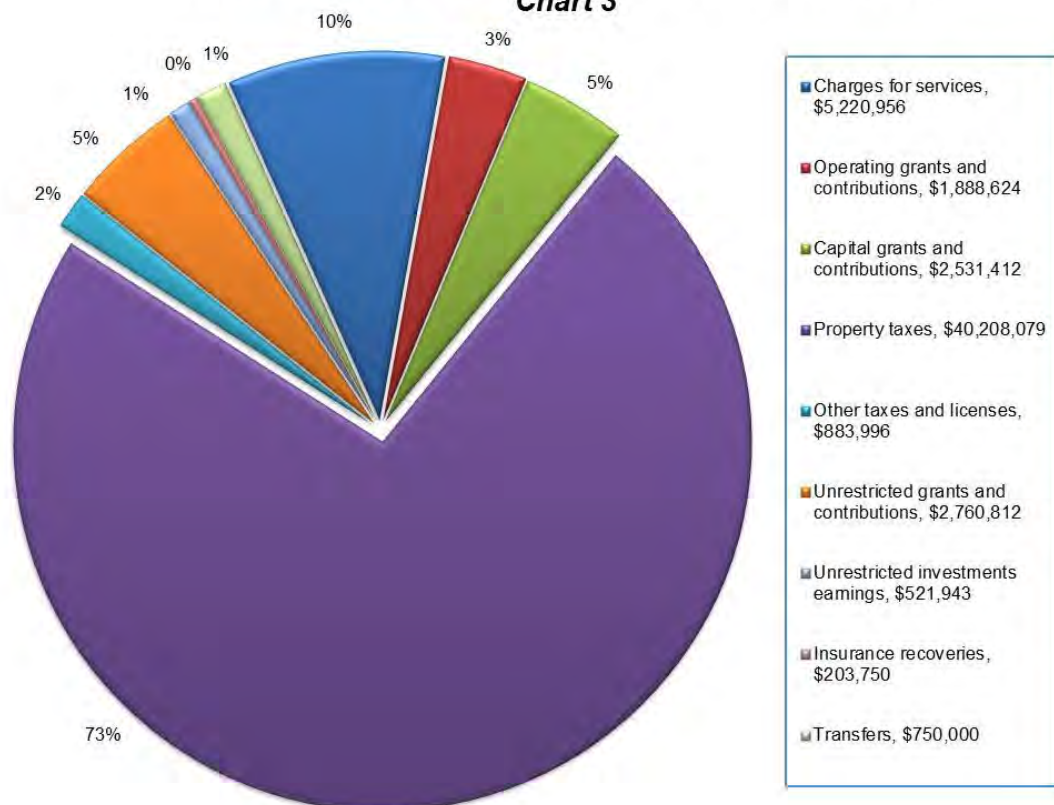
Expenses by Program - Governmental Activities

Chart 2



Revenues by Source - Governmental Activities

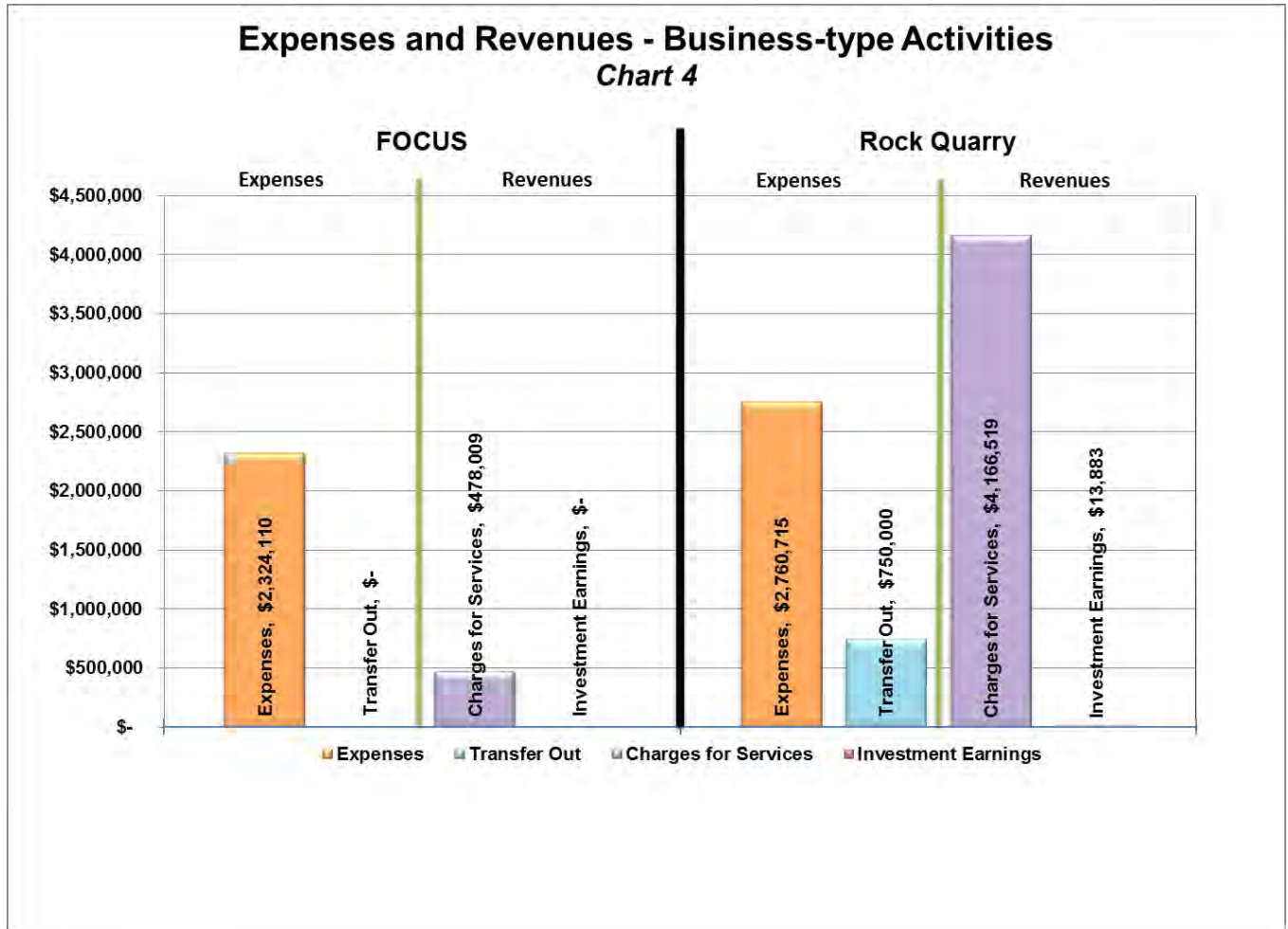
Chart 3



Business-type Activities

Total net position of the business-type activities decreased by \$1,176,414 or 9.6 percent. The decrease in the total net position is a result of an increase in expenses and an increase in the net investment in capital assets portion of net position.

Fiscal year 2015 business-type activities program revenues increased by \$1.2 million, or 35.1 percent, over fiscal year 2014. FOCUS had an increase in lease revenues of \$440,230 over the prior year. The Rock Quarry had an increase in program revenues of \$773,350 for rock sales. The business-type activities expenses increased 13.9 percent, or \$750,847. This is primarily due to increases in the depreciation expense for the FOCUS project and in the professional services and supplies for the Rock Quarry.



FUND FINANCIAL ANALYSIS

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

Governmental Funds

At completion of fiscal year 2015, the County's governmental funds reported total fund balances of \$41.3 million, which was a decrease from last year's total by \$11 million. This decrease was primarily related to activity within the Capital Projects Fund. Total governmental revenues increased \$948,054, or 1.8 percent mainly as a result of increased property tax collections and intergovernmental revenues. Total governmental funds expenditures increased slightly by \$59,450, or 0.1 percent, from the prior year. The increase in expenditures from capital outlay in the Capital Projects Fund and the decreased expenditures in the economic development program within the Economic Development Fund virtually offset each other producing the small increase.

The chief operating and major fund of the County is the General Fund. At the end of the fiscal year, the unassigned fund balance of the General Fund was \$7.7 million, while its total fund balance was \$21.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to its total original budgeted expenditures for the following year. The unassigned fund balance represents 18.8 percent of the total General Fund expenditures, while the total fund balance represents 52.2 percent of that same amount. The General Fund revenues have decreased marginally by \$11,880 from 2014. General Fund expenditures increased 3.3 percent primarily in the public safety and health and welfare programs.

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 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, 2015 fund balance was \$764,270, a decrease of \$13.7 million from the June 30, 2014 fund balance. During the year, the detention center construction project was nearly completed which exhausted most of the bond proceeds for that project.

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 2014 - 2015 were \$3.3 million. Expenditures related a temporary halt to the development of the GCCP waste water treatment facilities contributed to the \$6.5 million, or 82 percent, decrease from 2014.

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 backbone installation for the countywide fiber optics broadband network, but is installing cabling to businesses and residences as requested. The total net position for both proprietary funds at June 30, 2015 was \$11.1 million, of which \$4.4 million is related to the Rock Quarry and \$6.7 million related to FOCUS. The Rock Quarry transferred \$750,000 of its income to the General Fund, decreasing net position of the Rock Quarry by \$669,687 from the previous year. The FOCUS fund's net position decreased \$1.8 million due to accumulated depreciation. See analysis of business-type activities above for further discussion of revenues and expenses for proprietary funds.

General Fund Budgetary Highlights

In the 2015 adopted budget (Ordinance 2014-01), the General Fund's original budget totaled \$41,195,283. Encumbrances for purchase orders involving capital expenditures with an outstanding balance at fiscal year-end 2014 did not lapse and were allowed to roll forward to the 2015 budget year as allowed in the budget provisions. The 2014 fiscal year end's encumbrances added \$574,435 in amendments to the original 2015 budget.

By the end of the year, General Fund actual revenues totaled \$39,505,016; \$706,426 less than the final budget attributed mainly to reductions in the property tax revenue, intergovernmental revenue, and the charges for services categories. During the year, expenditure budget amendments increased the total budgeted expenditures by \$1,251,847, which included the purchase order encumbrances from June 30, 2014. Actual expenditures totaled \$41,084,604, thus creating a budget variance in total expenditures of

\$1,009,307. This difference between the actual expenditures and the final budgeted expenditures was accomplished by actual expenditures being less than the final budget in all functions of the general fund. Equally important to note, the actual expenditures were more than the original budget by \$242,540 and the original and final budgeted revenues were the same.

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, 2015, totals \$147.9 million (net of accumulated depreciation and depletion). These assets include land, construction in progress, infrastructure land rights, buildings and improvements, vehicles and equipment, infrastructure, permits and mineral interests. The net increase (including additions and deductions) is \$11.6 million, or 8.5 percent, above last year. The increase is due to numerous capital projects expenditures.

Oconee County's Capital Assets <i>Net of Accumulated Depreciation and Depletion</i> Figure 3						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 3,369,066	\$ 3,249,630	\$ 393,590	\$ 393,590	\$ 3,762,656	\$ 3,643,220
Infrastructure Land Rights	36,886,456	36,841,456	-	-	36,886,456	36,841,456
Construction in Progress	29,397,542	14,184,682	-	-	29,397,542	14,184,682
Building and Improvements	34,780,137	36,200,690	227,109	253,424	35,007,246	36,454,114
Equipment and Vehicles	8,941,203	10,602,698	2,026,066	1,096,892	10,967,269	11,699,590
Infrastructure	18,759,679	19,784,432	12,747,412	13,385,964	31,507,091	33,170,396
Other	44,451	-	-	-	44,451	-
Mineral Interests	-	-	282,137	289,019	282,137	289,019
Total	\$ 132,178,534	\$ 120,863,588	\$ 15,676,314	\$ 15,418,889	\$ 147,854,848	\$ 136,282,477

Major capital asset transactions during the year include:

- Construction in progress for:
 - New detention center facility, \$13,552,519;
 - Sewer South project lines and lift stations, \$559,863;
 - GCCP waste water treatment plant, \$189,920;
 - Shiloh emergency substation, \$2,800;
 - Whetstone emergency substation, \$800;
 - Cheohee Valley emergency substation, \$7,250;
 - Airport improvement projects, \$154,709;
 - Six County roads, \$63,192;
 - Three County bridges, \$438,692; and
 - Installation of Sheriff's department software system upgrade, \$359,729; and
- Asset additions for:
 - Coroner's office, \$357,294;
 - 2.58 acres for the airport expansion, \$119,436;
 - Fourteen County roads, \$713,657 and one bridge, \$174,588;
 - Fifteen passenger vehicles, \$441,754;
 - Two rigid-frame haul trucks for the Rock Quarry, \$823,300; and
 - Oconee FOCUS last-mile additions to inside and outside plant, \$268,247.

Additional information on the County's capital assets can be found in Note 5 on pages 46 - 48 of the basic financial statements.

Long-term Debt

As of June 30, 2015, the County had outstanding a total bonded debt of approximately \$15.6 million, all of which is backed by the full faith and credit of the County.

Oconee County's Outstanding Debt Figure 4						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
General obligation (GO) bonds						
<u>Applicable to the debt margin:</u>						
GO bonds	\$ 13,005,000	\$ 14,380,000	\$ -	\$ -	\$ 13,005,000	\$ 14,380,000
Plus unamortized premium	577,176	648,793	-	-	577,176	648,793
GO refunding bonds	1,360,000	2,005,000	-	-	1,360,000	2,005,000
Plus unamortized premium	23,002	45,499	-	-	23,002	45,499
Total GO bonds applicable to the debt margin	\$ 14,965,178	\$ 17,079,292	\$ -	\$ -	\$ 14,965,178	\$ 17,079,292
<u>Not applicable to the debt margin:</u>						
GO bonds for special tax districts	\$ 680,000	\$ 760,000	\$ -	\$ -	\$ 680,000	\$ 760,000
Total GO bonds not applicable to the debt margin	\$ 680,000	\$ 760,000	\$ -	\$ -	\$ 680,000	\$ 760,000
Total GO bonds	\$ 15,645,178	\$ 17,839,292	\$ -	\$ -	\$ 15,645,178	\$ 17,839,292
Capital lease obligations	1,844,489	2,987,997	-	-	1,844,489	2,987,997
Special source refunding revenue bonds	2,758,000	2,993,000	-	-	2,758,000	2,993,000
Total outstanding debt	\$ 20,247,667	\$ 23,820,289	\$ -	\$ -	\$ 20,247,667	\$ 23,820,289

At June 30, 2015, the County's total outstanding general obligation (GO) debt in the governmental funds was \$15,645,178. The outstanding balance consists of the series 2007 Keowee Fire Tax District GO bonds, series 2010 GO refunding bonds, series 2011 Detention Center GO bonds, and the series 2013 Echo Hills Commerce Park GO bonds.

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

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin, (amount of general obligation debt that the County could borrow without a referendum), for the County is approximately \$28.7 million, which is a 3.1 percent increase from the prior year. GO debt issued for special tax districts does not apply to the legal debt margin calculation.

The outstanding balance of the series 2014 special source refunding revenue bond is \$2,758,000. Since special source refunding revenue bonds are repaid with special revenues and not with property taxes, they are not included in the calculations of the above stated debt limits.

The 2013 capital lease purchase had an outstanding balance of \$1,844,489. 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 2015, the estimated liability was reduced by \$126,689 due to the current year's portion. The balance of the estimated liability for closure and post-closure care costs at June 30, 2015 is \$2.3 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 \$1,250,214 for the governmental activities and \$93,359 for the business-type activities.

Finally, the long-term liabilities include the net post-employment benefit obligation as well as the net pension liability for state retirement. At fiscal year end, the net post-employment benefit obligation for the governmental activities was \$2,828,196, an increase of \$399,702 from 2014. The business-type activities net post-employment benefit obligation increased \$37,609 during 2015 to \$131,554 at fiscal year-end. At fiscal year-end, the net pension liability for the governmental activities was \$30,831,126, a decrease of \$1.6 million from 2014. The business-type activities net pension liability decreased \$60,047 during 2015 to \$1,436,347 at fiscal year-end.

Additional information regarding the County's long-term liabilities can be found in Note 6 on pages 49 - 53 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 2015, was 5.3 percent which is lower than the October 2014 rate of 6.3 percent. The State's unemployment rates for the same periods are 5.8 percent and 6.6 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 2015-01 establishes the budget and provides for the levy of taxes for ordinary County purposes for fiscal year beginning July 1, 2015 and ending June 30, 2016. Appropriations in the 2015-2016 annual adopted budgets provide funding for:

- **Governmental funds:**
 - General Fund, \$41,848,004,
 - Special revenues funds for:
 - Emergency Services Protection, \$1,702,000,
 - Road Maintenance, \$1,282,600,
 - Tri-County Technical College Operations, \$1,786,000,
 - Victims Services – Sheriff's Office, \$138,264,
 - Victims Services – Solicitor's Office, \$61,430,
 - 911 Communications, \$504,000,
 - Capital projects funds for:
 - Bridge and Culvert, \$1,725,000,
 - Capital Projects (lease purchase), \$4,111,551,
 - Economic Development, \$2,812,000,
 - Debt service fund, \$3,046,679,
- **Enterprise funds:**
 - Rock Quarry, \$3,269,548, and
 - Oconee FOCUS, \$2,278,241.

The total budget for these funds is \$64,565,317. The General Fund's adopted budget for fiscal year 2016 totals \$41,848,004, which is more than the prior year's budget by \$652,721. The increase is due to the addition of staff to operate the new detention center facility that is expected to be operational in the first half of the fiscal year.

The total millage levied for fiscal year ending June 30, 2016 for the County's incorporated areas is 71 mills and the unincorporated areas is 73.9 mills. The unincorporated and the incorporated millage rates did not change from the prior year.

