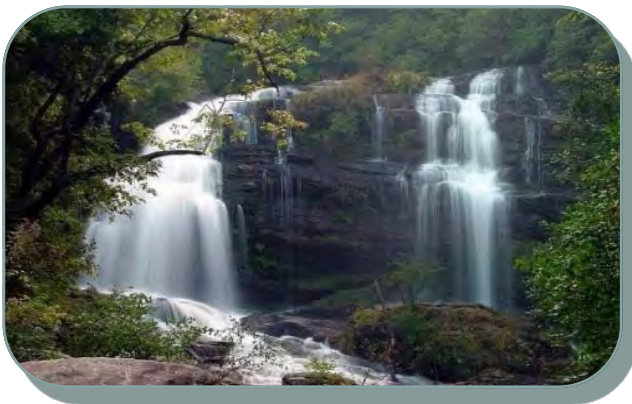




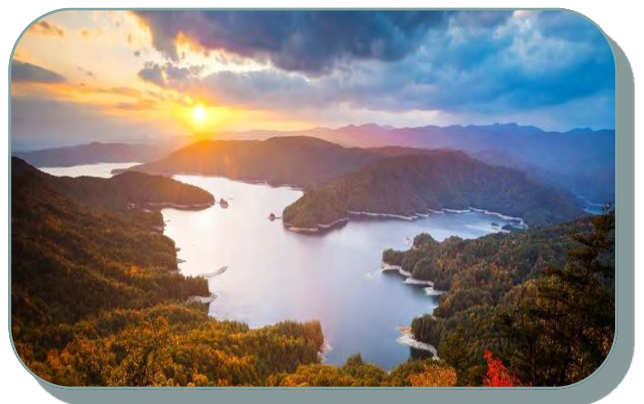
OCONEE COUNTY, SOUTH CAROLINA

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2017



Long Creek Falls



Lake Keowee

Prepared by the
Department of Finance

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2017

Prepared by
Department of Finance

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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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 14, 2017

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, 2017, 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, 2017. 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, 2017. 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 76,972.

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 departments within the same fund. County Council may transfer resources 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 continues to improve during the most recent fiscal year. For example, from June of 2016 to June of 2017, the county unemployment rate dipped to a low of 3.5% and ended at 4.4% as of June 30, 2017 according to the South Carolina department of Employment and Workforce. In conjunction with near 15-year low unemployment rate, the number of Oconee County citizens employed reached an all-time high peak with 33,560 as of June 30, 2017. These positive signs are indicative of the intensive efforts to promote a strong business climate within Oconee County. The County Council has remained steadfast in their support of economic development as being one of the most important long-term strategic objectives.

In keeping with this commitment, Oconee County continues necessary infrastructure projects to align with the overall economic development strategy. In this past year, the waste water project for the Golden Corner Commerce Park was completed and put into service. Now all necessary utilities are in-place and plans have commenced for improving the access road and placing a speculative building within this industrial park to help usher in new jobs for this area. Along with that project, plans have also commenced to provide tree clearing and a new access road in the Seneca Rail Park to enhance the marketability of this industrial real estate. One major undertaking was completed this past year that will pay dividends for the future of our County as over 1 million cubic yards of dirt was moved within the Oconee Industry and Technology Park. This will make way for a new Tri-County Technical College building and a new High School vocational school for the Oconee County School District. This dirt moving project not only is putting forth a workforce development solution to aid the economic development efforts but it also yields over 80 acres of flat industrial real estate for future industrial prospects. The new college campus will be open in August 2017 and the new high school center will be open in 2020.

There are more positive developments to report during fiscal year 2016, there were several major economic development announcements which included a total of about \$89,100,000 of new capital investment within Oconee County. The following companies within Oconee County decided to expand their base of operations: Sealed Air, Itron, Sharpe Manufacturing, PVS Sensors, Schneider Electric, and Jantzen. Also, the economic development efforts worked to successfully usher in a new mix-use lifestyle center with Clemson EPOCH on SC Highway 123.

In addition to manufacturing, the County economy has a strong agricultural sector that includes farming, livestock production and timber interests. 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. The County continues 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. This is evidenced by the new Agriculture Commission and the County buying a new 50+ acre parcel on SC Highway 123 to be the home to a new Farm Center to highlight and celebrate this strong economic driver in 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. To build on this, Oconee County Council moved forward with a new plan called "*Destination Oconee*" that will continue to drive tourism to our community and create a sense of place within our municipal downtowns. This plan also called for a county-wide buy local campaign, *Think Oconee*, that has aided in the efforts to market the community to both internal and external audiences alike. One important program to emerge from the continued recognition of tourism as strong part of our local economy is the planned extension of the Palmetto Trail from its present terminus at Oconee Station into downtown Walhalla. The extension into Walhalla will add about 16 miles to the mountain end of the Trail providing both biking and hiking opportunities. The County has seen revenues increase with the accommodation tax and the municipalities have seen that same increase along with increased revenues with their hospitality taxes and business license fees.

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 recent years, 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 Village of Fair Play and within minutes of a major interstate with easy access to several nearby major metropolitan areas. Now that the wastewater project is complete within the industrial park and a planned speculative building is underway, the next goal of the County is to continue to explore ways to get wastewater infrastructure to exits 4, 2 and 1 of Interstate 85 to bring more economic momentum to Oconee County.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Oconee County for its comprehensive annual financial report for the fiscal year ended June 30, 2016. 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.