REQUESTS FOR INFORMATION

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

Finance Director
Oconee County Finance 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, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
ASSETS				
Cash and cash equivalents	\$ 19,135,841	\$ 2,183,547	\$ 21,319,388	\$ 611,017
Investments	9,735,793	496,670	10,232,463	-
Receivables:				
Taxes	1,322,274	-	1,322,274	7,399
Accounts	194,278	197,071	391,349	-
Due from other governments	1,465,865	15,882	1,481,747	11,250
Internal balances	5,410,737	(5,410,737)	-	-
Due from component unit	680,000	-	680,000	-
Inventories	182,071	368,904	550,975	-
Prepaid expenses	8,189	-	8,189	-
Seized assets	194,160	-	194,160	-
Assets held for resale	56,419	-	56,419	-
Assets held for economic development	8,566,242	-	8,566,242	-
Capital assets:				
Nondepreciable	69,653,064	393,590	70,046,654	-
Depreciable, net	62,525,470	15,282,724	77,808,194	1,393,105
Total assets	179,130,403	13,527,651	192,658,054	2,022,771
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	8,897	-	8,897	-
Pension - South Carolina Retirement System	1,794,436	122,655	1,917,091	-
Pension - South Carolina Police Officers Retirement System	1,112,208	-	1,112,208	62,627
Total deferred outflows of resources	2,915,541	122,655	3,038,196	62,627
LIABILITIES				
Accounts payable	3,322,439	600,599	3,923,038	-
Accrued liabilities	684,165	37,481	721,646	6,700
Unearned revenues	183,273	-	183,273	-
Due to primary government	-	-	-	680,000
Claims and judgments	-	150,000	150,000	-
Noncurrent liabilities:				
Due within one year	3,640,662	36,502	3,677,164	3,031
Due in more than one year	22,983,115	188,411	23,171,526	27,268
Net Pension Liability:				
South Carolina Retirement System	21,013,693	1,436,347	22,450,040	-
South Carolina Police Officers Retirement System	9,817,433	-	9,817,433	600,805
Total liabilities	61,644,780	2,449,340	64,094,120	1,317,804
DEFERRED INFLOWS OF RESOURCES				
Pension - South Carolina Retirement System	1,771,607	121,094	1,892,701	-
Pension - South Carolina Police Officers' Retirement System	1,135,949	-	1,135,949	69,518
Total deferred inflows of resources	2,907,556	121,094	3,028,650	69,518
NET POSITION				
Net investment in capital assets	115,776,114	15,676,314	131,452,428	676,142
Restricted for debt service	1,682,706	-	1,682,706	-
Restricted for culture and recreation	315,699	-	315,699	-
Restricted for public safety	2,549,299	-	2,549,299	15,432
Unrestricted	(2,830,210)	(4,596,442)	(7,426,652)	6,502
Total net position	\$ 117,493,608	\$ 11,079,872	\$ 128,573,480	\$ 698,076

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, 2015

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
Primary government:								
Governmental activities:								
General government	\$ 10,126,223	\$ 957,289	\$ 107,356	\$ -	\$ (9,061,578)	\$ -	\$ (9,061,578)	\$ -
Public safety	20,502,284	1,121,939	973,344	-	(18,407,001)	-	(18,407,001)	-
Transportation	6,916,146	840,747	-	923,373	(5,152,026)	-	(5,152,026)	-
Public works	3,887,619	1,143,107	24,532	-	(2,719,980)	-	(2,719,980)	-
Culture and recreation	3,343,201	378,066	144,559	-	(2,820,576)	-	(2,820,576)	-
Judicial services	3,233,141	779,808	178,891	-	(2,274,442)	-	(2,274,442)	-
Education	1,066,000	-	-	-	(1,066,000)	-	(1,066,000)	-
Health and welfare	400,441	-	259,942	-	(140,499)	-	(140,499)	-
Economic development	1,291,090	-	200,000	1,608,039	516,949	-	516,949	-
Interest on long-term debt	642,981	-	-	-	(642,981)	-	(642,981)	-
Total governmental activities	51,409,126	5,220,956	1,888,624	2,531,412	(41,768,134)	-	(41,768,134)	-
Business-type activities:								
FOCUS	2,324,110	478,009	-	-	-	(1,846,101)	(1,846,101)	-
Rock quarry	2,760,715	4,166,519	-	-	-	1,405,804	1,405,804	-
Total business-type activities	5,084,825	4,644,528	-	-	-	(440,297)	(440,297)	-
Total primary government	\$ 56,493,951	\$ 9,865,484	\$ 1,888,624	\$ 2,531,412	(41,768,134)	(440,297)	(42,208,431)	-
Component unit:								
Keowee Fire Tax District	\$ 758,182	\$ 51,000	\$ 22,447	\$ 5,000	-	-	-	(679,735)
General revenues:								
Property taxes levied for:								
General purposes					32,067,162	-	32,067,162	-
Public safety					1,377,102	-	1,377,102	676,560
Debt service					3,587,523	-	3,587,523	-
Capital projects					519,413	-	519,413	-
Economic development					1,546,525	-	1,546,525	-
Education					1,110,354	-	1,110,354	-
Other taxes and licenses					883,996	-	883,996	-
Grants and contributions not restricted for a specific purpose					2,760,812	-	2,760,812	45,000
Unrestricted investment earnings					521,943	13,883	535,826	751
Gain on sale of capital assets					-	-	-	5,567
Insurance recovery					203,750	-	203,750	-
Transfers					750,000	(750,000)	-	-
Total general revenues and transfers					45,328,580	(736,117)	44,592,463	727,878
Change in net position					3,560,446	(1,176,414)	2,384,032	48,143
Net position, beginning of year, as restated					113,933,162	12,256,286	126,189,448	649,933
Net position, end of year					\$ 117,493,608	\$ 11,079,872	\$ 128,573,480	\$ 698,076

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

OCONEE COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2015

	General	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 13,420,565	\$ 1,919,204	\$ 409,509	\$ 3,386,563	\$ 19,135,841
Investments	785,793	-	3,000,000	5,950,000	9,735,793
Taxes receivable, net	1,077,748	-	29,723	214,803	1,322,274
Accounts receivable, net	132,763	-	-	61,515	194,278
Due from other governments	815,276	58,646	-	591,943	1,465,865
Due from other funds	578,838	-	-	-	578,838
Due from component unit	-	-	-	680,000	680,000
Advances to other funds	4,894,174	-	-	-	4,894,174
Prepaid expenditures	6,656	-	-	1,533	8,189
Inventories	182,071	-	-	-	182,071
Seized assets	-	-	-	194,160	194,160
Assets held for resale	56,419	-	-	-	56,419
Assets held for economic development	2,754,025	-	5,812,217	-	8,566,242
Total assets	<u>\$ 24,704,328</u>	<u>\$ 1,977,850</u>	<u>\$ 9,251,449</u>	<u>\$ 11,080,517</u>	<u>\$ 47,014,144</u>
LIABILITIES					
Accounts payable	\$ 1,769,306	\$ 1,176,750	\$ 86,149	\$ 290,234	\$ 3,322,439
Due to other funds	-	-	-	2,275	2,275
Accrued liabilities	493,057	-	-	5,691	498,748
Advances from other funds	-	-	-	60,000	60,000
Unearned revenue	2,198	-	-	181,075	183,273
Total liabilities	<u>2,264,561</u>	<u>1,176,750</u>	<u>86,149</u>	<u>539,275</u>	<u>4,066,735</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	949,878	-	25,329	185,032	1,160,239
Unavailable revenue - seized property	-	-	-	194,160	194,160
Unavailable revenue - intergovernmental	-	36,830	-	223,418	260,248
Unavailable revenue - forfeited land commission	56,419	-	-	-	56,419
Total deferred inflows of resources	<u>1,006,297</u>	<u>36,830</u>	<u>25,329</u>	<u>602,610</u>	<u>1,671,066</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	6,656	-	-	1,533	8,189
Inventories	182,071	-	-	-	182,071
Assets held for resale	56,419	-	-	-	56,419
Assets held for economic development	2,754,025	-	5,812,217	-	8,566,242
Seized assets	-	-	-	194,160	194,160
Advances to other funds	4,894,174	-	-	-	4,894,174
Restricted for:					
General government	-	-	-	15,221	15,221
Public safety	-	-	-	2,549,299	2,549,299
Transportation	-	-	-	779,674	779,674
Culture and recreation	-	-	-	315,699	315,699
Judicial services	-	-	-	136,458	136,458
Education	-	-	-	1,044,835	1,044,835
Health and welfare	-	-	-	11,791	11,791
Economic development	-	-	-	1,088	1,088
Capital projects	-	764,270	1,497,754	3,211,598	5,473,622
Debt service	-	-	-	1,682,706	1,682,706
Committed:					
OJRSA	-	-	1,830,000	-	1,830,000
Assigned:					
Solid waste reserve	2,297,700	-	-	-	2,297,700
Health care reserve	2,592,895	-	-	-	2,592,895
OPEB reserve	622,749	-	-	-	622,749
Subsequent year's budget	345,996	-	-	-	345,996
Unassigned	<u>7,680,785</u>	<u>-</u>	<u>-</u>	<u>(5,430)</u>	<u>7,675,355</u>
Total fund balances	<u>21,433,470</u>	<u>764,270</u>	<u>9,139,971</u>	<u>9,938,632</u>	<u>41,276,343</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,704,328</u>	<u>\$ 1,977,850</u>	<u>\$ 9,251,449</u>	<u>\$ 11,080,517</u>	<u>\$ 47,014,144</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, 2015

Total fund balances for governmental funds:	\$ 41,276,343
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.	132,178,534
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,671,066
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	\$ (15,645,178)
Unamortized refunding deferral amount on general obligation bonds	8,897
Capital lease obligations	(1,844,489)
Special source revenue bonds	(2,758,000)
Other post-employment benefits	(2,828,196)
Post-closure care liabilities	(2,297,700)
Compensated absences payable	(1,250,214)
Net pension liability	(30,832,038)
Total long-term liabilities	(57,446,918)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(185,417)
Net position of governmental activities	<u>\$ 117,493,608</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, 2015

	General	Capital Projects	Economic Development	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 30,770,115	\$ -	\$ 1,544,601	\$ 7,707,990	\$ 40,022,706
Other taxes	-	-	-	692,870	692,870
Intergovernmental	3,205,335	223,495	1,507,500	2,208,883	7,145,213
Licenses, permits and fees	3,125,355	-	-	11,210	3,136,565
Fines and forfeitures	291,686	-	-	105,594	397,280
Charges for services	1,511,531	-	-	-	1,511,531
Interest revenue	471,617	18,364	38	31,924	521,943
Contributions and donations	-	-	-	27,909	27,909
Other revenues	129,377	-	200,000	45,055	374,432
Total revenues	<u>39,505,016</u>	<u>241,859</u>	<u>3,252,139</u>	<u>10,831,435</u>	<u>53,830,449</u>
EXPENDITURES					
Current:					
General government	9,331,112	6,505	-	2,589	9,340,206
Public safety	17,100,408	-	-	2,427,652	19,528,060
Transportation	3,496,815	-	-	1,875,633	5,372,448
Public works	3,688,058	-	-	24,532	3,712,590
Culture and recreation	2,770,670	-	-	401,165	3,171,835
Judicial services	2,721,035	-	-	180,620	2,901,655
Education	-	-	-	1,066,000	1,066,000
Health and welfare	240,349	-	-	154,879	395,228
Economic development	544,645	-	1,240,445	100,000	1,885,090
Capital outlay	-	13,983,052	182,218	177,717	14,342,987
Debt service:					
Principal	1,143,508	-	-	2,335,000	3,478,508
Interest	48,004	-	-	695,866	743,870
Total expenditures	<u>41,084,604</u>	<u>13,989,557</u>	<u>1,422,663</u>	<u>9,441,653</u>	<u>65,938,477</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,579,588)</u>	<u>(13,747,698)</u>	<u>1,829,476</u>	<u>1,389,782</u>	<u>(12,108,028)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	781,857	-	72,725	40,000	894,582
Transfers out	(112,725)	-	-	(31,857)	(144,582)
Insurance recoveries	168,154	23,896	-	11,700	203,750
Proceeds from the sale of capital assets	42,808	64,300	-	-	107,108
Total other financing sources	<u>880,094</u>	<u>88,196</u>	<u>72,725</u>	<u>19,843</u>	<u>1,060,858</u>
Net change in fund balances	(699,494)	(13,659,502)	1,902,201	1,409,625	(11,047,170)
Fund balances, beginning of year	<u>22,132,964</u>	<u>14,423,772</u>	<u>7,237,770</u>	<u>8,529,007</u>	<u>52,323,513</u>
Fund balances, end of year	<u>\$ 21,433,470</u>	<u>\$ 764,270</u>	<u>\$ 9,139,971</u>	<u>\$ 9,938,632</u>	<u>\$ 41,276,343</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, 2015

Net change in fund balances - total governmental funds	\$ (11,047,170)
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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	\$ 17,487,709	
Depreciation expense	<u>(6,030,810)</u>	11,456,899

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.	(141,953)
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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.	185,373
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, the refunding deferral amount, which is the difference in the amount that is sent to the paying agent to be escrowed for payment of refunded debt and the principal amount of debt refunded, is amortized as an adjustment of interest expense in the statement of activities. The effects of these items are as follows:

Repayment of the principal of long-term debt	\$ 3,478,508	
Amortization of premium on long-term debt	94,114	
Amortization of the refunding deferral amount on the refunding general obligation bonds	<u>(13,345)</u>	3,559,277

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

Pension liability	\$ (275,922)	
Landfill postclosure liability	126,689	
Compensated absences	76,835	
Accrued interest on long-term debt	20,120	
OPEB liability	<u>(399,702)</u>	(451,980)
		<u><u>\$ 3,560,446</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 31,182,317	\$ 31,182,317	\$ 30,770,115	\$ (412,202)
Intergovernmental	3,528,177	3,528,177	3,205,335	(322,842)
Licenses, permits and fees	2,823,182	2,823,182	3,125,355	302,173
Fines and forfeitures	333,500	333,500	291,686	(41,814)
Charges for services	1,829,600	1,829,600	1,511,531	(318,069)
Interest revenue	252,850	252,850	471,617	218,767
Other revenues	261,816	261,816	129,377	(132,439)
Total revenues	40,211,442	40,211,442	39,505,016	(706,426)
EXPENDITURES:				
Current:				
General government:				
County council	296,549	284,799	282,312	2,487
Legislative delegation	86,796	86,796	86,555	241
Non-departmental expenditures	1,609,700	1,615,132	991,382	623,750
Information technology	1,085,177	898,914	887,974	10,940
Procurement	156,952	158,452	157,565	887
Facilities maintenance	1,128,483	1,147,838	1,139,640	8,198
Registration and elections	184,520	218,820	218,521	299
Soil and water conservation	72,923	72,923	72,254	669
Administrator's office	462,205	513,377	463,507	49,870
Vehicle maintenance	842,031	799,771	789,892	9,879
Register of deeds	318,414	319,614	319,260	354
Assessor	1,081,826	1,043,520	1,026,405	17,115
Auditor	462,869	462,869	460,275	2,594
Board of assessment appeals	11,624	11,624	3,748	7,876
Tax collector	451,193	451,193	406,251	44,942
Treasurer	536,256	536,256	471,204	65,052
Direct aid	637,610	637,610	636,553	1,057
Administrative Services	915,468	928,077	917,814	10,263
Total general government	10,340,596	10,187,585	9,331,112	856,473
Public safety:				
Sheriff's department	7,097,408	7,474,500	7,453,019	21,481
Law enforcement center	2,981,440	2,980,215	2,947,915	32,300
Communications	1,524,092	1,405,275	1,404,723	552
Animal control	524,033	527,404	511,972	15,432
Coroner	164,241	564,392	554,363	10,029
Building codes	610,707	676,099	675,586	513
Emergency management	1,585,000	1,585,000	1,585,320	(320)
Fire services	1,579,452	1,651,334	1,649,987	1,347
Emergency services	368,763	318,263	317,523	740
Total public safety	16,435,136	17,182,482	17,100,408	82,074
Transportation:				
County airport	865,642	879,472	874,428	5,044
Roads department	2,626,487	2,651,732	2,622,387	29,345
Total transportation	3,492,129	3,531,204	3,496,815	34,389
Public works				
Solid waste	3,566,255	3,689,119	3,688,058	1,061

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures: (Continued)				
Culture and recreation:				
Library	\$ 1,345,356	\$ 1,314,456	\$ 1,313,819	\$ 637
Parks, recreation and tourism	483,184	626,498	621,448	5,050
High Falls Park	295,933	301,226	302,245	(1,019)
South Cove Park	376,799	329,653	328,899	754
Chau Ram Park	197,061	199,854	204,259	(4,405)
Total culture and recreation	2,698,333	2,771,687	2,770,670	1,017
Judicial services:				
Clerk of court	661,120	659,140	658,313	827
Probate judge	380,493	407,643	406,892	751
Solicitor	696,914	691,914	691,447	467
Public defender	200,000	200,000	200,000	-
Magistrate office	722,898	765,382	764,383	999
Total judicial	2,661,425	2,724,079	2,721,035	3,044
Health and welfare:				
Department of social services	12,500	12,500	10,075	2,425
Health department	80,027	60,007	35,947	24,060
Veteran's affairs	189,460	194,480	194,327	153
Total health and welfare	281,987	266,987	240,349	26,638
Economic development:				
Economic development	512,051	549,256	544,645	4,611
Debt service	854,152	1,191,512	1,191,512	-
Total expenditures	40,842,064	42,093,911	41,084,604	1,009,307
Deficiency of revenues under expenditures	(630,622)	(1,882,469)	(1,579,588)	302,881
OTHER FINANCING SOURCES (USES)				
Transfers in	804,000	804,000	781,857	(22,143)
Transfers out	(112,725)	(112,725)	(112,725)	-
Insurance recoveries	142,986	142,986	168,154	25,168
Proceeds from the sale of capital assets	36,855	36,855	42,808	5,953
Total other financing sources	871,116	871,116	880,094	8,978
Net change in fund balances	240,494	(1,011,353)	(699,494)	311,859
Fund balances, beginning of year	22,132,964	22,132,964	22,132,964	-
Fund balances, end of year	\$ 22,373,458	\$ 21,121,611	\$ 21,433,470	\$ 311,859