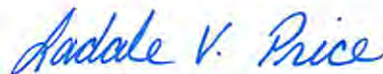
The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all of the departments who assisted and contributed to the preparation of this report. We would especially like 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, 2016. 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

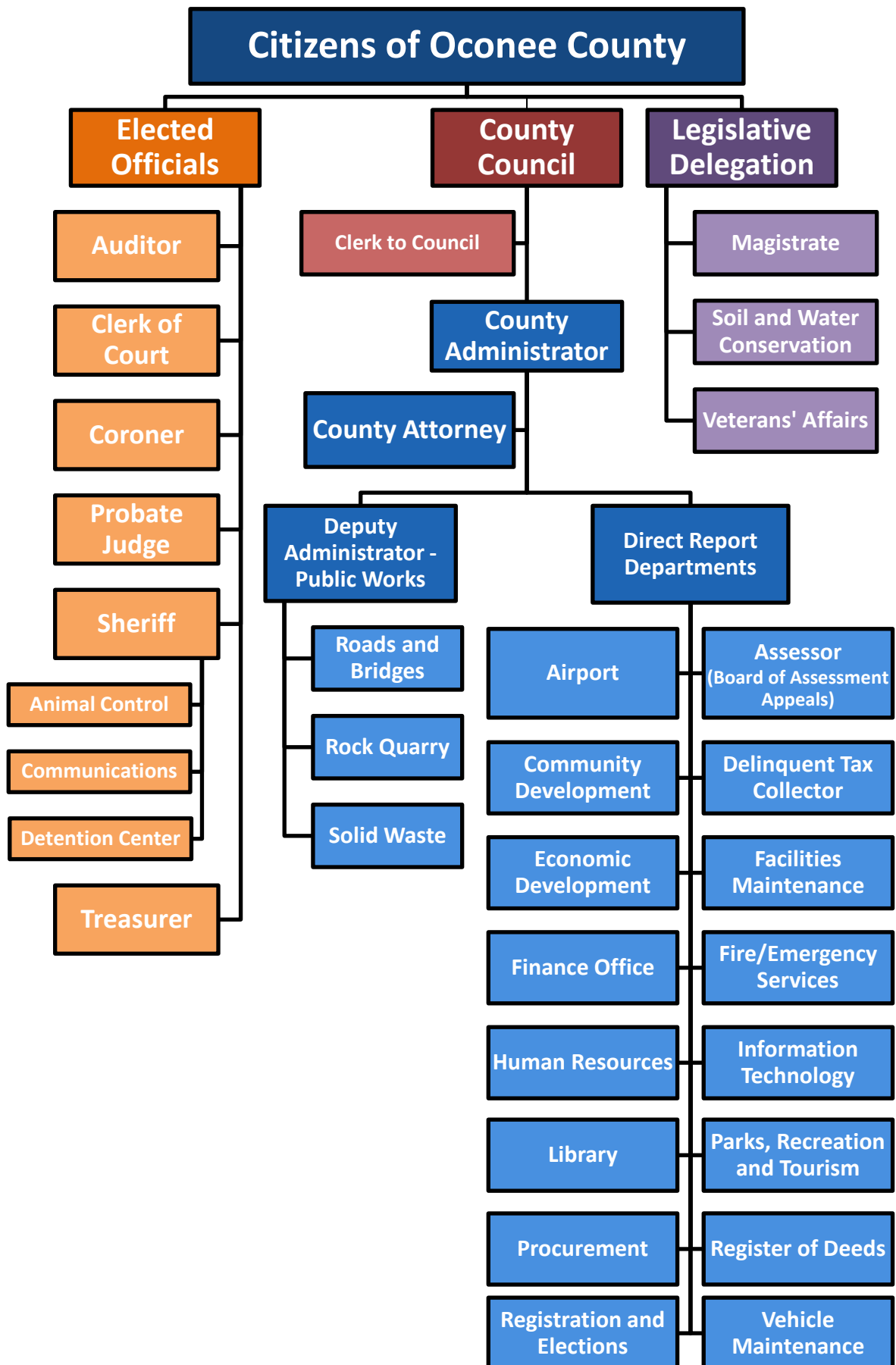
**Oconee County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO



County Government

Established in 1868
County Seat- City of Walhalla
Form of Government- Council, Administrator

Governing Body

County Council: Five (5) representatives elected from single-member districts for 4-year terms. Each district is based on representation of approximately 14,800 citizens (2010 Census).

Current Elected Officials County Council

District I	Edda Cammick
District II	Wayne McCall
District III	Paul Cain
District IV	Julian Davis, III
District V	James Glenn Hart

Other Elected County Officials

Clerk of Court	Beverly Whitfield
Coroner	Karl E. Addis
Auditor	Christy W. Hubbard
Treasurer	Gregorie W. Nowell
Probate Judge	Kenneth E. Johns, Jr.
Sheriff	Mike Crenshaw
Solicitor	David R. Wagner

County Administrator

T. Scott Moulder

County Attorney

David A. Root, Esq.