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2015

ASSETS	Rock Quarry	FOCUS	Totals
CURRENT ASSETS			
Cash	\$ 2,183,547	\$ -	\$ 2,183,547
Investments	496,670	-	496,670
Receivables			
Accounts, net of allowance	44,558	152,513	197,071
Due from other governments	-	15,882	15,882
Inventories	368,904	-	368,904
Total current assets	<u>3,093,679</u>	<u>168,395</u>	<u>3,262,074</u>
NONCURRENT ASSETS			
Capital assets:			
Nondepreciable	393,590	-	393,590
Depreciable, net of accumulated depreciation	2,424,347	12,858,377	15,282,724
Total noncurrent assets	<u>2,817,937</u>	<u>12,858,377</u>	<u>15,676,314</u>
Total assets	<u>5,911,616</u>	<u>13,026,772</u>	<u>18,938,388</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	107,434	15,221	122,655
Total deferred outflows of resources	<u>107,434</u>	<u>15,221</u>	<u>122,655</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	32,179	568,420	600,599
Accrued liabilities	31,479	6,002	37,481
Current portion - compensated absences	31,840	4,662	36,502
Due to other funds	-	576,563	576,563
Claims and judgments	-	150,000	150,000
Total current liabilities	<u>95,498</u>	<u>1,305,647</u>	<u>1,401,145</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	44,577	12,280	56,857
Advances from other funds	-	4,834,174	4,834,174
Net OPEB obligation	103,608	27,946	131,554
Net pension liability - South Carolina Retirement System	1,258,103	178,244	1,436,347
Total noncurrent liabilities	<u>1,406,288</u>	<u>5,052,644</u>	<u>6,458,932</u>
Total liabilities	<u>1,501,786</u>	<u>6,358,291</u>	<u>7,860,077</u>
DEFERRED INFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	106,067	15,027	121,094
Total deferred inflows of resources	<u>106,067</u>	<u>15,027</u>	<u>121,094</u>
NET POSITION			
Investment in capital assets	2,817,937	12,858,377	15,676,314
Unrestricted	1,593,260	(6,189,702)	(4,596,442)
Total net position	<u>\$ 4,411,197</u>	<u>\$ 6,668,675</u>	<u>\$ 11,079,872</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 4,135,711	\$ 476,688	\$ 4,612,399
Miscellaneous operating revenues	30,808	1,321	32,129
Total operating revenues	<u>4,166,519</u>	<u>478,009</u>	<u>4,644,528</u>
OPERATING EXPENSES			
Salaries and fringe benefits	1,064,166	162,468	1,226,634
Supplies	36,883	674	37,557
Electricity and natural gas	73,225	110,010	183,235
Petroleum, oil and lubricants	217,919	-	217,919
Machinery, equipment repairs and maintenance	546,997	346,047	893,044
Professional services	382,979	413,624	796,603
Claims	-	150,000	150,000
Miscellaneous	94,170	4,194	98,364
Depreciation and depletion	344,376	933,795	1,278,171
Total operating expenses	<u>2,760,715</u>	<u>2,120,812</u>	<u>4,881,527</u>
Operating income (loss)	<u>1,405,804</u>	<u>(1,642,803)</u>	<u>(236,999)</u>
NON-OPERATING INCOME (EXPENSE)			
Interest income (expense)	13,883	(203,298)	(189,415)
Total non-operating income (expense)	<u>13,883</u>	<u>(203,298)</u>	<u>(189,415)</u>
Income (loss) before transfers	1,419,687	(1,846,101)	(426,414)
TRANSFERS			
Transfers out	(750,000)	-	(750,000)
Total transfers	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
Change in net position	669,687	(1,846,101)	(1,176,414)
Net position, beginning of year, as restated	<u>3,741,510</u>	<u>8,514,776</u>	<u>12,256,286</u>
Net position, end of year	<u>\$ 4,411,197</u>	<u>\$ 6,668,675</u>	<u>\$ 11,079,872</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, 2015

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 4,127,757	\$ 915,759	\$ 5,043,516
Payments to suppliers	(1,414,862)	(425,350)	(1,840,212)
Payments to employees	(1,022,139)	(155,200)	(1,177,339)
Net cash provided by operating activities	<u>1,690,756</u>	<u>335,209</u>	<u>2,025,965</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(750,000)	-	(750,000)
Net cash used in noncapital financing activities	<u>(750,000)</u>	<u>-</u>	<u>(750,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(1,200,387)	(335,209)	(1,535,596)
Net cash used in capital and related financing activities	<u>(1,200,387)</u>	<u>(335,209)</u>	<u>(1,535,596)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(496,670)	-	(496,670)
Interest and dividends received	13,883	-	13,883
Net cash used in investing activities	<u>(482,787)</u>	<u>-</u>	<u>(482,787)</u>
Net change in cash and cash equivalents	(742,418)	-	(742,418)
Cash and cash equivalents:			
Beginning of year	<u>2,925,965</u>	<u>-</u>	<u>2,925,965</u>
End of year	<u>\$ 2,183,547</u>	<u>\$ -</u>	<u>\$ 2,183,547</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,405,804	\$ (1,642,803)	\$ (236,999)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	344,376	933,795	1,278,171
Changes in assets and liabilities:			
Increase in accounts receivable	(38,762)	(122,931)	(161,693)
Increase in due from other governments	-	(15,882)	(15,882)
Increase in inventories	(61,720)	-	(61,720)
Increase in deferred outflows of resources	(37,111)	(5,258)	(42,369)
Decrease in accounts payable	(17,330)	430,395	413,065
Increase in accrued liabilities	16,095	1,981	18,076
Increase in claims and judgments	-	150,000	150,000
Increase in Net OPEB obligation	21,122	16,487	37,609
Increase in compensated absences	4,810	5,287	10,097
Increase in due to other funds	-	576,563	576,563
Decrease in net pension liability	(52,595)	(7,452)	(60,047)
Increase in deferred inflows of resources	106,067	15,027	121,094
Net cash provided by operating activities	<u>\$ 1,690,756</u>	<u>\$ 335,209</u>	<u>\$ 2,025,965</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 8,290,519
Taxes receivable	<hr/> 2,644,142
Total assets	<hr/> <hr/> 10,934,661
LIABILITIES	
Due to other taxing districts and agencies	<hr/> 10,934,661
Total liabilities	<hr/> <hr/> \$ 10,934,661

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

NOTES TO THE FINANCIAL STATEMENTS

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

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

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

Reporting Entity

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

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

The County has no blended component units.

Basis of Presentation

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Government-wide financial statements

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

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

Fund financial statements

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

The County reports the following governmental fund types:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Fund financial statements (continued)

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

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

The County has the following major capital projects funds:

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

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

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund type:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

Government-wide financial statements

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

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

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

Fund financial statements

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Fund financial statements (continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Revenue - exchange and non-exchange transactions

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

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

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

Unearned revenue

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

Expenses / expenditures

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The assigned fund balance for subsequent year's budget totaled \$345,996 for the year ended June 30, 2015.

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. There is no regulatory oversight of the pool.

Receivables

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Intergovernmental receivable

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

Inventories and prepaid assets

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

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

Capital assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Capital assets (continued)

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

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

Compensated absences

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

Deferred inflows / outflows of resources

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Deferred inflows / outflows of resources (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, seized property, intergovernmental, and the forfeited land commission and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other item relates to the County's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position. The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five year period, resulting in recognition as deferred inflows of resources.

Interfund transactions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Interfund transactions (continued)

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

Long-term obligations

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

Fund equity

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund equity (continued)

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

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

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

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

County Council has established a policy to maintain a General Fund unassigned fund balance between 25 and 30 percent of regular budgeted General Fund expenditures. At June 30, 2015, the County did not attain the minimum fund balance due to the fiscal year 2012 and 2013 shortfall attributable to the long-term advances to the FOCUS fund, the addition of the County's portion of the net pension liabilities attributable to the SCRS and PORS retirement plans, and amounts assigned for the subsequent year's budget.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Net position

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

Restricted resources

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

Use of estimates

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

Excess of Expenditures Over Appropriations

For the year ended June 30, 2015, expenditures exceeded appropriations as follows:

Fund	Excess
General Fund	
Emergency management	\$ 320
High Falls Park	1,019
Chau Ram Park	4,405
Miscellaneous Special Revenue Fund	
Public safety	207,534
Public works	24,532
Health and welfare	154,879
Culture and recreation	10,240
Economic development	100,000
911 Fund	
Public safety	33,709
Capital outlay	5,225
Sheriff's Victim Assistance Fund	
Public safety	2,837
Solicitor's Victim Assistance Fund	
Judicial services	1,048
Library State Aid Fund	
Culture and recreation	1,116
Debt Service Fund	
Interest	1,793

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2015, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 21,319,388
Investments	10,232,463
Agency Fund - cash and cash equivalents	8,290,519
Component Unit - cash and cash equivalents	611,017
	<u>\$ 40,453,387</u>
Cash deposited with financial institutions	\$ 14,863,319
SC State Investment Pool	15,357,605
Certificates of deposit	10,232,463
	<u>\$ 40,453,387</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, 2015, the carrying amount of the County's deposits was \$39,842,370 and the bank balance was \$40,955,471. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$8,289 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 \$611,017 and the bank balance was \$625,286 at June 30, 2015. 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, 2015, 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	\$ 15,357,605	\$ 15,357,605	\$ -	\$ -
Certificates of deposit	10,232,463	384,245	8,418,010	1,430,208
	<u>\$ 25,590,068</u>	<u>\$ 15,741,850</u>	<u>\$ 8,418,010</u>	<u>\$ 1,430,208</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

Credit risk

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

Interest rate risk

This is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The County's policy is to minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations thereby avoiding the need to sell securities in the open market, and investing operating funds primarily in shorter-term securities, liquid asset funds, money market funds, or similar investment pools limiting the average maturity in accordance with the County's requirements.

Concentration of credit risk

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

Custodial credit risk

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

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, 2015, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Economic Development	Other Governmental
Taxes receivable	\$ 1,099,743	\$ -	\$ 30,330	\$ 219,187
Accounts receivable	221,263	-	-	61,515
Due from other governments	815,276	58,646	-	591,943
Less: Allowance	(110,495)	-	(607)	(4,384)
Net receivables	<u>\$ 2,025,787</u>	<u>\$ 58,646</u>	<u>\$ 29,723</u>	<u>\$ 868,261</u>

	Rock Quarry	FOCUS	Total
Taxes receivable	\$ -	\$ -	\$ 1,349,260
Accounts receivable	44,558	152,513	479,849
Due from other governments	-	15,882	1,481,747
Less: Allowance	-	-	(115,486)
Net receivables	<u>\$ 44,558</u>	<u>\$ 168,395</u>	<u>\$ 3,195,370</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, 2015 was as follows:

Governmental Activities	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Capital Assets Not Being Depreciated					
Land	\$ 3,249,630	\$ -	\$ -	\$ 119,436	\$ 3,369,066
Other costs	36,841,456	45,000	-	-	36,886,456
Construction in progress	14,184,682	15,923,588	-	(710,728)	29,397,542
Total capital assets not being depreciated	54,275,768	15,968,588	-	(591,292)	69,653,064
Capital Assets Being Depreciated					
Buildings and improvements	54,488,365	-	(65,370)	357,295	54,780,290
Equipment and vehicles	41,512,359	817,955	(974,215)	7,900	41,363,999
Infrastructure	71,407,439	701,166	(568,824)	187,077	71,726,858
Other	46,675	-	-	46,920	93,595
Total capital assets being depreciated	167,454,838	1,519,121	(1,608,409)	599,192	167,964,742
Less Accumulated Depreciation					
Buildings and improvements	(18,287,675)	(1,733,459)	20,981	-	(20,000,153)
Equipment and vehicles	(30,909,661)	(2,448,128)	942,893	(7,900)	(32,422,796)
Infrastructure	(51,623,007)	(1,846,754)	502,582	-	(52,967,179)
Other	(46,675)	(2,469)	-	-	(49,144)
Total accumulated depreciation	(100,867,018)	(6,030,810)	1,466,456	(7,900)	(105,439,272)
Total capital assets being depreciated, net	66,587,820	(4,511,689)	(141,953)	591,292	62,525,470
Governmental activities capital assets, net	\$ 120,863,588	\$ 11,456,899	\$ (141,953)	\$ -	\$ 132,178,534

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions as follows:

General Government	\$ 424,130
Public Safety	1,768,591
Transportation	2,641,632
Public Works	627,949
Culture and Recreation	235,899
Judicial Services	306,430
Economic Development	26,179
Total Governmental Activities Depreciation Expense	<u>\$ 6,030,810</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Deletions	Transfers	Balance June 30, 2015
Business-Type Activities					
Capital Assets Not Being Depreciated					
Land	\$ 393,590	\$ -	\$ -	\$ -	\$ 393,590
Total capital assets not being depreciated	393,590	-	-	-	393,590
Capital Assets Being Depreciated					
Buildings and Improvements	544,786	-	-	-	544,786
Equipment and vehicles	6,222,571	1,267,349	-	(7,900)	7,482,020
Infrastructure	14,245,742	268,247	-	-	14,513,989
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	21,543,033	1,535,596	-	(7,900)	23,070,729
Less Accumulated Depreciation					
Buildings and improvements	(291,362)	(26,315)	-	-	(317,677)
Equipment and vehicles	(5,125,679)	(338,175)	-	7,900	(5,455,954)
Infrastructure	(859,778)	(906,799)	-	-	(1,766,577)
Mineral interests	(240,915)	(6,882)	-	-	(247,797)
Total accumulated depreciation	(6,517,734)	(1,278,171)	-	7,900	(7,788,005)
Total capital assets being depreciated, net	15,025,299	257,425	-	-	15,282,724
Business-type activities capital assets, net	<u>\$ 15,418,889</u>	<u>\$ 257,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,676,314</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	\$ 344,376
FOCUS Fund	933,795
	<u>933,795</u>
Total Business-type Activities Depreciation Expense	<u>\$ 1,278,171</u>

B. Component Unit

Capital asset activity for the Keowee Fire Tax District for the year ended June 30, 2015 was as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Capital Assets Being Depreciated				
Buildings and improvements	\$ 1,561,039	\$ -	\$ -	\$ 1,561,039
Vehicles	249,033	-	-	249,033
Equipment	49,304	9,474	-	58,778
Total capital assets being depreciated	<u>1,859,376</u>	<u>9,474</u>	<u>-</u>	<u>1,868,850</u>
Less Accumulated Depreciation				
Buildings and improvements	(259,362)	(44,280)	-	(303,642)
Vehicles	(138,097)	(12,132)	-	(150,229)
Equipment	(11,957)	(9,917)	-	(21,874)
Total accumulated depreciation	<u>(409,416)</u>	<u>(66,329)</u>	<u>-</u>	<u>(475,745)</u>
Total capital assets being depreciated, net	<u>\$ 1,449,960</u>	<u>\$ (56,855)</u>	<u>\$ -</u>	<u>\$ 1,393,105</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES

A. Primary Government

	Balance			Balance	Due Within
	June 30, 2014	Additions	Reductions	June 30, 2015	One Year
Governmental Activities					
General obligation bonds	\$ 17,145,000	\$ -	\$ (2,100,000)	\$ 15,045,000	\$ 2,185,000
General obligation bond premiums	694,292	-	(94,114)	600,178	-
Total general obligation bonds	17,839,292	-	(2,194,114)	15,645,178	2,185,000
Capital lease obligations	2,987,997	-	(1,143,508)	1,844,489	497,708
Special source refunding					
revenue bonds	2,993,000	-	(235,000)	2,758,000	242,000
Post-closure care costs	2,424,389	-	(126,689)	2,297,700	45,954
Annual leave	1,327,049	589,719	(666,554)	1,250,214	670,000
Net pension liability	32,522,649	3,182,502	(4,874,025)	30,831,126	-
Net post-employment benefit obligation	2,428,494	399,702	-	2,828,196	-
	<u>\$ 62,522,870</u>	<u>\$ 4,171,923</u>	<u>\$ (9,239,890)</u>	<u>\$ 57,454,903</u>	<u>\$ 3,640,662</u>
 Business-type Activities					
Annual leave	\$ 83,262	\$ 46,599	\$ (36,502)	\$ 93,359	\$ 36,502
Net pension liability	1,496,394	141,398	(201,445)	1,436,347	-
Net post-employment benefit obligation	93,945	37,609	-	131,554	-
	<u>\$ 1,673,601</u>	<u>\$ 225,606</u>	<u>\$ (237,947)</u>	<u>\$ 1,661,260</u>	<u>\$ 36,502</u>

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

General Obligation Bonds: During the year ended June 30, 2008, the County issued series 2007 general obligation bonds in the amount of \$1,200,000. The bond proceeds were used to (1) construct a new substation for the Keowee Fire Tax District and (2) expand the current headquarters of the Keowee Fire Tax District. General obligation bonds outstanding at June 30, 2015, 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>\$ 680,000</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued)

During the year ended June 30, 2011, the County issued series 2010 general obligation refunding bonds in the amount of \$5,300,000. The bond proceeds were used to (1) refund the outstanding Series 1996 general obligation bonds, (2) refund the outstanding series 2001 general obligation bonds, (3) advance refund the outstanding series 2001 general obligation bonds and (4) pay the costs to issue the 2010 series general obligation bonds. The refunding transaction resulted in an economic gain of \$428,682 and a difference in debt service required between the refunded bonds and the refunding bonds of \$493,690. General obligation bonds outstanding at June 30, 2015, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2010 General Obligation Refunding Bonds	2 - 5 %	7 years Plus unamortized premium	2017	<u>\$ 5,300,000</u>	\$ 1,360,000 23,002
					<u>\$ 1,383,002</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, 2015, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2011 General Obligation Bonds	2 - 5 %	20 years Plus unamortized premium	2031	<u>\$ 17,000,000</u>	\$ 10,690,000 547,502
					<u>\$ 11,237,502</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

General Obligation Bonds (Continued)

During the year ended June 30, 2013, the County issued taxable series 2013 general obligation bonds in the amount of \$2,600,000. The bond proceeds were used to (1) defray all or a portion of the costs of design, acquisition, construction, and installation, as applicable, of improvements and infrastructure serving the Echo Hills Commerce Park and (2) pay the costs to issue the 2013 series general obligation bonds. General obligation bonds outstanding at June 30, 2015, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2013 General Obligation Bonds	3 - 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	\$ 2,315,000
		Plus unamortized premium			<u>29,674</u>
					<u>\$ 2,344,674</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2015, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	795,000	390,378	1,185,378
2021-2025	4,115,000	1,508,990	5,623,990
2026-2030	4,305,000	664,740	4,969,740
2031	830,000	33,200	863,200
	<u>\$ 15,045,000</u>	<u>\$ 4,455,026</u>	<u>\$ 19,500,026</u>

Debt service funds of \$1,682,706 are available to service the general obligation bonds.

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

Capital Leases

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

The following is an analysis of equipment leased under capital leases as of June 30, 2015:

Machinery and Equipment and Construction in Progress	\$ 3,289,016
Less: Accumulated Depreciation	<u>(973,499)</u>
	<u><u>\$ 2,315,517</u></u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2015:

<u>Fiscal Year Ending June 30,</u>	<u>Governmental Funds</u>
2016	\$ 516,792
2017	854,152
2018	<u>516,792</u>
Total Minimum Lease Payments	\$ 1,887,736
Less: Amount Representing Interest	<u>(43,247)</u>
	<u><u>\$ 1,844,489</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. LONG-TERM LIABILITIES (CONTINUED)

A. Primary Government (Continued)

Special Source Refunding Revenue Bonds

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

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

Year Ending June 30,	Special Source Refunding Revenue Bonds		
	Principal	Interest	Total
2016	\$ 242,000	\$ 78,603	\$ 320,603
2017	249,000	71,706	320,706
2018	256,000	64,610	320,610
2019	262,000	57,314	319,314
2020	273,000	49,847	322,847
2021-2025	1,476,000	128,535	1,604,535
	<u>\$ 2,758,000</u>	<u>\$ 450,615</u>	<u>\$ 3,208,615</u>

B. Component Unit

Long-term liabilities for the Keowee Fire Tax District at June 30, 2015 were as follows:

Keowee Fire Tax District	Balance June 30, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Annual leave	\$ 28,099	\$ 2,200	\$ -	\$ 30,299	\$ 3,031
	<u>\$ 28,099</u>	<u>\$ 2,200</u>	<u>\$ -</u>	<u>\$ 30,299</u>	<u>\$ 3,031</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

Federal and state laws require the County to place a final cover on their landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The County has recorded a liability in the government-wide statement of net position for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2015, calculated as follows:

	<u>MSW</u>	<u>C&D I</u>	<u>C&D II</u>	<u>Total</u>
Total Estimated Current Closure and Post-Closure Care Cost	\$ 1,650,500	\$ 524,427	\$ 605,733	
Percentage of Landfill Capacity Used to Date	<u>100%</u>	<u>98%</u>	<u>22%</u>	
Reported Liability for Closure and Post-Closure Care Cost	<u>\$ 1,650,500</u>	<u>\$ 513,938</u>	<u>\$ 133,262</u>	<u>\$ 2,297,700</u>
Total Estimated Current Closure and Post-Closure Care Cost Remaining to be Recognized	<u>\$ -</u>	<u>\$ 10,489</u>	<u>\$ 472,471</u>	
Landfill's Approximate Remaining Life in Years	<u>-</u>	<u>1</u>	<u>18</u>	

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

The estimated total current cost of the landfill closure and post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2015. 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

Retirement Plan

Overview:

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

Plan Description:

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

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

Membership:

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Membership (Continued):

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

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

Benefits:

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Benefits (Continued):

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

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

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

Contributions:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2015 are as follows:

South Carolina Retirement System

Employee class two	8.00% of earnable compensation
Employee class three	8.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee class one	\$21 per month
Employee class two	8.41% of earnable compensation
Employee class three	8.41% of earnable compensation

Required employer contribution rates for the year ended June 30, 2015 are as follows:

South Carolina Retirement System

Employer class two	10.75% of earnable compensation
Employer class three	10.75% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employer class one	7.80% of earnable compensation
Employer class two	13.01% of earnable compensation
Employer class three	13.01% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability:

The most recent annual actuarial valuation reports adopted by the PEBA Board and Budget and Control Board are as of July 1, 2013. The net pension liability of each defined benefit pension plan was therefore determined based on the July 1, 2013 actuarial valuations, using membership data as of July 1, 2013, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2014, using generally accepted actuarial procedures. Information included in the following schedules is based on the certification provided by the systems' consulting actuary, Gabriel, Roeder, Smith and Company.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

The net pension liability is calculated separately for each system and represents that particular system's total pension liability determined in accordance with GASB No. 67, less that system's fiduciary net position. As of June 30, 2014, the County's net pension liability amounts for SCRS and PORS are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
SCRS	\$ 56,012,300	\$ 33,562,260	\$ 22,450,040	59.9%
PORS	\$ 30,253,377	\$ 20,435,944	\$ 9,817,433	67.5%

As of June 30, 2014, the District's net pension liability amounts for PORS is as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability
PORS	\$ 1,851,272	\$ 1,250,467	\$ 600,805	67.5%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2014 the change in the County's net pension liability for the SCRS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 963,661
Interest	3,939,298
Difference between actual and expected experience	832,904
Benefit payments	<u>(3,352,570)</u>
Net change in total pension liability	2,383,294
Total pension liability - beginning June 30, 2013	<u>53,629,006</u>
Total pension liability - ending June 30, 2014	<u>56,012,300</u>
 Plan fiduciary net position	
Contributions - employer	1,255,460
Contributions - member	851,011
Refunds of contributions to members	(117,684)
Retirement benefits	(3,209,798)
Death benefits	(25,088)
Net investment income	4,586,486
Administrative expense	(15,341)
Net transfers to affiliated systems	<u>(3,221)</u>
Net change in Plan fiduciary net position	3,321,824
Plan fiduciary net position - beginning June 30, 2013	<u>30,240,436</u>
Plan fiduciary net position - ending June 30, 2014	<u>33,562,260</u>
Net pension liability	<u><u>\$ 22,450,040</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2014 the change in the County's net pension liability for the PORS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 767,193
Interest	2,143,290
Difference between actual and expected experience	329,924
Benefit payments	<u>(1,701,418)</u>
Net change in total pension liability	1,538,989
Total pension liability - beginning June 30, 2013	<u>28,714,388</u>
Total pension liability - ending June 30, 2014	<u>30,253,377</u>
 Plan fiduciary net position	
Contributions - employer	797,974
Contributions - member	492,319
Refunds of contributions to members	(82,990)
Retirement benefits	(1,597,881)
Death benefits	(20,547)
Net investment income	2,760,894
Administrative expense	(9,393)
Net transfers to affiliated systems	<u>11,591</u>
Net change in Plan fiduciary net position	2,351,965
Plan fiduciary net position - beginning June 30, 2013	<u>18,083,978</u>
Plan fiduciary net position - ending June 30, 2014	<u>20,435,944</u>
 Net pension liability	 <u><u>\$ 9,817,433</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2014 the change in the District's net pension liability for the PORS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 46,946
Interest	131,153
Difference between actual and expected experience	20,189
Benefit payments	(104,114)
Net change in total pension liability	<u>94,174</u>
Total pension liability - beginning June 30, 2013	<u>1,757,098</u>
Total pension liability - ending June 30, 2014	<u>1,851,272</u>
 Plan fiduciary net position	
Contributions - employer	48,830
Contributions - member	30,126
Refunds of contributions to members	(5,078)
Retirement benefits	(97,778)
Death benefits	(1,257)
Net investment income	168,945
Administrative expense	(629)
Net transfers to affiliated systems	709
Net change in Plan fiduciary net position	<u>143,868</u>
Plan fiduciary net position - beginning June 30, 2013	<u>1,106,599</u>
Plan fiduciary net position - ending June 30, 2014	<u>1,250,467</u>
 Net pension liability	 <u><u>\$ 600,805</u></u>

Actuarial Assumptions and Methods:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2013 valuations for SCRS and PORS.

	SCRS	PORS
	Entry Age	Entry Age
Actuarial cost method		
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected salary increases	levels off at 3.5%	levels off at 4.0%
Includes inflation at	2.75%	2.75%
Benefit adjustments	lesser of 1% or \$500	lesser of 1% or \$500

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Short-Term	5.0%		
Cash	2.0%	0.3	0.01
Short duration	3.0%	0.6	0.02
Domestic Fixed Income	13.0%		
Core fixed income	7.0%	1.1	0.08
High yield	2.0%	3.5	0.07
Bank loans	4.0%	2.8	0.11
Global Fixed Income	9.0%		
Global fixed income	3.0%	0.8	0.02
Emerging markets debt	6.0%	4.1	0.25
Global Public Equity	31.0%	7.8	2.42
Global Tactical Asset Allocation	10.0%	5.1	0.51
Alternatives	32.0%		
Hedge funds (low beta)	8.0%	4	0.32
Private debt	7.0%	10.2	0.71
Private equity	9.0%	10.2	0.92
Real estate (broad market)	5.0%	5.9	0.29
Commodities	3.0%	5.1	0.15
			<hr/>
Total expected real return	<hr/> 100.0%		5.88
Inflation for actuarial purposes			<hr/> 2.75
Total expected nominal return			<hr/> 8.63

Discount Rate:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate (Continued):

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

Sensitivity of the Net Position Liability to Changes in the Discount Rate				
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)	
County's portion - SCRS	\$ 29,051,741	\$ 22,450,040	\$ 16,942,328	
County's portion - PORS	\$ 13,719,527	\$ 9,817,433	\$ 6,588,669	
District's portion - PORS	\$ 839,529	\$ 600,805	\$ 403,176	

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

For the year ended June 30, 2015, the County recognized pension expense of \$1,572,901 for the SCRS plan and \$852,875 for the PORS plan.

At June 30, 2015 the County reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS pension plans, respectively, from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 636,140	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,892,701
Employer contributions subsequent to the measurement date	1,280,951	-
Total	<u>\$ 1,917,091</u>	<u>\$ 1,892,701</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

PORS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 261,984	\$ -
Net difference between projected and actual earnings on pension plan investments	-	1,135,949
Employer contributions subsequent to the measurement date	<u>850,224</u>	<u>-</u>
Total	<u><u>\$ 1,112,208</u></u>	<u><u>\$ 1,135,949</u></u>

For the year ended June 30, 2015, the District recognized pension expense of \$52,563 for the PORS plan.

At June 30, 2015 the District reported deferred outflows of resources and deferred inflows of resources related to the PORS pension plan from the following sources:

PORS	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,033	\$ -
Net difference between projected and actual earnings on pension plan investments	-	69,518
Employer contributions subsequent to the measurement date	<u>46,594</u>	<u>-</u>
Total	<u><u>\$ 62,627</u></u>	<u><u>\$ 69,518</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

County contributions subsequent to the measurement date of \$1,280,951 and \$850,224 for the SCRS plan and the PORS plan, respectively, are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	SCRS	PORS
2016	\$ 276,411	\$ 216,045
2017	276,411	216,045
2018	276,411	216,045
2019	427,328	225,830

District contributions subsequent to the measurement date of \$46,594 for the PORS plan are deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	PORS
2016	\$ 13,221
2017	13,221
2018	13,221
2019	13,822

Pension Plan Fiduciary Net Position:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Primary Government

Deferred Compensation Plan

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

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

Other Post-Employment Healthcare Benefits (OPEB)

Plan Description

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

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the General Fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2015, there were seventy-eight retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$276,245 for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Primary Government (Continued)

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

Plan Description (Continued)

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

Funding Policy and Annual OPEB Costs

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

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

	2015
Annual Required Contribution	\$ 751,519
Interest on OPEB Obligation	113,510
Adjustment to Annual Required Contribution	<u>(151,473)</u>
Annual OPEB Costs	713,556
Contributions Made	<u>(276,245)</u>
Increase in Net OPEB Obligation	437,311
Net OPEB Obligation - Beginning of Year	<u>2,522,439</u>
Net OPEB Obligation - End of Year	<u><u>\$ 2,959,750</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 were as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. EMPLOYEE BENEFITS (CONTINUED)

Primary Government (Continued)

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

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.

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 cost 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.

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. Seven individuals were excluded from this stop-loss coverage and had different specific deductibles. The estimated maximum annual cost to the County is \$5,857,166. At June 30, 2015, claims due and payable total approximately \$298,630 and are recorded as a liability in the respective funds with employees receiving this benefit. The following amounts were recorded as liabilities of the respective funds as of June 30, 2015: General Fund – \$285,192; Proprietary Fund – FOCUS \$1,493; and Proprietary Fund – Rock Quarry \$11,945.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. SELF-INSURED HEALTH INSURANCE (CONTINUED)

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

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

NOTE 10. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 60,000
General Fund	FOCUS	4,834,174
		<u>\$ 4,894,174</u>

Advances are used for long-term interfund loans. The General Fund had two outstanding advances at June 30, 2015. The advance to the Local Accommodations Tax Fund was used to fund the purchase of Stumphouse Mountain by the Nature Conservancy and the City of Walhalla to be repaid over a 10-year period at \$30,000 annually. The advance to the FOCUS Fund is to finance construction and operations. This does not have a fixed schedule for repayment as it will be repaid from operating income as the project becomes self-sustaining.

Interfund receivable and payable balances at June 30, 2015 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 2,275
General Fund	FOCUS	576,563
		<u>\$ 578,838</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

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, 2015 consisted of the following individual amounts:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Rock Quarry Fund	\$ 750,000
General Fund	Other Governmental Funds	31,857
Other Governmental Funds	General Fund	40,000
Economic Development Fund	General Fund	72,725
		<u>\$ 894,582</u>

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

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
2016	\$ 50,399
2017	41,899
2018	24,644
2019	23,129
	<u>\$ 140,071</u>

Construction commitments at June 30, 2015 totaled approximately \$2,155,971.

NOTE 13. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2015, the company paid property taxes in the amount of \$27.0 million based on assessed property values of \$130.0 million. This represents approximately 23.4 percent of the 2014 levy. Approximately \$17.7 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, 2015, 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. The nature of the lawsuits varies considerably. Management and the County's legal counsel have determined an aggregate liability, which is probable to arise from the proceedings of up to \$150,000. This amount is recorded as claims and judgments payable on the government-wide statement of net position as well as the Oconee FOCUS fund statement of net position as of June 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

Primary Government

The County has determined that restatements to the July 1, 2014 beginning net position of the County's governmental activities and business-type activities, and restatements to the July 1, 2014 beginning fund balance of the Rock Quarry fund and the FOCUS fund were required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified.

This adjustment resulted in a change to the beginning net position of the County's governmental activities as follows:

Governmental activities net position, as previously reported	\$ 144,489,278
Change in accounting principle due to the implementation of GASB Statement No. 68	(30,556,116)
Governmental activities net position, as restated	<u>\$ 113,933,162</u>

This adjustment resulted in a change to the beginning net position of the County's business-type activities as follows:

Business-type activities net position, as previously reported	\$ 13,672,394
Change in accounting principle due to the implementation of GASB Statement No. 68	(1,416,108)
Business-type activities net position, as restated	<u>\$ 12,256,286</u>

This adjustment resulted in a change to the beginning fund balance of the Rock Quarry fund as follows:

Rock Quarry fund balance, as previously reported	\$ 4,981,885
Change in accounting principle due to the implementation of GASB Statement No. 68	(1,240,375)
Rock Quarry fund balance, as restated	<u>\$ 3,741,510</u>

This adjustment resulted in a change to the beginning fund balance of the FOCUS fund as follows:

FOCUS fund balance, as previously reported	\$ 8,690,509
Change in accounting principle due to the implementation of GASB Statement No. 68	(175,733)
FOCUS fund balance, as restated	<u>\$ 8,514,776</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16. CHANGES IN ACCOUNTING PRINCIPLES (CONTINUED)

Component Unit

The District has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified.

This adjustment resulted in a change to the beginning net position of the District as follows:

Keowee Fire Tax District net position, as previously reported	\$ 1,251,570
Change in accounting principle due to the implementation of GASB Statement No. 68	(601,637)
Governmental activities net position, as restated	<u>\$ 649,933</u>

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System		2015
County's proportion of the net pension liability		0.130397%
County's proportionate share of the net pension liability	\$	22,450,040
County's covered-employee payroll	\$	11,703,378
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll		191.8%
Plan fiduciary net position as a percentage of the total pension liability		59.9%
South Carolina Police Officers Retirement System		2015
County's proportion of the net pension liability		0.51281%
County's proportionate share of the net pension liability	\$	9,817,433
County's covered-employee payroll	\$	6,207,981
County's proportionate share of the net pension liability as a percentage of its covered-employee payroll		158.1%
Plan fiduciary net position as a percentage of the total pension liability		67.5%

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

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

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Police Officers Retirement System		<u>2015</u>
District's proportion of the net pension liability		0.03138%
District's proportionate share of the net pension liability	\$	600,805
District's covered-employee payroll	\$	371,195
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		161.9%
Plan fiduciary net position as a percentage of the total pension liability		67.5%

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

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

OCONEE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF COUNTY CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30

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

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

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

OCONEE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES OF DISTRICT CONTRIBUTIONS FOR THE YEAR ENDED JUNE 30

South Carolina Police Officers Retirement System	2015
Actuarially determined contribution	\$ 46,593
Contributions in relation to the actuarially determined contribution	<u>46,593</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Covered-employee payroll	371,195
Contributions as a percentage of covered-employee payroll	12.55%

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

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

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.