State Legislative Delegation

State Senate: Thomas C. Alexander, District 1
State House: William R. Whitmire, District 1
William E. Sandifer III, District 2

U.S. Congressional Delegation

Senate:	Lindsey O. Graham Timothy E. Scott
House of Representatives:	Jeffrey D. Duncan, District 3

Oconee County
SOUTH CAROLINA

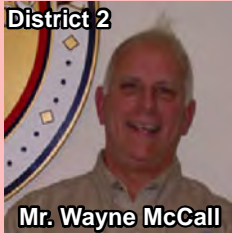


County Council Districts
and Representatives

FY2016-2017

Map 1

District 2



Mr. Wayne McCall

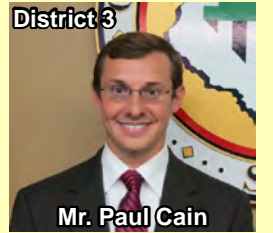
District 1



Mrs. Edda Cammick

District 2

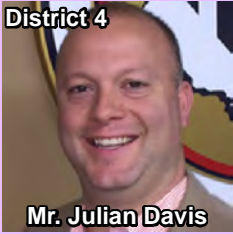
District 3



Mr. Paul Cain

District 4

District 4



Mr. Julian Davis

District 3

District 5

District 5



Mr. Glenn Hart

Legend

- Municipality
- Interstate 85
- Major Road
- Railroad



0 4
Miles

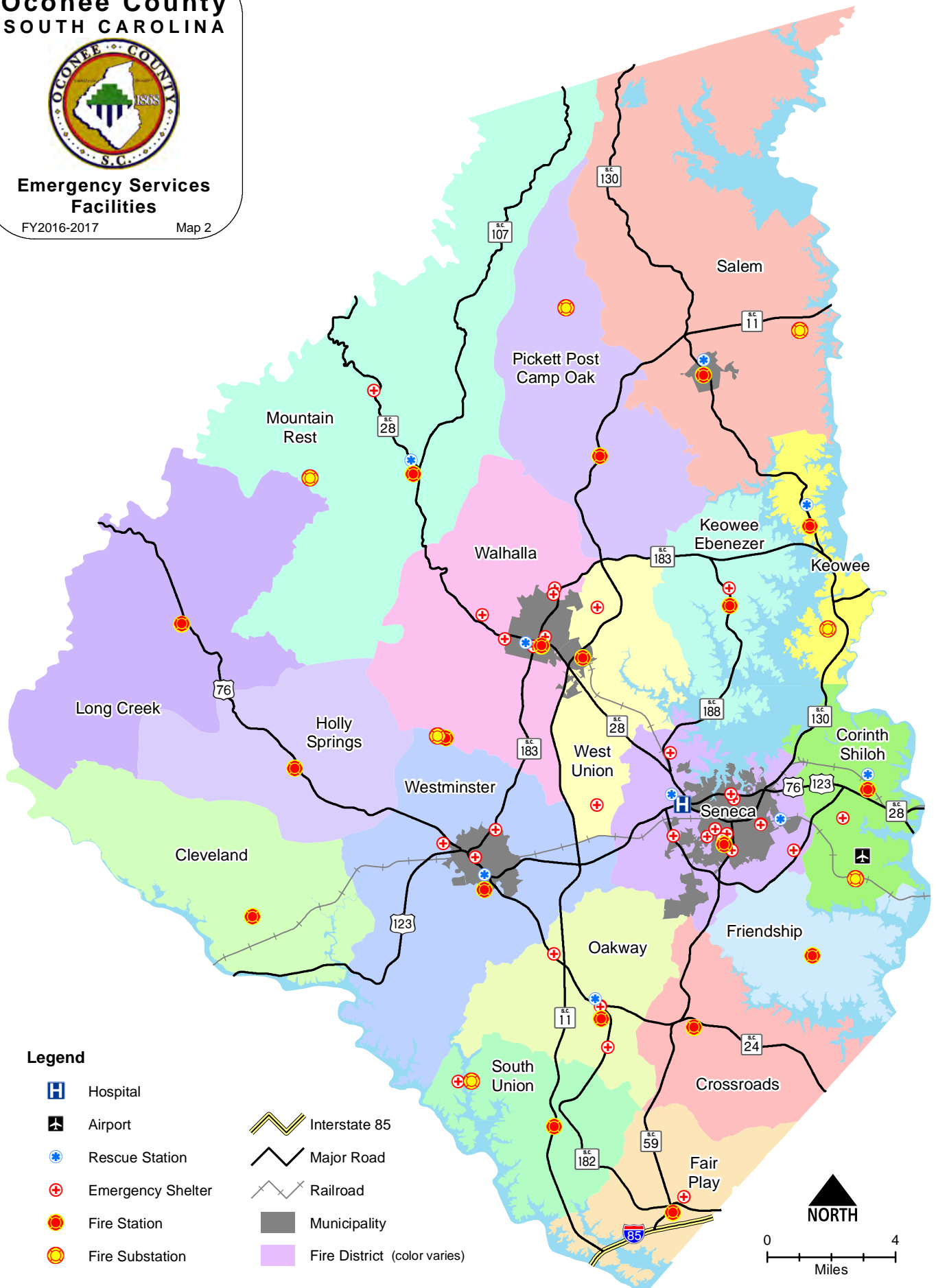
Oconee County SOUTH CAROLINA



Emergency Services Facilities

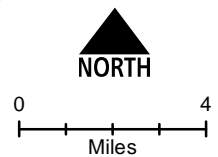
FY2016-2017

Map 2



Legend

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



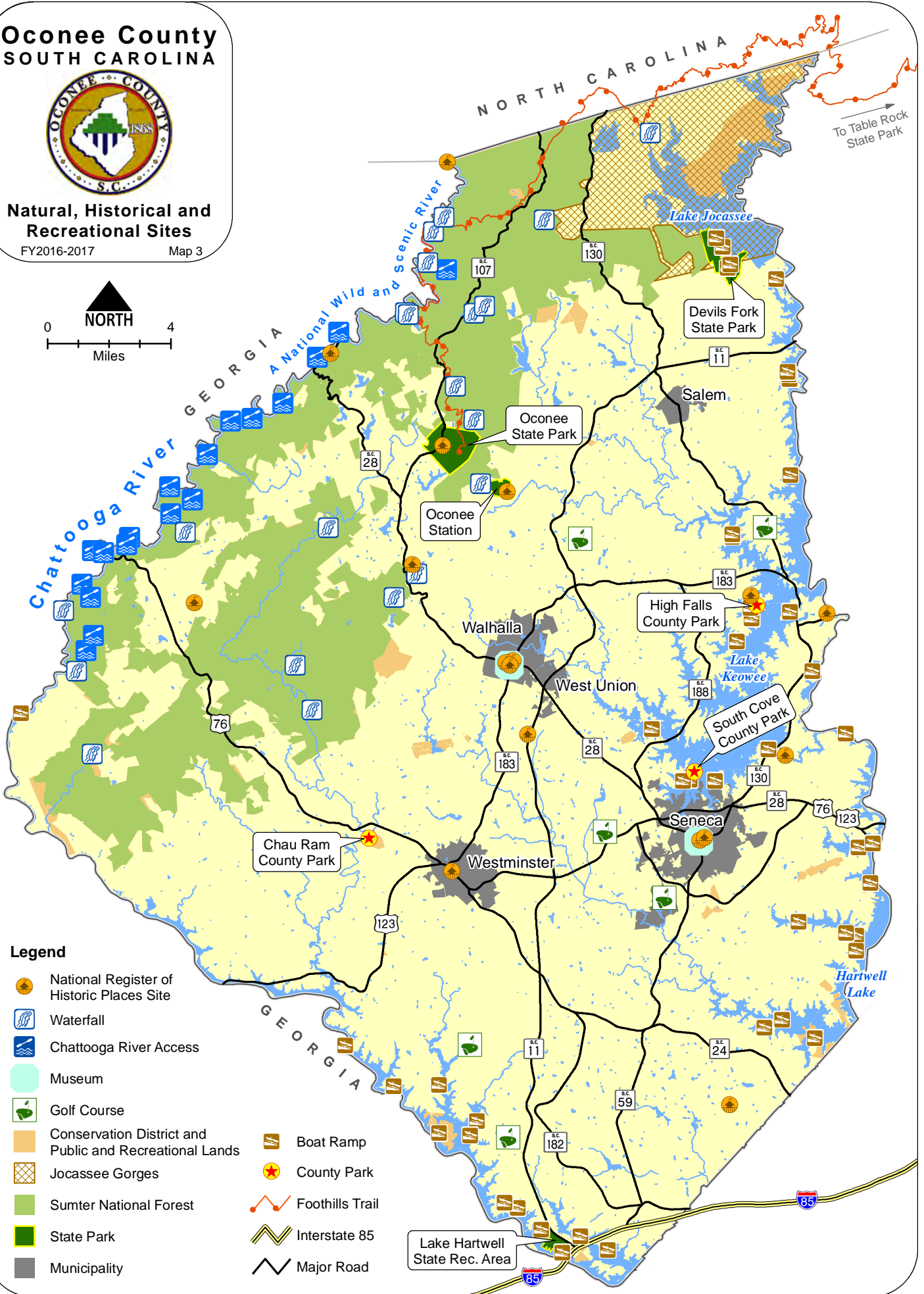
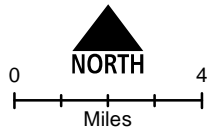
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY2016-2017