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

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

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

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

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

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (CONTINUED)

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

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

OCONEE COUNTY, SOUTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2015

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications Fund	State Accommodations Tax	Local Accommodations Tax
ASSETS						
Cash and cash equivalents	\$ 148,973	\$ 716,978	\$ 392,234	\$ 104,941	\$ 51,746	\$ 193,868
Investments	1,200,000	100,000	-	950,000	-	-
Taxes receivable	42,479	25,786	-	-	-	-
Accounts receivable, net	-	-	17,520	19,843	-	24,152
Due from other governments	-	-	134,503	21,420	71,975	7,772
Due from component unit	-	-	-	-	-	-
Prepaid expenditures	-	-	200	-	-	-
Seized assets	-	-	194,160	-	-	-
Total assets	<u>\$ 1,391,452</u>	<u>\$ 842,764</u>	<u>\$ 738,617</u>	<u>\$ 1,096,204</u>	<u>\$ 123,721</u>	<u>\$ 225,792</u>
LIABILITIES						
Accounts payable	\$ 12,829	\$ 41,725	\$ 143,246	\$ 9,082	\$ 21,592	\$ 10,000
Due to other funds	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	60,000
Unearned revenues	-	-	5,227	-	-	-
Total liabilities	<u>12,829</u>	<u>41,725</u>	<u>148,473</u>	<u>9,082</u>	<u>21,592</u>	<u>70,000</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	36,623	21,701	-	-	-	-
Unavailable revenue - seized property	-	-	194,160	-	-	-
Unavailable revenue - intergovernmental	-	-	20,820	-	-	-
Total deferred inflows of resources	<u>36,623</u>	<u>21,701</u>	<u>214,980</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable:						
Prepaid expenditures	-	-	200	-	-	-
Seized assets	-	-	194,160	-	-	-
Restricted for:						
General government	-	-	15,221	-	-	-
Public safety	1,342,000	-	94,482	1,087,122	-	-
Transportation	-	779,338	336	-	-	-
Debt service	-	-	-	-	-	-
Culture and recreation	-	-	57,778	-	102,129	155,792
Judicial services	-	-	108	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	11,791	-	-	-
Economic development	-	-	1,088	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>1,342,000</u>	<u>779,338</u>	<u>375,164</u>	<u>1,087,122</u>	<u>102,129</u>	<u>155,792</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,391,452</u>	<u>\$ 842,764</u>	<u>\$ 738,617</u>	<u>\$ 1,096,204</u>	<u>\$ 123,721</u>	<u>\$ 225,792</u>

Special Revenue Funds						Debt Service Fund	Capital Projects Fund	
Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ -	\$ 26,864	\$ 175,977	\$ 127,245	\$ -	\$ 340,192	\$ 989,464	\$ 118,081	\$ 3,386,563
-	-	-	-	-	700,000	-	3,000,000	5,950,000
-	-	-	-	-	38,533	95,726	12,279	214,803
-	-	-	-	-	-	-	-	61,515
-	-	-	11,071	-	-	-	345,202	591,943
-	-	-	-	-	-	680,000	-	680,000
-	-	-	-	-	-	1,333	-	1,533
-	-	-	-	-	-	-	-	194,160
<u>\$ -</u>	<u>\$ 26,864</u>	<u>\$ 175,977</u>	<u>\$ 138,316</u>	<u>\$ -</u>	<u>\$ 1,078,725</u>	<u>\$ 1,766,523</u>	<u>\$ 3,475,562</u>	<u>\$ 11,080,517</u>
\$ -	\$ -	\$ 129	\$ -	\$ 599	\$ -	\$ -	\$ 51,032	\$ 290,234
1,759	-	-	-	516	-	-	-	2,275
2,556	1,169	-	1,966	-	-	-	-	5,691
-	-	-	-	-	-	-	-	60,000
-	-	175,848	-	-	-	-	-	181,075
<u>4,315</u>	<u>1,169</u>	<u>175,977</u>	<u>1,966</u>	<u>1,115</u>	<u>-</u>	<u>-</u>	<u>51,032</u>	<u>539,275</u>
-	-	-	-	-	33,890	82,484	10,334	185,032
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	202,598	223,418
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,890</u>	<u>82,484</u>	<u>212,932</u>	<u>602,610</u>
-	-	-	-	-	-	1,333	-	1,533
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	-	15,221
-	25,695	-	-	-	-	-	-	2,549,299
-	-	-	-	-	-	-	-	779,674
-	-	-	-	-	-	1,682,706	-	1,682,706
-	-	-	-	-	-	-	-	315,699
-	-	-	136,350	-	-	-	-	136,458
-	-	-	-	-	1,044,835	-	-	1,044,835
-	-	-	-	-	-	-	-	11,791
-	-	-	-	-	-	-	-	1,088
-	-	-	-	-	-	-	3,211,598	3,211,598
(4,315)	-	-	-	(1,115)	-	-	-	(5,430)
<u>(4,315)</u>	<u>25,695</u>	<u>-</u>	<u>136,350</u>	<u>(1,115)</u>	<u>1,044,835</u>	<u>1,684,039</u>	<u>3,211,598</u>	<u>9,938,632</u>
<u>\$ -</u>	<u>\$ 26,864</u>	<u>\$ 175,977</u>	<u>\$ 138,316</u>	<u>\$ -</u>	<u>\$ 1,078,725</u>	<u>\$ 1,766,523</u>	<u>\$ 3,475,562</u>	<u>\$ 11,080,517</u>

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications Fund	State Accommodations Tax	Local Accommodations Tax
Revenues:						
Property taxes	\$ 1,378,916	\$ 1,104,295	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	283,711	162,142	247,017
Intergovernmental	-	209,239	1,065,871	468,237	-	-
Licenses and permits	-	-	11,210	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	106	-	44	194
Contributions and donations	-	-	27,909	-	-	-
Other revenues	-	-	45,055	-	-	-
Total revenues	<u>1,378,916</u>	<u>1,313,534</u>	<u>1,150,151</u>	<u>751,948</u>	<u>162,186</u>	<u>247,211</u>
Expenditures:						
Current:						
General government	-	-	2,589	-	-	-
Public safety	1,292,008	-	334,634	618,343	-	-
Transportation	-	845,409	351,925	-	-	-
Public works	-	-	24,532	-	-	-
Culture and recreation	-	-	31,050	-	106,142	208,354
Judicial services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	154,879	-	-	-
Economic development	-	-	100,000	-	-	-
Capital outlay	-	-	-	135,225	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,292,008</u>	<u>845,409</u>	<u>999,609</u>	<u>753,568</u>	<u>106,142</u>	<u>208,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86,908</u>	<u>468,125</u>	<u>150,542</u>	<u>(1,620)</u>	<u>56,044</u>	<u>38,857</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(31,857)	-
Insurance recoveries	11,700	-	-	-	-	-
Total other financing sources (uses)	<u>11,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,857)</u>	<u>-</u>
Net change in fund balances	98,608	468,125	150,542	(1,620)	24,187	38,857
Fund balances, beginning of year, as restated	<u>1,243,392</u>	<u>311,213</u>	<u>224,622</u>	<u>1,088,742</u>	<u>77,942</u>	<u>116,935</u>
Fund balances (deficits), end of year	<u>\$ 1,342,000</u>	<u>\$ 779,338</u>	<u>\$ 375,164</u>	<u>\$ 1,087,122</u>	<u>\$ 102,129</u>	<u>\$ 155,792</u>

Special Revenue Funds						Debt Service Fund	Capital Projects Fund	
Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Bridge and Culvert Capital Projects	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,111,997	\$ 3,587,523	\$ 525,259	\$ 7,707,990
-	-	-	-	-	-	-	-	692,870
-	-	46,309	150,747	92,841	-	-	175,639	2,208,883
-	-	-	-	-	-	-	-	11,210
63,334	42,260	-	-	-	-	-	-	105,594
-	-	-	-	-	-	31,580	-	31,924
-	-	-	-	-	-	-	-	27,909
-	-	-	-	-	-	-	-	45,055
63,334	42,260	46,309	150,747	92,841	1,111,997	3,619,103	700,898	10,831,435
-	-	-	-	-	-	-	-	2,589
140,513	-	42,154	-	-	-	-	-	2,427,652
-	-	-	-	-	-	-	678,299	1,875,633
-	-	-	-	-	-	-	-	24,532
-	-	-	-	55,619	-	-	-	401,165
-	62,567	-	118,053	-	-	-	-	180,620
-	-	-	-	-	1,066,000	-	-	1,066,000
-	-	-	-	-	-	-	-	154,879
-	-	-	-	-	-	-	-	100,000
-	-	4,155	-	38,337	-	-	-	177,717
-	-	-	-	-	-	2,335,000	-	2,335,000
-	-	-	-	-	-	695,866	-	695,866
140,513	62,567	46,309	118,053	93,956	1,066,000	3,030,866	678,299	9,441,653
(77,179)	(20,307)	-	32,694	(1,115)	45,997	588,237	22,599	1,389,782
30,000	10,000	-	-	-	-	-	-	40,000
-	-	-	-	-	-	-	-	(31,857)
-	-	-	-	-	-	-	-	11,700
30,000	10,000	-	-	-	-	-	-	19,843
(47,179)	(10,307)	-	32,694	(1,115)	45,997	588,237	22,599	1,409,625
42,864	36,002	-	103,656	-	998,838	1,095,802	3,188,999	8,529,007
\$ (4,315)	\$ 25,695	\$ -	\$ 136,350	\$ (1,115)	\$ 1,044,835	\$ 1,684,039	\$ 3,211,598	\$ 9,938,632

OCONEE COUNTY, SOUTH CAROLINA
EMERGENCY SERVICES PROTECTION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,350,000	\$ 1,350,000	\$ 1,378,916	\$ 28,916
Total revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,378,916</u>	<u>28,916</u>
EXPENDITURES				
Public safety	1,324,700	2,348,054	1,292,008	1,056,046
Total expenditures	<u>1,324,700</u>	<u>2,348,054</u>	<u>1,292,008</u>	<u>1,056,046</u>
Excess of revenues over expenditures	25,300	(998,054)	86,908	1,084,962
OTHER FINANCING SOURCES				
Insurance recoveries	-	-	11,700	11,700
Total other financing sources	<u>-</u>	<u>-</u>	<u>11,700</u>	<u>11,700</u>
Net change in fund balance	25,300	(998,054)	98,608	1,096,662
FUND BALANCES, beginning of year	<u>1,243,392</u>	<u>1,243,392</u>	<u>1,243,392</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,268,692</u>	<u>\$ 245,338</u>	<u>\$ 1,342,000</u>	<u>\$ 1,096,662</u>

**OCONEE COUNTY, SOUTH CAROLINA
ROAD MAINTENANCE**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,050,000	\$ 956,195	\$ 1,104,295	\$ 148,100
Intergovernmental	-	-	209,239	209,239
Total revenues	<u>1,050,000</u>	<u>956,195</u>	<u>1,313,534</u>	<u>357,339</u>
EXPENDITURES				
Transportation	<u>1,050,000</u>	<u>1,143,805</u>	<u>845,409</u>	<u>298,396</u>
Total expenditures	<u>1,050,000</u>	<u>1,143,805</u>	<u>845,409</u>	<u>298,396</u>
Net change in fund balance	-	(187,610)	468,125	655,735
FUND BALANCES, beginning of year	<u>311,213</u>	<u>311,213</u>	<u>311,213</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 311,213</u>	<u>\$ 123,603</u>	<u>\$ 779,338</u>	<u>\$ 655,735</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 611,815	\$ 611,815	\$ 1,065,871	\$ 454,056
Licenses and permits	-	-	11,210	11,210
Other revenue	-	-	72,964	72,964
Interest revenue	-	-	106	106
	<u>611,815</u>	<u>611,815</u>	<u>1,150,151</u>	<u>538,336</u>
EXPENDITURES				
General government	10,137	10,137	2,589	7,548
Public safety	122,962	127,100	334,634	(207,534)
Public works	-	-	24,532	(24,532)
Transportation	490,639	490,639	351,925	138,714
Health and welfare	-	-	154,879	(154,879)
Culture and recreation	17,100	20,810	31,050	(10,240)
Economic development	-	-	100,000	(100,000)
Total expenditures	<u>640,838</u>	<u>648,686</u>	<u>999,609</u>	<u>(350,923)</u>
Net change in fund balance	(29,023)	(36,871)	150,542	187,413
FUND BALANCES, beginning of year	<u>224,622</u>	<u>224,622</u>	<u>224,622</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 195,599</u>	<u>\$ 187,751</u>	<u>\$ 375,164</u>	<u>\$ 187,413</u>

OCONEE COUNTY, SOUTH CAROLINA

911 COMMUNICATIONS

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 310,000	\$ 310,000	\$ 283,711	\$ (26,289)
Intergovernmental	105,000	105,000	468,237	363,237
Interest revenue	400	400	-	(400)
Total revenues	<u>415,400</u>	<u>415,400</u>	<u>751,948</u>	<u>336,548</u>
EXPENDITURES				
Public safety	298,000	584,634	618,343	(33,709)
Capital outlay	130,000	130,000	135,225	(5,225)
Total expenditures	<u>428,000</u>	<u>714,634</u>	<u>753,568</u>	<u>(38,934)</u>
Net change in fund balance	(12,600)	(299,234)	(1,620)	297,614
FUND BALANCES, beginning of year	<u>1,088,742</u>	<u>1,088,742</u>	<u>1,088,742</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,076,142</u>	<u>\$ 789,508</u>	<u>\$ 1,087,122</u>	<u>\$ 297,614</u>

OCONEE COUNTY, SOUTH CAROLINA
SHERIFF'S VICTIMS' ASSISTANCE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 76,000	\$ 76,000	\$ 63,334	\$ (12,666)
Total revenues	<u>76,000</u>	<u>76,000</u>	<u>63,334</u>	<u>(12,666)</u>
EXPENDITURES				
Public safety	137,676	137,676	140,513	(2,837)
Total expenditures	<u>137,676</u>	<u>137,676</u>	<u>140,513</u>	<u>(2,837)</u>
Deficiency of revenues under expenditures	(61,676)	(61,676)	(77,179)	(15,503)
Other financing sources				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	(31,676)	(31,676)	(47,179)	(15,503)
FUND BALANCES, beginning of year	<u>42,864</u>	<u>42,864</u>	<u>42,864</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 11,188</u>	<u>\$ 11,188</u>	<u>\$ (4,315)</u>	<u>\$ (15,503)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 46,000	\$ 46,000	\$ 42,260	\$ (3,740)
Total revenues	<u>46,000</u>	<u>46,000</u>	<u>42,260</u>	<u>(3,740)</u>
EXPENDITURES				
Judicial services	61,519	61,519	62,567	(1,048)
Total expenditures	<u>61,519</u>	<u>61,519</u>	<u>62,567</u>	<u>(1,048)</u>
Deficiency of revenues under expenditures	(15,519)	(15,519)	(20,307)	(4,788)
Other financing sources				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(5,519)	(5,519)	(10,307)	(4,788)
FUND BALANCES, beginning of year	<u>36,002</u>	<u>36,002</u>	<u>36,002</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 30,483</u>	<u>\$ 30,483</u>	<u>\$ 25,695</u>	<u>\$ (4,788)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 92,841	\$ 92,841	\$ 92,841	\$ -
Interest revenue	-	-	-	-
Total revenues	<u>92,841</u>	<u>92,841</u>	<u>92,841</u>	<u>-</u>
EXPENDITURES				
Culture and recreation	64,388	54,503	55,619	(1,116)
Capital outlay	25,453	38,338	38,337	1
Total expenditures	<u>89,841</u>	<u>92,841</u>	<u>93,956</u>	<u>(1,115)</u>
Net change in fund balance	3,000	-	(1,115)	(1,115)
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ (1,115)</u>	<u>\$ (1,115)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,060,500	\$ 1,060,500	\$ 1,111,997	\$ 51,497
Total revenues	<u>1,060,500</u>	<u>1,060,500</u>	<u>1,111,997</u>	<u>51,497</u>
EXPENDITURES				
Education	1,066,000	1,066,000	1,066,000	-
Total expenditures	<u>1,066,000</u>	<u>1,066,000</u>	<u>1,066,000</u>	<u>-</u>
Net change in fund balance	(5,500)	(5,500)	45,997	51,497
FUND BALANCES, beginning of year	<u>998,838</u>	<u>998,838</u>	<u>998,838</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 993,338</u>	<u>\$ 993,338</u>	<u>\$ 1,044,835</u>	<u>\$ 51,497</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, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ -	\$ -	\$ 3,587,523	\$ 3,587,523
Interest revenue	-	-	31,580	31,580
Total revenues	-	-	3,619,103	3,619,103
EXPENDITURES				
Debt service				
Principal	2,335,000	2,335,000	2,335,000	-
Interest	694,073	694,073	695,866	(1,793)
Total expenditures	3,029,073	3,029,073	3,030,866	(1,793)
Excess (deficiency) of revenues over (under) expenditures	(3,029,073)	(3,029,073)	588,237	3,617,310
Other financing sources (uses)				
Proceeds from the issuance of debt	3,698,000	3,698,000	-	(3,698,000)
Total other financing sources (uses)	3,698,000	3,698,000	-	(3,698,000)
Net change in fund balance	668,927	668,927	588,237	(80,690)
FUND BALANCES, beginning of year	1,095,802	1,095,802	1,095,802	-
FUND BALANCES, end of year	\$ 1,764,729	\$ 1,764,729	\$ 1,684,039	\$ (80,690)

**OCONEE COUNTY, SOUTH CAROLINA
BRIDGES AND CULVERTS CAPITAL PROJECTS**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Taxes	\$ 498,000	\$ 498,000	\$ 525,259	\$ 27,259
Intergovernmental	-	-	175,639	175,639
Total revenues	<u>498,000</u>	<u>498,000</u>	<u>700,898</u>	<u>202,898</u>
EXPENDITURES				
Transportation	<u>1,720,000</u>	<u>1,791,850</u>	<u>678,299</u>	<u>1,113,551</u>
Total expenditures	<u>1,720,000</u>	<u>1,791,850</u>	<u>678,299</u>	<u>1,113,551</u>
Net change in fund balance	(1,222,000)	(1,293,850)	22,599	1,316,449
FUND BALANCES, beginning of year	<u>3,188,999</u>	<u>3,188,999</u>	<u>3,188,999</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,966,999</u>	<u>\$ 1,895,149</u>	<u>\$ 3,211,598</u>	<u>\$ 1,316,449</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2014	Increases	Decreases	June 30, 2015
SDOC General Fund				
ASSETS				
Cash and cash equivalents	\$ 399,747	\$ 44,966,888	\$ (44,940,744)	\$ 425,891
Taxes receivable	2,189,927	1,888,799	(2,189,927)	1,888,799
Total assets	<u>\$ 2,589,674</u>	<u>\$ 46,855,687</u>	<u>\$ (47,130,671)</u>	<u>\$ 2,314,690</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 2,589,674	\$ 46,855,687	(47,130,671)	\$ 2,314,690
Total liabilities	<u>\$ 2,589,674</u>	<u>\$ 46,855,687</u>	<u>\$ (47,130,671)</u>	<u>\$ 2,314,690</u>
SDOC Debt Retirement				
ASSETS				
Cash and cash equivalents	\$ 5,693,290	\$ 34,737,252	\$ (33,900,955)	\$ 6,529,587
Taxes receivable	656,642	564,475	(656,642)	564,475
Total assets	<u>\$ 6,349,932</u>	<u>\$ 35,301,727</u>	<u>\$ (34,557,597)</u>	<u>\$ 7,094,062</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 6,349,932	\$ 35,301,727	(34,557,597)	\$ 7,094,062
Total liabilities	<u>\$ 6,349,932</u>	<u>\$ 35,301,727</u>	<u>\$ (34,557,597)</u>	<u>\$ 7,094,062</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 21,273	\$ 4,810,784	\$ (4,811,985)	\$ 20,072
Total assets	<u>\$ 21,273</u>	<u>\$ 4,810,784</u>	<u>\$ (4,811,985)</u>	<u>\$ 20,072</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 21,273	\$ 4,810,784	\$ (4,811,985)	\$ 20,072
Total liabilities	<u>\$ 21,273</u>	<u>\$ 4,810,784</u>	<u>\$ (4,811,985)</u>	<u>\$ 20,072</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 283,627	\$ 1,324,056	\$ (1,298,028)	\$ 309,655
Total assets	<u>\$ 283,627</u>	<u>\$ 1,324,056</u>	<u>\$ (1,298,028)</u>	<u>\$ 309,655</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 283,627	\$ 1,324,056	\$ (1,298,028)	\$ 309,655
Total liabilities	<u>\$ 283,627</u>	<u>\$ 1,324,056</u>	<u>\$ (1,298,028)</u>	<u>\$ 309,655</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2014	Increases	Decreases	June 30, 2015
Municipal Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 56,907	\$ 5,348,025	\$ (5,325,975)	\$ 78,957
Taxes receivable	200,996	182,679	(200,996)	182,679
Total assets	<u>\$ 257,903</u>	<u>\$ 5,530,704</u>	<u>\$ (5,526,971)</u>	<u>\$ 261,636</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 257,903	\$ 5,530,704	\$ (5,526,971)	\$ 261,636
Total liabilities	<u>\$ 257,903</u>	<u>\$ 5,530,704</u>	<u>\$ (5,526,971)</u>	<u>\$ 261,636</u>
Keowee Fire District				
ASSETS				
Cash and cash equivalents	\$ 13,033	\$ 692,594	\$ (696,925)	\$ 8,702
Taxes receivable	7,659	8,189	(7,659)	8,189
Total assets	<u>\$ 20,692</u>	<u>\$ 700,783</u>	<u>\$ (704,584)</u>	<u>\$ 16,891</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 20,692	\$ 700,783	\$ (704,584)	\$ 16,891
Total liabilities	<u>\$ 20,692</u>	<u>\$ 700,783</u>	<u>\$ (704,584)</u>	<u>\$ 16,891</u>
Magistrate Cash Bond/Juror Fund				
ASSETS				
Cash and cash equivalents	\$ 13,918	\$ 1,012,521	\$ (997,051)	\$ 29,388
Total assets	<u>\$ 13,918</u>	<u>\$ 1,012,521</u>	<u>\$ (997,051)</u>	<u>\$ 29,388</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,918	\$ 1,012,521	\$ (997,051)	\$ 29,388
Total liabilities	<u>\$ 13,918</u>	<u>\$ 1,012,521</u>	<u>\$ (997,051)</u>	<u>\$ 29,388</u>
Delinquent Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 978,928	\$ 1,866,148	\$ (2,200,300)	\$ 644,776
Total assets	<u>\$ 978,928</u>	<u>\$ 1,866,148</u>	<u>\$ (2,200,300)</u>	<u>\$ 644,776</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 978,928	\$ 1,866,148	\$ (2,200,300)	\$ 644,776
Total liabilities	<u>\$ 978,928</u>	<u>\$ 1,866,148</u>	<u>\$ (2,200,300)</u>	<u>\$ 644,776</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2014	Increases	Decreases	June 30, 2015
Sheriff's Office				
ASSETS				
Cash and cash equivalents	\$ 128,497	\$ 266,096	\$ (262,807)	\$ 131,786
Total assets	<u>\$ 128,497</u>	<u>\$ 266,096</u>	<u>\$ (262,807)</u>	<u>\$ 131,786</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 128,497	\$ 266,096	\$ (262,807)	\$ 131,786
Total liabilities	<u>\$ 128,497</u>	<u>\$ 266,096</u>	<u>\$ (262,807)</u>	<u>\$ 131,786</u>
Fireman's Insurance and Inspection Fund				
ASSETS				
Cash and cash equivalents	\$ 101	\$ 181,780	\$ (181,758)	\$ 123
Total assets	<u>\$ 101</u>	<u>\$ 181,780</u>	<u>\$ (181,758)</u>	<u>\$ 123</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 101	\$ 181,780	\$ (181,758)	\$ 123
Total liabilities	<u>\$ 101</u>	<u>\$ 181,780</u>	<u>\$ (181,758)</u>	<u>\$ 123</u>
Probate Judge				
ASSETS				
Cash and cash equivalents	\$ 13,870	\$ 14	\$ -	\$ 13,884
Total assets	<u>\$ 13,870</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 13,884</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,870	\$ 14	\$ -	\$ 13,884
Total liabilities	<u>\$ 13,870</u>	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 13,884</u>
Register of Deeds				
ASSETS				
Cash and cash equivalents	\$ 15,515	\$ 1	\$ (15,516)	\$ -
Total assets	<u>\$ 15,515</u>	<u>\$ 1</u>	<u>\$ (15,516)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 15,515	\$ 1	\$ (15,516)	\$ -
Total liabilities	<u>\$ 15,515</u>	<u>\$ 1</u>	<u>\$ (15,516)</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2014	Increases	Decreases	June 30, 2015
Solicitor's Worthless Check Program				
ASSETS				
Cash and cash equivalents	\$ 18,328	\$ 55,759	\$ (74,017)	\$ 70
Total assets	<u>\$ 18,328</u>	<u>\$ 55,759</u>	<u>\$ (74,017)</u>	<u>\$ 70</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 18,328	\$ 55,759	\$ (74,017)	\$ 70
Total liabilities	<u>\$ 18,328</u>	<u>\$ 55,759</u>	<u>\$ (74,017)</u>	<u>\$ 70</u>
Retiree Health Reimbursement				
ASSETS				
Cash and cash equivalents	\$ 794	\$ 296,227	\$ (297,021)	\$ -
Total assets	<u>\$ 794</u>	<u>\$ 296,227</u>	<u>\$ (297,021)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 794	\$ 296,227	\$ (297,021)	\$ -
Total liabilities	<u>\$ 794</u>	<u>\$ 296,227</u>	<u>\$ (297,021)</u>	<u>\$ -</u>
Employee Health Flex Spending				
ASSETS				
Cash and cash equivalents	\$ 26,008	\$ 101,191	\$ (127,199)	\$ -
Total assets	<u>\$ 26,008</u>	<u>\$ 101,191</u>	<u>\$ (127,199)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 26,008	\$ 101,191	\$ (127,199)	\$ -
Total liabilities	<u>\$ 26,008</u>	<u>\$ 101,191</u>	<u>\$ (127,199)</u>	<u>\$ -</u>
Pickens County				
ASSETS				
Cash and cash equivalents	\$ 24,339	\$ 40,055	\$ (33,422)	\$ 30,972
Total assets	<u>\$ 24,339</u>	<u>\$ 40,055</u>	<u>\$ (33,422)</u>	<u>\$ 30,972</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 24,339	\$ 40,055	\$ (33,422)	\$ 30,972
Total liabilities	<u>\$ 24,339</u>	<u>\$ 40,055</u>	<u>\$ (33,422)</u>	<u>\$ 30,972</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	June 30, 2014	Increases	Decreases	June 30, 2015
Williamsburg County				
ASSETS				
Cash and cash equivalents	\$ 25,164	\$ 22,308	\$ (25,164)	\$ 22,308
Total assets	<u>\$ 25,164</u>	<u>\$ 22,308</u>	<u>\$ (25,164)</u>	<u>\$ 22,308</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 25,164	\$ 22,308	\$ (25,164)	\$ 22,308
Total liabilities	<u>\$ 25,164</u>	<u>\$ 22,308</u>	<u>\$ (25,164)</u>	<u>\$ 22,308</u>
Community Development				
ASSETS				
Cash and cash equivalents	\$ -	\$ 44,348	\$ -	\$ 44,348
Total assets	<u>\$ -</u>	<u>\$ 44,348</u>	<u>\$ -</u>	<u>\$ 44,348</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 44,348	\$ -	\$ 44,348
Total liabilities	<u>\$ -</u>	<u>\$ 44,348</u>	<u>\$ -</u>	<u>\$ 44,348</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 7,713,339	\$ 95,766,047	\$ (95,188,867)	\$ 8,290,519
Taxes receivable	3,055,224	2,644,142	(3,055,224)	2,644,142
Total assets	<u>\$ 10,768,563</u>	<u>\$ 98,410,189</u>	<u>\$ (98,244,091)</u>	<u>\$ 10,934,661</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 10,768,563	\$ 98,410,189	\$ (98,244,091)	\$ 10,934,661
Total liabilities	<u>\$ 10,768,563</u>	<u>\$ 98,410,189</u>	<u>\$ (98,244,091)</u>	<u>\$ 10,934,661</u>

OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2015

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victims' Services</u>
Clerk of Court				
Fines and Fees	\$ 12,975	\$ -	\$ 12,975	\$ -
Assessments	10,222	-	6,909	3,313
Surcharges	63,167	-	24,220	38,947
Totals	<u>\$ 86,364</u>	<u>\$ -</u>	<u>\$ 44,104</u>	<u>\$ 42,260</u>
Magistrate Court				
Fines and Fees	\$ 290,937	\$ 290,937	\$ -	\$ -
Assessments	327,336	-	292,332	35,004
Surcharges	159,659	-	131,329	28,330
Totals	<u>\$ 777,932</u>	<u>\$ 290,937</u>	<u>\$ 423,661</u>	<u>\$ 63,334</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ 78,866
Amounts allocated for victims' assistance - 7/1/14 - 6/30/15				
Assessments and surcharges				105,594
Amounts spent for victims' assistance in fiscal year 2015				
from assessments and surcharges				
Salaries and benefits				(203,080)
General fund subsidy				<u>40,000</u>
Balance for victims' assistance - end of year				<u>\$ 21,380</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	102 - 108
<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	109 - 112
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
Debt Capacity	113 - 117
<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	118 and 121
<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	122 - 127
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

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

OCONEE COUNTY, SOUTH CAROLINA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 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	\$ 115,776,114
Restricted	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	4,547,704
Unrestricted	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	(2,830,210)
Total governmental activities net position	<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>	<u>\$ 117,493,608</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 15,676,314
Unrestricted	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)	(4,596,442)
Total business-type activities net position	<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>	<u>\$ 11,079,872</u>
Primary government										
Net investment in capital assets	\$ 51,507,894	\$ 103,294,005	\$ 109,103,861	\$ 110,117,704	\$ 107,261,442	\$ 112,042,309	\$ 121,625,704	\$ 111,955,806	\$ 114,143,418	\$ 131,452,428
Restricted	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	4,547,704
Unrestricted	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	(7,426,652)
Total primary government net position	<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>\$ 159,738,228</u>	<u>\$ 158,161,672</u>	<u>\$ 128,573,480</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Primary government:										
Governmental activities:										
General government	\$ 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	\$ 10,126,223
Public safety	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	20,502,284
Transportation	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	6,916,146
Public works	-	-	-	-	3,728,944	3,892,013	4,901,973	1,930,852	3,897,503	3,887,619
Culture and recreation	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	3,343,201
Judicial	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	3,233,141
Education	-	-	-	-	972,117	1,112,556	1,048,376	1,036,754	1,041,785	1,066,000
Health and welfare	717,572	6,009,235	790,730	785,094	764,810	1,293,650	1,262,341	494,226	1,057,650	400,441
Economic development	-	-	-	-	553,264	756,688	617,995	1,517,386	2,454,331	1,291,090
Miscellaneous	899,571	-	-	-	-	-	-	-	-	-
Interest and fiscal changes	722,418	560,882	445,295	447,120	384,690	313,024	590,972	854,537	852,127	642,981
Total governmental activities expenses	31,749,121	37,625,737	39,112,449	44,366,075	46,916,568	50,113,356	52,087,836	49,678,501	53,750,520	51,409,126
Business-type activities:										
Rock quarry	2,480,151	2,260,482	2,352,819	2,246,791	2,724,555	2,310,280	2,228,448	2,702,814	2,725,580	2,760,715
FOCUS	-	-	-	-	-	-	18,604	228,910	1,606,703	2,324,110
Solid waste	4,429,812	4,700,221	-	-	-	21,245	-	-	-	-
Total business-type activities expenses	6,909,963	6,960,703	2,352,819	2,246,791	2,724,555	2,331,525	2,247,052	2,931,724	4,332,283	5,084,825
Total primary government expenses	38,659,084	44,586,440	41,465,268	46,612,866	49,641,123	52,444,881	54,334,888	52,610,225	58,082,803	56,493,951
Program revenues										
Primary government:										
Governmental activities:										
Charges for services										
General government	4,272,850	4,473,204	5,138,752	4,657,574	635,354	682,115	699,104	721,041	743,811	957,289
Public safety	137,139	125,180	153,435	133,514	712,860	581,997	545,666	954,080	1,050,750	1,121,939
Transportation	-	-	-	-	549,140	689,700	911,261	954,518	842,073	840,747
Public works	-	-	-	-	861,453	1,186,979	1,221,323	1,145,528	1,202,131	1,143,107
Culture and recreation	-	-	-	-	348,402	376,308	377,337	358,074	377,862	378,066
Judicial	1,860	2,889	2,460	1,730	1,281,388	1,106,359	1,109,336	1,005,102	907,605	779,808
Health and welfare	-	-	-	-	33,670	-	87,487	-	-	-
Economic development	-	-	-	-	-	-	-	9,500	-	-
Operating grants and contributions	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	1,888,624
Capital grants and contributions	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	2,531,412
Total governmental activities program revenues	7,928,486	6,924,219	9,085,776	9,182,639	10,771,396	11,225,446	8,242,346	7,471,798	9,072,188	9,640,992

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services										
Rock quarry	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	478,009
FOCUS						-	1,110	913,801	44,879	4,166,519
Solid waste	1,014,610	1,125,509	-	-	-	-	-	-	-	-
Operating grants and contributions	25,062	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	20,115	-	-	-	210,434	6,455,725	3,141,110	-	-
Total business-type activities										
program revenues	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	4,644,528
Total primary government										
program revenues	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	14,285,520
Net (expense) revenue										
Governmental activities	\$ (23,820,635)	\$ (30,701,518)	\$ (30,026,673)	\$ (35,183,436)	\$ (36,145,172)	\$ (38,887,910)	\$ (43,845,490)	\$ (42,206,703)	\$ (44,678,332)	\$ (41,768,134)
Business-type activities	(2,877,224)	(3,043,696)	729,530	790,382	680,201	1,121,649	7,064,163	3,902,432	(894,235)	(440,297)
Total primary government	(26,697,859)	(33,745,214)	(29,297,143)	(34,393,054)	(35,464,971)	(37,766,261)	(36,781,327)	(38,304,271)	(45,572,567)	(42,208,431)
General revenues and other changes in net position										
Primary government:										
Governmental activities:										
Property taxes	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	40,208,079
Other taxes	1,241,952	1,203,630	1,221,173	1,231,011	848,922	874,795	755,113	772,729	843,741	883,996
Unrestricted grants and contributions	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	2,760,812
Unrestricted investment earnings	1,117,714	1,523,229	1,485,206	1,061,380	498,702	370,259	427,725	350,417	483,260	521,943
Sale of capital assets	(1,112)	(253,191)	(18,678)	(740,289)	-	-	-	-	-	-
Capital contributions	7,567,013	-	-	-	-	-	-	-	-	-
Miscellaneous	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	-	203,750
Proceeds from legal settlement	-	-	-	-	-	-	-	375,000	-	-
Transfers	(3,021,235)	(2,846,497)	800,878	900,669	687,650	989,861	633,309	116,991	1,583,009	750,000
Total governmental activities general										
revenues and other changes in										
net position	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	45,328,580
Business-type activities:										
Unrestricted investment earnings	208,908	224,958	111,247	110,287	7,449	9,372	4,478	3,714	(1,552)	13,883
Miscellaneous	-	-	-	-	-	-	-	37,056	-	-
Transfers	3,021,235	2,846,497	(800,878)	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)	(1,583,009)	(750,000)
Total business type activities										
general revenues and other										
changes in net position	3,230,143	3,071,455	(689,631)	(790,382)	(680,201)	(980,489)	(628,831)	(76,221)	(1,584,561)	(736,117)
Total primary government general										
revenues and other changes										
in net position	\$ 47,009,421	\$ 36,972,083	\$ 39,377,937	\$ 39,536,812	\$ 41,051,018	\$ 41,649,877	\$ 41,704,398	\$ 42,142,506	\$ 43,996,010	\$ 44,592,463