Map 3



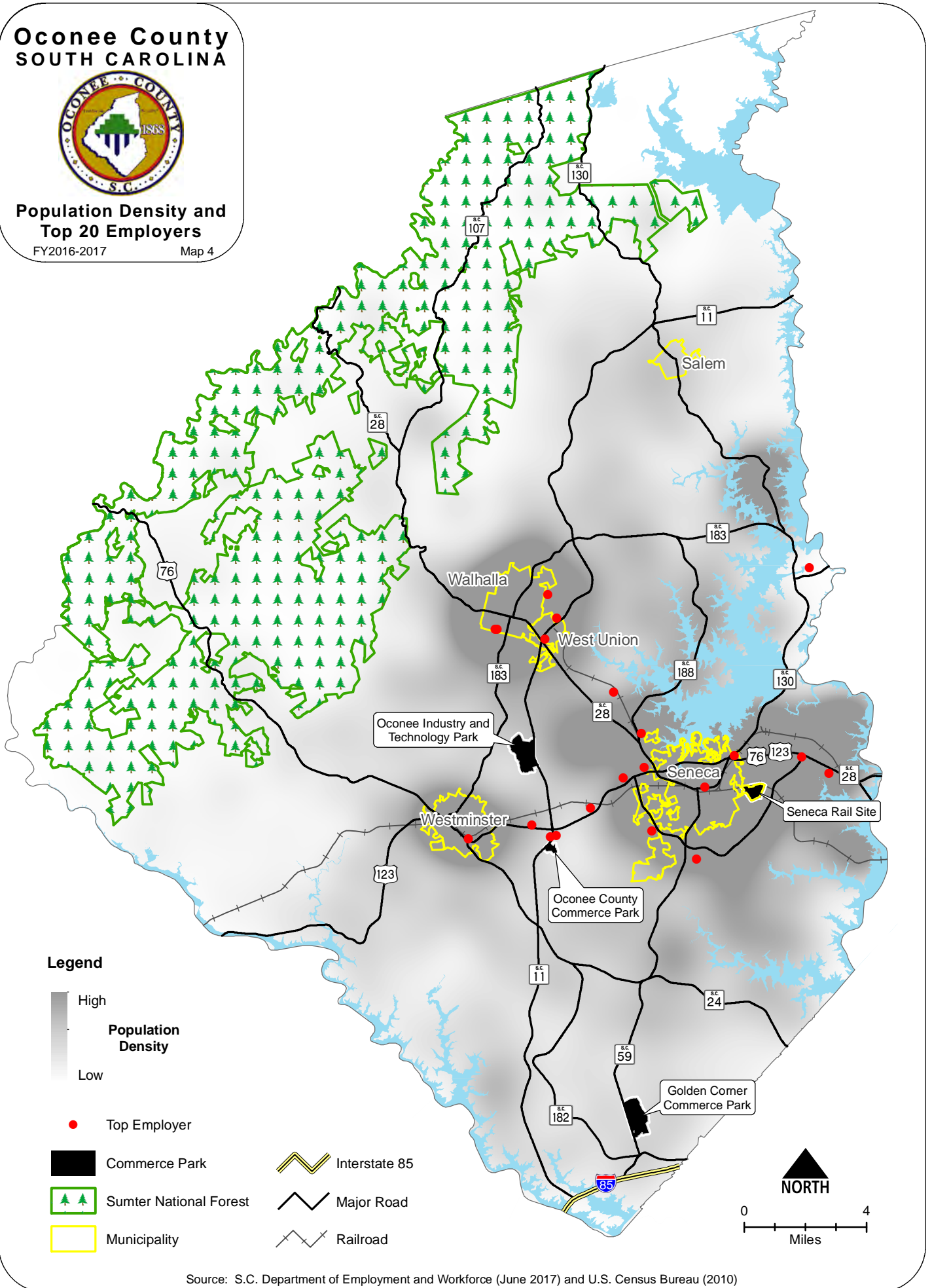
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY2016-2017

Map 4



Source: S.C. Department of Employment and Workforce (June 2017) and U.S. Census Bureau (2010)

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Oconee County, South Carolina** (the "County"), as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15), the pension information for the Retirement Plans for the employees of Oconee County, South Carolina (on pages 77 and 78), and the Schedule of Funding Progress (on page 79) 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, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, 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, 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 14, 2017, on our consideration of Oconee County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Oconee County, South Carolina's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2017

OCONEE COUNTY, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of Oconee County provides an overview of the County's financial activities and performance for the fiscal year ended June 30, 2017. Please read the information presented in this document in conjunction with additional information presented with the County's financial statements.

FINANCIAL HIGHLIGHTS

- As of June 30, 2017, Oconee County's assets and deferred outflows of resources fell below its liabilities and deferred inflows of resources by \$120,231,340 which was a decrease from the prior year of 7.9 percent. The County's unrestricted net position was negative \$10,648,873.
- The County's governmental activities reported a decrease in net position of \$3,710,239. The net position of business-type activities decreased \$6,535,038 during fiscal year 2017. Overall the County's net position decreased \$10,245,277.
- The County's expenses in governmental activities were \$4,210,239 more than the \$56,426,097 generated in tax and other revenues for governmental programs (before transfers). For comparison, the prior year expenses were \$1,792,540 more than the prior year revenues (before transfers), as reflected in the Changes in Net Position Figure 2.
- At the end of fiscal year 2017, the General Fund reported a fund balance of \$23,736,353, which was an increase of \$1,473,716 from the previous fiscal year.
- In the General Fund, actual revenue sources available for appropriation were \$2,734,547 more than anticipated. This is primarily due to property tax and intergovernmental revenues. Actual expenditures were \$361,346 more than the final budgeted expenditures. Furthermore, actual revenues were \$1,054,584 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. This report also contains 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.

These two statements report the County's net position and the changes compared to previous year. 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 in determining the overall financial health of the County.

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

- **Governmental Activities** – Most of the County's basic services are reported here for departments that are included in the following categories: general government, public safety, transportation, public works, culture and recreation, judicial services, education, health and welfare, and economic development.
- **Business-Type Activities** – Activity for the Rock Quarry is included in this category as the County charges fees to cover the cost of products sold to customers. Activity for the Fiber Optics Creating Unified Solutions (FOCUS) project is also included as 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 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 fund type 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 which includes the original, final and actual budgets, 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, but not limited to, significant accounting policies, information on the County's capital assets and long-term debt, employee and post-employment health insurance plan information, and information related to the County's retirement plans.