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Change in net position										
Governmental activities	19,958,643	3,199,110	10,040,895	5,143,758	5,586,047	3,742,456	(1,512,261)	12,024	902,239	3,560,446
Business-type activities	352,919	27,759	39,899	-	-	141,160	6,435,332	3,826,211	(2,478,796)	(1,176,414)
Total primary government										
change in net position	<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>\$ 3,838,235</u>	<u>\$ (1,576,557)</u>	<u>\$ 2,384,032</u>

OCONEE COUNTY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 679,695	\$ 599,901	\$ 179,781	\$ 590,626	\$ 4,734,890					
Unreserved	13,918,914	12,868,375	18,107,692	22,832,404	19,663,178					
Total General fund	<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	\$ 1,885,917	\$ 10,196,048	\$ 11,265,793	\$ 11,422,123	\$ 18,103,322					
Unreserved, reported in:										
Special revenue funds	3,847,185	-	-	-	2,471,822					
Debt service funds	-	-	-	-	-					
Capital projects funds	1,026,126	965,737	4,459,452	2,962,854	-					
Total all other governmental funds	<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>\$ 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	\$ 7,893,345
Restricted							1,401,505	-	-	-
Assigned						7,338,896	8,236,071	6,319,226	6,201,707	5,859,340
Unassigned						13,008,265	7,521,789	7,912,690	7,956,354	7,680,785
Total General fund						<u>\$ 25,172,051</u>	<u>\$ 24,633,149</u>	<u>\$ 21,807,352</u>	<u>\$ 22,132,964</u>	<u>\$ 21,433,470</u>
All Other Governmental Funds										
Nonspendable						\$ 4,782,659	\$ 5,150,854	\$ 5,120,760	\$ 5,715,670	\$ 6,007,910
Restricted						23,000,044	21,761,098	31,810,874	23,056,108	12,010,393
Committed						-	-	-	-	1,830,000
Assigned						4,720,626	6,514,510	-	1,418,771	-
Unassigned						(219,951)	(21,702)	-	-	(5,430)
Total all other governmental funds						<u>\$ 32,283,378</u>	<u>\$ 33,404,760</u>	<u>\$ 36,931,634</u>	<u>\$ 30,190,549</u>	<u>\$ 19,842,873</u>
Total all governmental funds						<u>\$ 57,455,429</u>	<u>\$ 58,037,909</u>	<u>\$ 58,738,986</u>	<u>\$ 52,323,513</u>	<u>\$ 41,276,343</u>

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:					(1)					
Property taxes	\$ 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	\$ 40,022,706
Other taxes	-	-	-	-	538,901	634,857	502,286	656,268	636,153	692,870
Intergovernmental	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	7,145,213
Licenses, permits and fees	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	3,136,565
Fines and forfeitures	584,120	581,574	704,937	639,085	582,737	522,071	485,898	442,930	462,505	397,280
Charges for services	-	-	-	-	855,538	1,449,809	1,681,043	1,714,530	1,706,415	1,511,531
County airport	570,288	585,237	649,305	475,413	-	-	-	-	-	-
PRT commission	265,049	271,163	291,232	300,169	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	967,047	897,146	771,530	971,447	-	-	-	-	-	-
Interest and investment income	1,117,714	1,523,229	1,486,802	1,061,380	498,704	370,260	428,175	350,414	483,260	521,943
Miscellaneous and other	4,399,713	942,750	844,500	1,129,037	453,342	1,581,827	612,032	620,736	563,502	402,341
Total revenues	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	53,830,449
Expenditures:										
General government	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	9,340,206
Public safety	10,289,924	10,691,330	12,185,492	13,760,420	15,442,607	15,700,587	15,885,097	17,965,052	18,289,706	19,528,060
Transportation	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	5,372,448
Public works	-	-	-	-	3,492,000	3,811,897	3,935,370	3,674,946	3,539,178	3,712,590
Culture and recreation	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	3,171,835
Judicial services	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	2,901,655
Education	-	-	-	-	972,117	1,049,556	1,013,376	1,036,754	1,041,785	1,066,000
Health and welfare	675,870	640,455	680,787	638,131	613,646	718,538	682,022	340,292	939,131	395,228
Economic development	-	-	-	-	353,204	745,294	608,382	1,497,332	8,809,901	1,885,090
Nondepartmental	899,571	-	-	-	-	-	-	-	-	-
Capital outlay	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	14,342,987
Debt service										
Principal retirement	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	3,478,508
Interest and fiscal charges	828,607	555,532	460,619	447,120	376,340	393,536	815,861	905,084	856,521	743,870
Bond issue costs	-	-	-	-	-	195,907	-	79,154	102,756	-
Total expenditures	42,393,692	38,895,348	46,446,404	46,134,956	51,162,122	57,499,385	53,177,181	52,630,391	65,879,028	65,938,477
Excess (deficiency) of revenues over (under) expenditures	4,477,433	5,033,397	1,779,258	2,762,428	(1,107,175)	(7,380,125)	(1,722,959)	(3,748,322)	(12,996,633)	(12,108,028)
Other financing sources (uses):										
Sale of capital assets	13,472	1,085,324	13,210	132,196	18,307	57,868	42,326	31,171	-	107,108
Contributions - capital assets	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	74,504	-	14,992	232,576	-	203,750
Bonds and capital leases proceeds	-	-	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	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	894,582
Transfer out	(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)	(144,582)
Total other financing sources (uses)	(3,007,763)	(1,761,173)	2,291,771	1,032,865	4,280,461	18,917,972	2,305,439	3,019,692	6,581,160	1,060,858

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Special items:										
Gain on sale of land	-	-	-	-	-	944,370	-	-	-	-
Courthouse settlement	-	-	-	-	825,000	-	-	-	-	-
Total Special Items	-	-	-	-	825,000	944,370	-	-	-	-
Net change in fund balances	<u>\$ 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>	<u>\$ (11,047,170)</u>
Debt Service as a Percentage of										
Noncapital Expenditures	<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>	<u>8.71%</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
2006	\$ 183,221,480	\$ 40,272,285	\$ 183,827,876	\$ 407,321,641	75.6	\$ 6,925,984,344	5.88 %
2007	255,586,460	39,243,746	141,572,055	436,402,261	73.0	7,787,962,417	5.60
2008	274,733,180	39,153,407	143,279,238	457,165,825	72.3	8,240,526,066	5.55
2009	295,542,685	37,818,501	139,742,088	473,103,274	72.3	8,465,109,305	5.59
2010	309,318,820	34,204,632	141,652,366	485,175,818	70.0	8,780,990,487	5.53
2011	308,416,974	32,632,445	173,553,229	514,602,648	67.1	8,896,160,854	5.78
2012	313,231,359	41,706,217	163,031,512	517,969,088	69.0	9,021,922,673	5.74
2013	318,171,344	35,811,449	161,574,917	515,557,710	69.0	9,047,217,892	5.70
2014	322,552,303	41,212,757	157,529,631	521,294,691	71.0	9,142,100,263	5.70
2015	320,742,833	40,299,075	164,301,126	525,343,034	71.0	9,169,352,176	5.73

Source: Oconee County Auditor

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

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

	<u>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>	<u>2015</u>
Oconee County:										
Operating	68.0	64.3	64.1	64.1	63.9	61.1	58.9	58.9	57.6	57.6
Debt service	4.5	4.1	4.1	4.1	1.4	1.9	6.0	6.0	6.0	6.0
Economic development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.2	2.2
Bridges and culverts	-	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Road Maintenance	-	-	-	-	-	-	-	-	2.1	2.1
Tri-County Tech Operations	2.1	2.6	2.1	2.1	2.7	2.1	2.1	2.1	2.1	2.1
Total Oconee County	<u>75.6</u>	<u>73.0</u>	<u>72.3</u>	<u>72.3</u>	<u>70.0</u>	<u>67.1</u>	<u>69.0</u>	<u>69.0</u>	<u>71.0</u>	<u>71.0</u>
School District										
Operating	123.0	113.0	109.8	110.5	111.4	107.1	101.4	110.1	110.1	110.1
Debt Service	18.0	18.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Total School District	<u>141.0</u>	<u>131.0</u>	<u>140.8</u>	<u>141.5</u>	<u>142.4</u>	<u>138.1</u>	<u>132.4</u>	<u>141.1</u>	<u>141.1</u>	<u>141.1</u>
Special Districts										
City of Seneca	50.0	50.0	50.0	52.3	52.3	52.3	52.3	52.3	34.9	36.4
City of Salem	30.0	30.0	30.0	31.0	32.4	32.4	32.4	32.4	55.3	55.3
City of Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0
City of West Union	39.0	39.0	39.0	40.3	41.3	41.3	42.0	45.0	46.0	46.0
City of Westminster	88.0	88.0	88.0	90.7	90.7	90.7	90.7	90.7	90.7	97.3
Emergency Services Protection District	-	-	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Keowee fire special district	14.5	13.7	14.0	13.5	14.5	14.4	14.5	14.5	14.5	14.5
Total Special Districts	<u>305.5</u>	<u>304.7</u>	<u>307.9</u>	<u>314.7</u>	<u>318.1</u>	<u>318.0</u>	<u>318.8</u>	<u>321.8</u>	<u>328.3</u>	<u>336.4</u>
Total direct and overlapping rates	<u>522.1</u>	<u>508.7</u>	<u>521.0</u>	<u>528.5</u>	<u>530.5</u>	<u>523.2</u>	<u>520.2</u>	<u>531.9</u>	<u>540.4</u>	<u>548.5</u>

Source: Oconee County Auditor

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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

2015				2006			
Rank	Taxpayer	Taxable Assessed Value*	Percentage of Total Taxable Assessed Value	Rank	Taxpayer	Taxable Assessed Value*	Percentage of Total Taxable Assessed Value
1	Duke Energy Corporation	\$ 143,912,170	27.39%	1	Duke Energy Corporation	\$ 133,213,200	32.70%
2	Blue Ridge Electric Coop Inc	6,960,720	1.32%	2	Blue Ridge Electric Coop Inc	5,398,540	1.33%
3	BASF Catalyst LLC	5,908,480	1.12%	3	Engelhard Corporation	3,943,390	0.97%
4	Sandvik, Inc	3,004,922	0.57%	4	Bellsouth Telecommunications Inc	3,490,480	0.86%
5	Cyrovac Inc	2,965,630	0.56%	5	Cyrovac Inc	3,249,830	0.80%
6	Borg Warner Torq Systems Inc	2,687,914	0.51%	6	Itron Electricity Metering Inc.	1,769,990	0.43%
7	Itron Electricity Metering Inc.	1,876,649	0.36%	7	US Engine Valve Company	1,636,800	0.40%
8	Bellsouth Telecommunications Inc	1,872,160	0.36%	8	Square D Company	1,609,050	0.40%
9	Johnson Controls Battery Group	1,750,098	0.33%	9	Westpoint Stevens Inc.	1,528,620	0.38%
10	Sandra H Ingram	1,601,670	0.30%	10	Valenite LLC	1,521,420	0.37%
		<u>\$ 172,540,413</u>	<u>32.84%</u>			<u>\$ 157,361,320</u>	<u>38.63%</u>
Total Gross Digest Assessment		<u>\$ 525,343,034</u>		Total Gross Digest Assessment		<u>\$ 407,321,641</u>	

Source: Oconee County Auditor

* Actual

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

Fiscal Year Ended	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
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	35,519,419	96.56%	735,590	36,255,009	98.56%
2015		37,438,922	36,298,823	96.95%	703,580	37,002,403	98.83%

Sources: Oconee County Treasurer

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

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Source Revenue Bonds	Special Source Refunding Revenue Bonds	Capital Leases	Revenue Bond	Capital Leases			
2006	\$ 11,415,000	\$ 640,977	\$ -	\$ 1,947,815	\$ -	\$ -	14,003,792	0.7%	196
2007	10,275,000	-	-	1,047,143	-	-	11,322,143	0.5%	156
2008	9,075,000	-	-	2,185,058	-	-	11,260,058	0.5%	154
2009	7,800,000	-	-	1,557,968	-	-	9,357,968	0.4%	127
2010	6,465,000	3,500,000	-	912,932	-	-	10,877,932	0.5%	146
2011	22,365,381	3,500,000	-	617,659	-	-	26,483,040	1.1%	357
2012	19,927,443	3,315,000	-	1,928,251	-	-	25,170,694	1.1%	337
2013	20,806,549	3,125,000	-	1,300,953	-	-	25,232,502	1.0%	337
2014	17,839,292	-	2,993,000	2,987,997	-	-	23,820,289	0.9%	317
2015	15,645,178	-	2,758,000	1,844,489	-	-	20,247,667	n/a	265

Source: Oconee Finance Department

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

Notes:

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

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

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

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

Year	Population	Property Assessed Value	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
			Gross Bonded Debt	Restricted Debt Service Funds	Net Bonded Debt		
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	74,364	485,175,818	6,465,000	1,607,112	4,857,888	1.00%	65
2011	74,226	514,602,648	22,365,381	1,218,659	21,146,722	4.11%	285
2012	74,583	517,969,088	19,927,443	1,235,487	18,691,956	3.61%	251
2013	74,913	515,557,710	20,806,549	1,440,108	19,366,441	3.76%	259
2014	75,192	521,294,691	17,839,292	1,095,802	16,743,490	3.21%	223
2015	76,280	525,343,034	15,645,178	1,682,706	13,962,472	2.66%	183

Source: Oconee County Finance Department

Note:

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

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

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Direct debt:			
Oconee County direct debt	\$ 15,645,178	100%	\$ 15,645,178
Overlapping debt:			
School District of Oconee County	48,190,075	100%	48,190,075
Incorporated Municipalities:			
Town of Westminster	162,610	1.19%	1,935
Town of West Union	-	0.29%	-
Town of Salem	-	0.14%	-
City of Walhalla	-	1.54%	-
City of Seneca	195,468	6.54%	12,784
Special Purpose District:			
Emergency Services Protection District	-	90.30%	-
Keowee Fire District	680,000	8.84%	60,112
Total overlapping debt			48,264,906
Total direct and overlapping debt			\$ 63,910,084

SOURCES:

Oconee County Auditor and Oconee County Finance Department

NOTE:

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

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

OCONEE COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed valuation	\$ 525,343,034
Debt limit - 8 percent of total assessed value	42,027,443
Debt applicable to limit:	
General obligation bonds	14,965,178
Less: amount set aside for repayment of general obligation bonds	<u>(1,682,706)</u>
Debt qualifying for margin	<u>13,282,472</u>
Legal debt margin	<u>\$ 28,744,971</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Assessed Value of Taxable Property	\$ 407,321,641	\$ 436,402,261	\$ 457,165,825	\$ 473,103,274	\$ 485,175,818	\$ 514,602,648	\$ 517,969,088	\$ 515,557,710	\$ 521,294,691	\$ 525,343,034
Legal Debt Limit *	\$ 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	\$ 42,027,443
Net Debt Applicable to Limit	10,032,782	8,661,015	7,194,310	5,589,155	4,857,888	20,261,341	17,844,513	18,531,441	16,054,198	13,282,472
Legal debt margin	<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>\$ 25,649,377</u>	<u>\$ 28,744,971</u>
Total net debt applicable to the limit as a percentage of debt limit	30.79%	24.81%	19.67%	14.77%	12.52%	49.22%	43.06%	44.93%	38.50%	31.60%

Source:

Oconee County Auditor and Oconee County Treasurer

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

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

OCONEE COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST THREE FISCAL YEARS

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

Source: Oconee County Finance Department

¹ Principal payments were not scheduled in the period in which the debt was issued.

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

DEMOGRAPHIC STATISTICS LAST TEN FISCAL YEARS

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
2006	71,490	\$ 2,101,697	\$ 29,378	10,474	40.9	8.9%
2007	72,407	2,218,736	30,601	10,411	41.3	6.9%
2008	73,089	2,342,766	32,970	10,377	41.6	7.3%
2009	73,829	2,324,139	31,599	10,402	42.4	13.3%
2010	74,364	2,304,809	31,655	10,629	43.4	11.4%
2011	74,226	2,378,718	33,988	10,570	42.8	10.0%
2012	74,583	2,345,709	34,387	10,546	43.2	8.8%
2013	74,913	2,595,710	34,650	10,567	43.4	7.7%
2014	75,192	2,691,445	35,794	10,548	n/a	6.3%
2015	76,280	n/a	n/a	10,441	n/a	n/a

^{a)} US Census Bureau, Population Division

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

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

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

n/a - Not available

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

2015				2006 ¹			
Rank	Employer	Number of Employees	% of Employed	Rank	Employer	Number of Employees	% of Employed
1	Duke Energy Corporation	3,038	9.63%	1	n/a	n/a	n/a
2	School District of Oconee County	1,605	5.09%	2	n/a	n/a	n/a
3	Oconee Medical Center	1,300	4.12%	3	n/a	n/a	n/a
4	Borg Warner Torq Systems Inc	750	2.38%	4	n/a	n/a	n/a
5	Itron Inc	720	2.28%	5	n/a	n/a	n/a
6	Koyo Bearings USA Inc	620	1.97%	6	n/a	n/a	n/a
7	Schneider Electric - Square D	550	1.74%	7	n/a	n/a	n/a
8	Oconee County Government	450	1.43%	8	n/a	n/a	n/a
9	U.S. Engine Valve Corp.	410	1.30%	9	n/a	n/a	n/a
10	Greenfield Industries	360	1.14%	10	n/a	n/a	n/a

Source: SC Appalachian Council of Governments

¹ Data for 2006 was not available.

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government										
Administrative Services	-	-	-	-	-	-	-	-	11	11
Administrator	3	2	2	2	2	2	3	3	2	2
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	10	11	11	10	10	11	11	11	11	12
Finance	7	7	8	8	9	8	7	6	-	-
Human Resources	5	5	4	4	4	4	4	5	-	-
Information Technology	11	13	8	8	10	9	12	10	7	5
Planning	2	3	4	3	3	3	2	1	-	-
Procurement	4	4	3	3	3	3	3	2	2	2
Register of Deeds	5	5	5	5	4	4	4	4	4	4
Registration and Elections	2	2	2	2	2	2	2	2	2	2
Vehicle Maintenance	15	15	15	14	14	14	14	14	14	13
Assessor	14	14	18	21	17	18	18	18	18	19
Auditor	7	7	7	7	7	7	7	7	7	7
Delinquent Tax Collector	4	4	3	3	3	3	3	3	3	3
Treasurer	6	6	6	7	7	7	7	7	7	6
Total General Administration	96	99	97	98	96	96	98	94	89	87
Public Safety										
Animal Control	6	6	6	6	6	6	6	6	6	6
Community Development	10	10	11	11	9	9	7	9	9	11
Communications	17	19	18	18	18	18	22	22	22	22
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	25	27	28	36	36	36	31	35	36	50
Emergency Services	3	3	3	16	12	13	20	3	3	3
Rural Fire	4	4	4	-	-	-	-	17	17	17
Sheriff's Office	84	88	87	89	90	87	88	91	91	94
Total Public Safety	150	158	158	177	172	170	175	184	185	204
Transportation										
Airport	5	5	5	5	5	5	4	4	4	5
Roads and Bridges	37	37	38	38	38	38	36	37	37	38
Total Transportation	42	42	43	43	43	43	40	41	41	43

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

COUNTY EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities (Continued)										
Judicial Services										
Clerk of Court	10	10	11	10	10	10	10	10	11	12
Magistrate	9	9	9	9	9	9	9	9	9	9
Probate Court	5	5	5	6	6	7	6	6	6	6
Solicitor	6	7	7	8	10	10	10	10	10	9
Total Judicial Services	30	31	32	33	35	36	35	35	36	36
Health and Welfare										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veteran's Affairs	3	3	3	3	3	3	3	3	3	3
Total Health and Welfare	4	4	4	4	4	4	4	4	4	4
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	43	43	42	39	36	36	36	36	38	38
Total Public Works	44	44	43	40	37	37	37	37	39	39
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	24
Parks, Recreation, and Tourism	10	13	13	13	14	13	13	13	14	10
Total Culture and Recreation	28	31	31	31	32	31	31	31	32	34
Economic Development	2	2	2	2	2	3	4	2	4	3
Total Governmental Activities	396	411	410	428	421	420	424	428	430	450
Business-Type Activities										
Rock Quarry	17	17	16	16	16	16	15	15	17	16
Oconee FOCUS	-	-	-	-	-	-	-	-	3	3
Total Business-Type Activities	17	17	16	16	16	16	15	15	20	19
Total Primary Government	413	428	426	444	437	436	439	443	450	469

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
County council										
Regular meetings	24	24	22	24	22	24	21	22	19	22
Special meetings	6	8	15	14	15	10	9	7	7	7
Administrative Services										
Accounts payable disbursements	-	-	-	-	-	-	-	-	14,770	16,500
Payroll disbursements	-	-	-	-	-	-	-	-	12,542	12,500
Employment applications processed	-	-	-	-	-	-	-	-	1,483	1,345
Employment terminations processed	-	-	-	-	-	-	-	-	94	99
Finance										
Accounts payable disbursements	9,541	10,516	10,767	10,939	10,869	10,338	10,775	10,012	-	-
Payroll disbursements	11,530	12,532	12,753	12,298	12,427	13,103	12,700	13,235	-	-
Human resources										
Applications processed	1,656	2,568	2,621	2,832	3,148	3,300	2,321	1,510	-	-
Terminations	72	72	62	90	108	115	97	93	-	-
Procurement										
Number of requests for proposals (RFP)	8	2	7	8	8	11	13	15	3	7
Number of purchase orders	698	875	1,020	1,002	1,002	872	846	820	923	750
Register of Deeds										
Recorded documents	23,884	23,458	20,226	15,832	15,832	15,502	16,746	16,262	16,695	16,342
Registration and elections										
Current registered voters	38,391	39,244	44,233	50,000	46,785	44,844	47,000	46,000	49,000	52,000
Vehicle maintenance										
Repair orders processed	2,421	2,640	2,600	1,272	1,272	2,420	2,311	2,225	2,460	2,550
Assessor										
Assessment appeals processed	6,500	6,500	800	500	1,205	6,200	1,274	730	650	650
Auditor										
Real estate, vehicle, and business property notices	n/a	141,037	145,712	148,031	156,190	149,521	150,169	149,251	79,063	151,500
Temporary tags	n/a	1,272	1,223	1,167	1,144	1,170	1,045	1,033	984	1,000
Board of assessment and appeals										
Appeals filed	8	131	180	100	25	61	n/a	15	-	-
Hearings held	3	25	-	29	6	30	38	4	-	-
Delinquent tax collector										
Records processed	5,955	9,085	6,892	7,551	8,080	6,719	6,216	6,680	6,156	5,995
Treasurer										
Tax notices mailed	141,805	129,137	n/a	n/a	n/a	152,011	175,572	193,569	203,247	213,409

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Animal control										
Animals received	5,234	5,198	5,433	5,434	5,241	5,300	4,000	4,000	3,808	3,600
Animals adopted	n/a	721	767	965	1,029	1,200	1,000	1,000	1,143	1,200
Community Development										
Land use/Subdivision reviews	n/a	154	156	209	150	278	400	420	450	481
Permits issued	2,100	1,667	2,207	1,338	1,000	1,076	1,185	1,200	1,483	1,703
Coroner										
Deaths	362	366	496	547	559	619	677	641	675	n/a
Detention Center										
Average daily population	130	139	154	159	159	149	129	135	157	165
Emergency services										
Medical rescue call responses	4,538	4,457	4,379	4,509	4,521	4,764	5,129	5,022	4,807	5,000
Special rescue call responses	36	29	31	62	53	10	27	31	43	50
Fire call responses	2,254	1,812	1,306	2,133	3,330	5,522	5,800	5,670	5,670	5,670
Hazardous material call responses	n/a	n/a	n/a	n/a	32	20	n/a	n/a	-	-
Sheriff's office										
Service calls	n/a	n/a	48,000	37,666	6,023	35,519	41,257	48,570	48,742	49,500
Arrest warrants served	3,840	3,548	3,382	3,700	3,700	3,407	3,056	3,217	3,291	3,400
Transportation										
Roads and bridges										
Work orders	2,514	4,849	2,775	6,938	6,938	7,262	6,847	8,709	8,700	8,900
Tons of gravel hauled	42,007	42,007	42,400	32,763	32,263	44,198	41,399	29,873	28,469	29,000
Judicial services										
Clerk of court										
Foreclosure auctions	138	138	118	63	393	420	300	237	140	150
Cases processed	6,769	6,769	6,810	3,966	6,147	6,810	5,450	5,603	5,493	5,640
Magistrate										
Municipal arrest warrants	4,753	5,526	6,670	1,162	2,236	2,034	1,730	7,796	10,700	11,500
Municipal traffic ticket cases	10,297	9,794	11,752	7,250	14,903	13,461	10,305	1,632	n/a	n/a
Health and welfare										
Department of social services										
Food stamps cases	2,787	2,975	3,100	3,800	4,390	4,450	5,223	5,223	5,102	5,200
Child protective services investigations	331	368	310	213	259	270	175	175	334	350
Public works										
Solid waste										
Municipal solid waste (MSW) tons	36,880	35,816	37,773	36,779	36,779	34,101	36,794	36,632	37,520	36,900
Construction and demolition (C&D) tons	19,594	23,440	25,014	21,308	21,308	17,905	19,299	14,870	18,165	18,500

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Culture and recreation										
Library										
Computer users	25,344	27,880	39,838	44,556	54,441	53,169	57,095	54,459	47,665	42,803
Registered patrons	41,665	33,131	33,428	32,941	37,370	41,229	49,125	44,640	47,417	39,887
Enterprise fund										
Rock quarry										
Tons shot	481,097	489,316	552,517	499,084	392,630	450,000	480,000	477,732	497,295	485,000
Tons sold/used	488,917	435,554	493,165	452,608	497,819	458,000	460,000	421,886	381,182	452,616

Source: Oconee County Administrative Services Department

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

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

n/a - Data not readily available

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Nondepartmental										
Buildings	4	4	4	4	4	4	4	4	4	8
Heavy equipment	5	5	5	5	3	3	3	2	4	4
Land (acres)	17.912	17.912	17.912	17.912	17.912	17.912	17.912	17.912	18.846	20.581
Vehicles	41	47	45	58	48	46	48	39	37	38
Culture and Recreation										
Nondepartmental										
Buildings	1	1	1	1	-	-	-	-	-	-
Land (acres)	0.75	0.75	0.75	0.75	-	-	-	-	-	-
Library										
Buildings - branches	3	3	3	3	3	3	3	3	3	3
Land (acres)	2.59	2.59	2.59	2.59	2.59	2.705	2.705	2.705	4.298	4.298
Vehicles	1	1	2	2	2	2	2	3	3	3
Parks, Recreation, and Tourism										
Buildings	18	18	18	18	18	17	18	18	18	17
Heavy equipment	3	3	4	4	4	5	5	5	4	4
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171
Vehicles	10	10	12	10	12	12	10	12	14	15
Economic Development										
Economic Development										
Buildings	1	1	1	1	1	2	2	2	1	-
Land (acres)	0.5	0.5	0.5	0.5	0.5	3.33	3.33	3.33	2.831	2.831
Vehicles	1	1	1	1	1	1	1	1	1	1
Industrial Development Land for Resale (acres)										
Land - Echo Hills Commerce Park	-	-	-	-	-	406.71	406.71	398.107	397.16	397.16
Land - Golden Corner Commerce Center Park	397.226	397.226	397.226	397.226	397.226	397.226	397.226	366.800	360.87	360.87
Land - Oconee County Commerce Center	33.17	33.17	33.17	33.17	33.17	33.17	33.17	13.38	13.38	13.381
Land - Propex	-	-	-	-	-	-	111.082	111.082	111.082	111.082
Health and Welfare										
Nondepartmental										
Buildings										
Health clinic	1	1	1	1	1	1	1	1	1	1
Nursing home	1	1	1	1	1	1	1	1	1	1
Other	1	1	1	1	1	1	1	1	1	1
Land (acres)										
Health clinic	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521
Nursing home	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Other	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665	1.665

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Department of Social Services										
Buildings	-	1	1	1	1	1	1	1	1	1
Land (acres)	-	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472
Health Department										
Buildings	2	2	2	2	2	2	2	2	2	1
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	2	2	2
Land (acres)	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785
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	0.8	0.8
Vehicles	2	2	2	2	1	1	2	2	3	3
Solicitor										
Vehicles	1	1	2	1	2	2	1	1	1	1
Public Safety										
Nondepartmental										
Buildings	3	4	4	4	4	4	3	7	7	7
Land (acres)	11.486	11.486	11.486	11.486	11.486	11.71	11.71	39.115	39.675	39.675
Vehicles	2	3	3	1	9	11	9	9	9	9
Animal Control										
Buildings	1	1	1	2	2	2	2	2	2	2
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Vehicles	6	6	8	8	8	8	9	5	6	8
Coroner										
Buildings	1	1	1	1	1	1	1	1	1	1
Land (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.07	-
Vehicles	1	2	2	1	1	1	1	1	1	1
Emergency/Fire Services ¹										
Buildings	2	2	2	2	2	2	2	2	6	6
Patrol boats	1	3	3	3	3	3	3	8	3	3
Vehicles	85	82	87	91	96	103	110	114	121	125
Sheriff's Department										
Aircraft	-	-	-	1	1	1	1	1	1	1
Buildings	1	1	1	1	1	1	1	2	2	2
Patrol boats	1	1	1	2	2	2	2	5	3	3
Vehicles	94	106	118	120	122	119	118	123	136	137

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Works										
Solid Waste ^{2,3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Construction and demolition (C&D) landfill (acres)	2	2	2	2	2	2	2	2	2	2
Closed municipal solid waste (MSW) landfill (acres)	1	1	1	1	1	1	1	1	1	1
Heavy equipment	10	12	15	16	16	16	17	56	64	66
Vehicles	15	15	16	16	17	16	18	15	15	15
Transportation										
Airport										
Buildings	5	5	5	5	4	4	4	4	5	3
Heavy equipment	-	-	1	1	1	1	1	1	2	3
Land (acres)	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.722	304.536
Vehicles	5	6	7	7	6	6	6	6	6	7
Roads and Bridges										
Buildings	2	4	4	4	4	4	4	4	4	4
Heavy equipment	37	38	45	49	54	55	62	60	64	63
Land (acres)	314.836	314.836	314.836	314.836	314.836	314.836	314.836	314.836	312.864	312.864
Vehicles	45	47	53	53	49	51	46	45	47	46
Enterprise Funds										
FOCUS										
Vehicles	-	-	-	-	-	-	1	1	1	1
Rock Quarry										
Buildings	4	4	4	4	4	4	3	3	3	3
Heavy equipment	21	21	24	25	18	19	18	17	17	20
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	26.429	28.118	29.098	29.098
Vehicles	11	12	13	15	10	12	12	11	10	10

Source: Oconee County Administrative Services

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

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

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

COMPLIANCE SECTION



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina, as of and for the year ended June 30, 2015, 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 8, 2015. Our report includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, as of July 1, 2014. Our report also includes a reference to other auditors who audited the financial statements of the Keowee Fire Tax District, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Macon, Georgia
December 8, 2015



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

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

Report on Compliance for Each Major Federal Program

We have audited Oconee County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2015. 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, 2015.

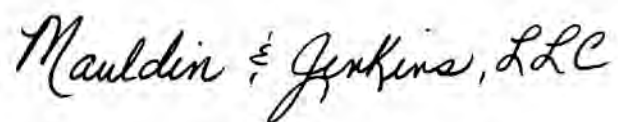
Report on Internal Control Over Compliance

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 8, 2015

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
<u>Appalachian Regional Commission</u>			
(Passed through the SC Department of Commerce)			
Appalachian Area Development			
Passed through to the Oconee County, SC School District	23.002	4-G-12-001	\$ 500,000
Total Appalachian Regional Commission			<u>500,000</u>
<u>U.S. Department of Agriculture</u>			
(Passed through the SC Department of Social Services)			
SNAP Cluster:			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	5SC400407	27,732
(Passed through the SC State Treasurer's Office)			
Forest Service Schools and Roads Cluster:			
Secure Payments for States and Counties Containing Federal Land	10.665	N/A	624,401
Total U.S. Department of Agriculture			<u>652,133</u>
<u>U.S. Department of Interior</u>			
(Passed through the SC National Heritage Corridor - Heritage Tourism Grant Program)			
Historic Preservation Fund Grants-In-Aid	15.904	P280523002114	1,750
Total U.S. Department of Interior			<u>1,750</u>
<u>U.S. Department of Justice</u>			
Bulletproof Vest Partnership Program	16.607	N/A	3,412
JAG Program Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-DJ-BX-0726	22,515
Total U.S. Department of Justice			<u>25,927</u>
<u>U.S. Department of Transportation</u>			
Airport Improvement Program	20.106	3-45-0016-020-2014	179,736
Airport Improvement Program	20.106	3-45-0016-021-2015	26,595
Airport Improvement Program	20.106	3-45-0016-022-2015	5,400
(Passed through SC Office of Adjutant General)			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0334-14-01	4,266
(Passed through the SC Department of Public Safety)			
Highway Safety Cluster:			
State and Community Highway Safety	20.600	2JC14010	10,762
State and Community Highway Safety	20.600	2JC15010	15,226
Total U.S. Department of Transportation			<u>241,985</u>
<u>Institute of Museum and Library Services</u>			
(Passed through the SC State Library)			
Grants to States	45.310	IID-10-25	1,530
Grants to States	45.310	IIA-11-23	1,000
Grants to States	45.310	IID-10-47	3,517
Total Institute of Museum and Library Services			<u>6,047</u>
<u>U.S. Department of Homeland Security</u>			
(Passed through the SC Emergency Management Division)			
Emergency Management Performance Grants	97.042	13EMPG01	43,304
Emergency Management Performance Grants	97.042	14EMPG01	47,347
Total U.S. Department of Homeland Security			<u>90,651</u>

(continued)

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
<u>U.S. Department of Health and Human Services</u>			
(Passed through the SC Department of Alcohol and Other Drug Abuse Services)			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3B08TI010048-14S1	\$ 1,042
(Passed through the SC Department of Social Services)			
Child Support Enforcement - Transaction Reimbursement	93.563	G1501SC1401	113,258
Child Support Enforcement - Incentive Payments	93.563	G1501SC1401	37,489
Child Support Enforcement - Service of Process Payments	93.563	G1501SC1401	10,940
Child Support Enforcement - Filing Fees	93.563	G1501SC1401	20,100
Administration for Children and Families Program	93.563	G1501SC1401	40
(Passed through the SC Department of Social Services)			
Promoting Safe and Stable Families Program	93.556	G1510SCFPSS	220
Foster Care - Title IVE (Recovery)	93.658	G1501SC1401	13,431
Social Services Block Grant	93.667	G1502SCSOSR	8,918
CCDF Cluster:			
Child Care and Development Block Grant	93.575	G1501SCCCDF	230
TANF Cluster:			
Administration for Children and Families Program	93.558	G1502SCTANF	24,945
Medicaid Cluster:			
Medical Assistance Program	93.778	N/A	19,293
Total U.S. Department of Health and Human Services			<u>249,906</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,768,399</u></u>

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE I. BASIS OF PRESENTATION

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

NOTE II. SUBRECIPIENTS

Oconee County provided \$500,000 in funding to subrecipients as part of the Appalachian Regional Commission, Appalachian Area Development grant program during the year ended June 30, 2015.

NOTE III. NONCASH ASSISTANCE AND LOANS

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

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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:

CFDA Number

23.002

10.665

Name of Federal Program or Cluster

Appalachian Regional Commission – Appalachian Area
Development Program

U.S. Department of Agriculture – Schools and Roads
Grants to States Program

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, 2015**

**SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

None reported.

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

None reported.

**SECTION IV
SCHEDULE OF PRIOR YEAR FINDINGS**

None reported.