Finally, the County must include additional supplementary information. 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 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

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, 2017 display combined net position of \$120.2 million, or 7.9 percent less than at June 30, 2016. The largest portion of the net position, at 99 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 (9.9 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (-8.9 percent) is unrestricted net position, with a negative balance of \$10.6 million at June 30, 2017. Unrestricted net position includes \$8,566,232 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	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 47,283,386	\$ 46,794,809	\$ 2,671,804	\$ (2,874,548)	\$ 49,955,190	\$ 43,920,261
Capital assets	133,989,346	135,027,948	3,544,055	15,453,880	137,533,401	150,481,828
Total assets	<u>\$ 181,272,732</u>	<u>\$ 181,822,757</u>	<u>\$ 6,215,859</u>	<u>\$ 12,579,332</u>	<u>\$ 187,488,591</u>	<u>\$ 194,402,089</u>
Deferred charge on refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pension - South Carolina Retirement System	3,626,864	1,783,627	325,367	121,700	3,952,231	1,905,327
Pension - South Carolina Police Officers' Retirement System	3,359,514	4,598,456	-	-	3,359,514	4,598,456
Total deferred outflows of resources	<u>\$ 6,986,378</u>	<u>\$ 6,382,083</u>	<u>\$ 325,367</u>	<u>\$ 121,700</u>	<u>\$ 7,311,745</u>	<u>\$ 6,503,783</u>
Long-term liabilities	\$ 67,893,316	\$ 61,240,239	\$ 2,130,036	\$ 1,808,583	\$ 70,023,352	\$ 63,048,822
Other liabilities	3,795,339	3,193,128	198,444	127,683	3,993,783	3,320,811
Total liabilities	<u>\$ 71,688,655</u>	<u>\$ 64,433,367</u>	<u>\$ 2,328,480</u>	<u>\$ 1,936,266</u>	<u>\$ 74,017,135</u>	<u>\$ 66,369,633</u>
Pension - South Carolina Retirement System	\$ 500,542	\$ 654,239	\$ 40,837	\$ 57,819	\$ 541,379	\$ 712,058
Pension - South Carolina Police Officers' Retirement System	10,482	14,231	-	-	10,482	14,231
Total deferred outflows of resources	<u>\$ 511,024</u>	<u>\$ 668,470</u>	<u>\$ 40,837</u>	<u>\$ 57,819</u>	<u>\$ 551,861</u>	<u>\$ 726,289</u>
Net position:						
Net investment in capital assets	\$ 115,481,202	\$ 117,641,741	\$ 3,544,055	\$ 15,453,880	\$ 119,025,257	\$ 133,095,621
Restricted	11,854,956	11,572,618	-	-	11,854,956	11,572,618
Unrestricted	(11,276,727)	(9,444,689)	627,854	(4,746,933)	(10,648,873)	(14,191,622)
Total net position	<u>\$ 116,059,431</u>	<u>\$ 119,769,670</u>	<u>\$ 4,171,909</u>	<u>\$ 10,706,947</u>	<u>\$ 120,231,340</u>	<u>\$ 130,476,617</u>

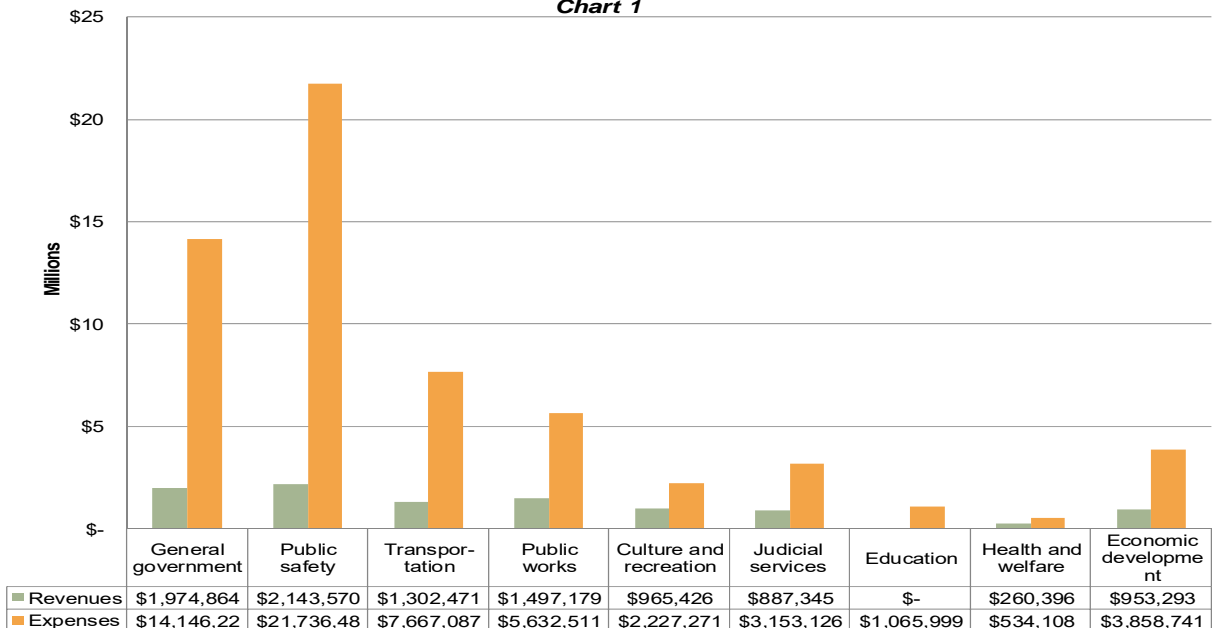
Oconee County's Changes in Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 5,910,617	\$ 5,425,186	\$ 6,201,271	\$ 5,928,950	\$ 12,111,888	\$ 11,354,136
Operating grants and contributions	2,914,832	2,407,575	-	-	2,914,832	2,407,575
Capital grants and contributions	1,159,095	1,755,317	-	-	1,159,095	1,755,317
General revenues:						
Property taxes	42,188,898	41,172,258	-	-	42,188,898	41,172,258
Other taxes	1,027,358	896,899	-	-	1,027,358	896,899
Grants and contributions not restricted to specific programs	2,881,355	2,753,991	-	-	2,881,355	2,753,991
Interest income	232,848	546,936	(2,304)	5,908	230,544	552,844
Loss on sale of capital assets	-	-	(6,695,201)	-	(6,695,201)	-
Insurance recoveries	111,094	118,692	-	-	111,094	118,692
Total revenues	\$ 56,426,097	\$ 55,076,854	\$ (496,234)	\$ 5,934,858	\$ 55,929,863	\$ 61,011,712
Program expenses						
General government	\$ 14,146,220	\$ 15,373,751	\$ -	\$ -	\$ 14,146,220	\$ 15,373,751
Public safety	21,736,482	19,750,046	-	-	21,736,482	19,750,046
Transportation	7,667,087	6,360,354	-	-	7,667,087	6,360,354
Public works	5,632,511	2,218,478	-	-	5,632,511	2,218,478
Culture and recreation	2,227,271	3,314,681	-	-	2,227,271	3,314,681
Judicial services	3,153,126	3,098,182	-	-	3,153,126	3,098,182
Education	1,065,999	1,086,000	-	-	1,065,999	1,086,000
Health and welfare	534,108	542,478	-	-	534,108	542,478
Economic development	3,858,741	891,864	-	-	3,858,741	891,864
Interest and fiscal charges	614,791	648,480	-	-	614,791	648,480
FOCUS	-	-	2,418,287	2,672,861	2,418,287	2,672,861
Rock quarry	-	-	3,120,517	3,151,400	3,120,517	3,151,400
Total expenses	\$ 60,636,336	\$ 53,284,314	\$ 5,538,804	\$ 5,824,261	\$ 66,175,140	\$ 59,108,575
Excess (deficiency) before transfers	\$ (4,210,239)	\$ 1,792,540	\$ (6,035,038)	\$ 110,597	\$ (10,245,277)	\$ 1,903,137
Transfers	500,000	483,522	(500,000)	(483,522)	-	-
Increase (decrease) in net position	(3,710,239)	2,276,062	(6,535,038)	(372,925)	(10,245,277)	1,903,137
Net position, beginning of year	119,769,670	117,493,608	10,706,947	11,079,872	130,476,617	128,573,480
Net position, ending of year	\$ 116,059,431	\$ 119,769,670	\$ 4,171,909	\$ 10,706,947	\$ 120,231,340	\$ 130,476,617

**Governmental Activities
Program Revenues and Expenses**

Chart 1



The Statement of Activities on page 17 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, decreased to \$56.4 million, or 8.3 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 6.7 percent, or \$757,752, from fiscal year 2016 to fiscal year 2017. Further, the County receives both operating and capital grants and contributions from state and federal governments, as well as other non-government individuals and businesses. The operating grants and contributions, \$2.9 million, are used to fund the general operations of certain programs of the County. The operating grants increased from the prior year by \$507,257 (21.1 percent). This increase is due to the governmental activities general government, public works and culture and recreation programs. Capital grants and contributions fund the purchase of capital assets and improvements. During 2017, the County received \$1.2 million in capital grants compared to the \$1.8 million received for fiscal year 2016, a 34.0 percent decrease. The majority of this decrease pertains to the transportation program. Property tax revenues increased by a little over \$1 million (2.5 percent).

The total governmental and business-type activities program expenses increased \$7.1 million, which is composed primarily of increases in FOCUS (\$6,409,949), public works (\$3,414,033), economic development (\$2,966,877), public safety (\$1,986,436), transportation (\$1,306,733), judicial services (\$54,944), and Rock Quarry (\$2,099), offset by decreases in general government (\$1,227,531), culture and recreation (\$1,087,410), interest on long-term debt (\$33,689), education (\$20,001), and health and welfare (\$8,370). The change in net position, for the governmental and business-type activities combined, decreased by \$10.2 million from the previous year to negative \$120.2 million at the end of fiscal year 2017. See Figure 2 for more detailed information.

Governmental Activities

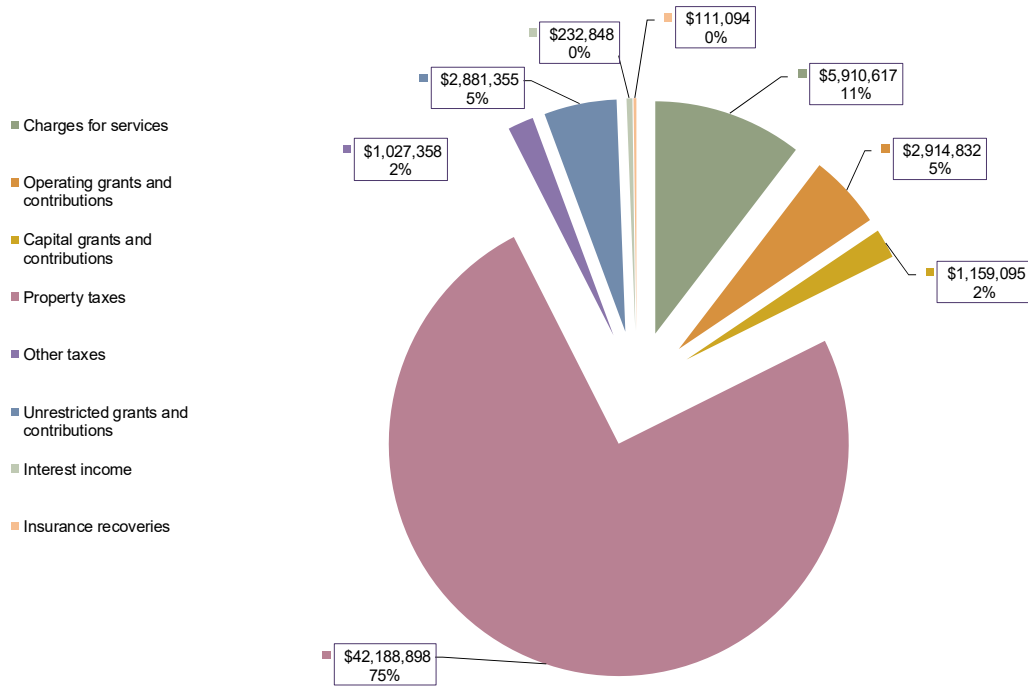
The net position of the County's governmental activities decreased from 2016 to 2017 by \$3,710,239 to \$116,059,431. The total liabilities and deferred inflows of resources increased by \$1.3 million and the total assets and deferred outflows of resources also increased by \$3.4 million. The increase in total liabilities and deferred inflows result in the addition of the 2016B GO Bond of \$3.3 million. The internal balances between the governmental activities and the business-type activities increased \$2 million, while the increase in total liabilities and deferred outflows is a direct result of the accounting requirement for reporting the County's portion of the state retirement pension liability and the long-term liabilities. The net pension liability increased \$5.2 million. The governmental activities unrestricted net position at June 30, 2017 totaled a negative \$11.3 million, a decrease from the prior year of \$1.8 million. Additionally, the 2017 total net position from the governmental activities operations included an increase in the restricted net position of \$282,338. Furthermore, the net investment in capital assets increased by \$1 million.

The cost of all governmental activities this year was \$60.6 million compared to \$53.3 million last year due mainly to the increase in the public works program.

In Oconee County, taxpayers paid \$42.2 million in property taxes to finance the governmental activities. Some operating costs were paid either by those who directly benefited from the services offered (\$5.9 million) through charges for services or other governments and organizations that subsidized certain programs with both operating and capital grants and contributions (\$4.1 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, increased marginally by \$396,466 from \$9,588,078 in 2016 to \$9,984,544 in 2017. The charges for services revenue increased \$485,431, or 8.9 percent, from the prior year in all programs except for a minimal decrease in the economic development program. Both, operating and capital grants and contributions revenues had a net decrease \$88,965 from 2016. The County airport had less construction activity during the year due to utility easement issues which reduced the amount of federal capital grant revenue from the airport transportation program.

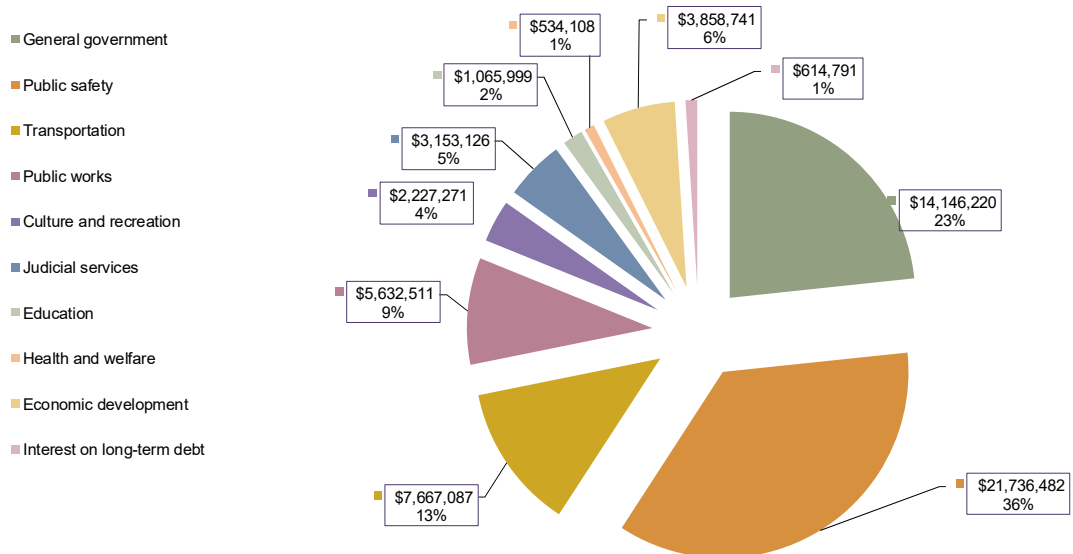
Governmental Activities Revenues by Source

Chart 2



Governmental Activities Expenses by Program

Chart 3

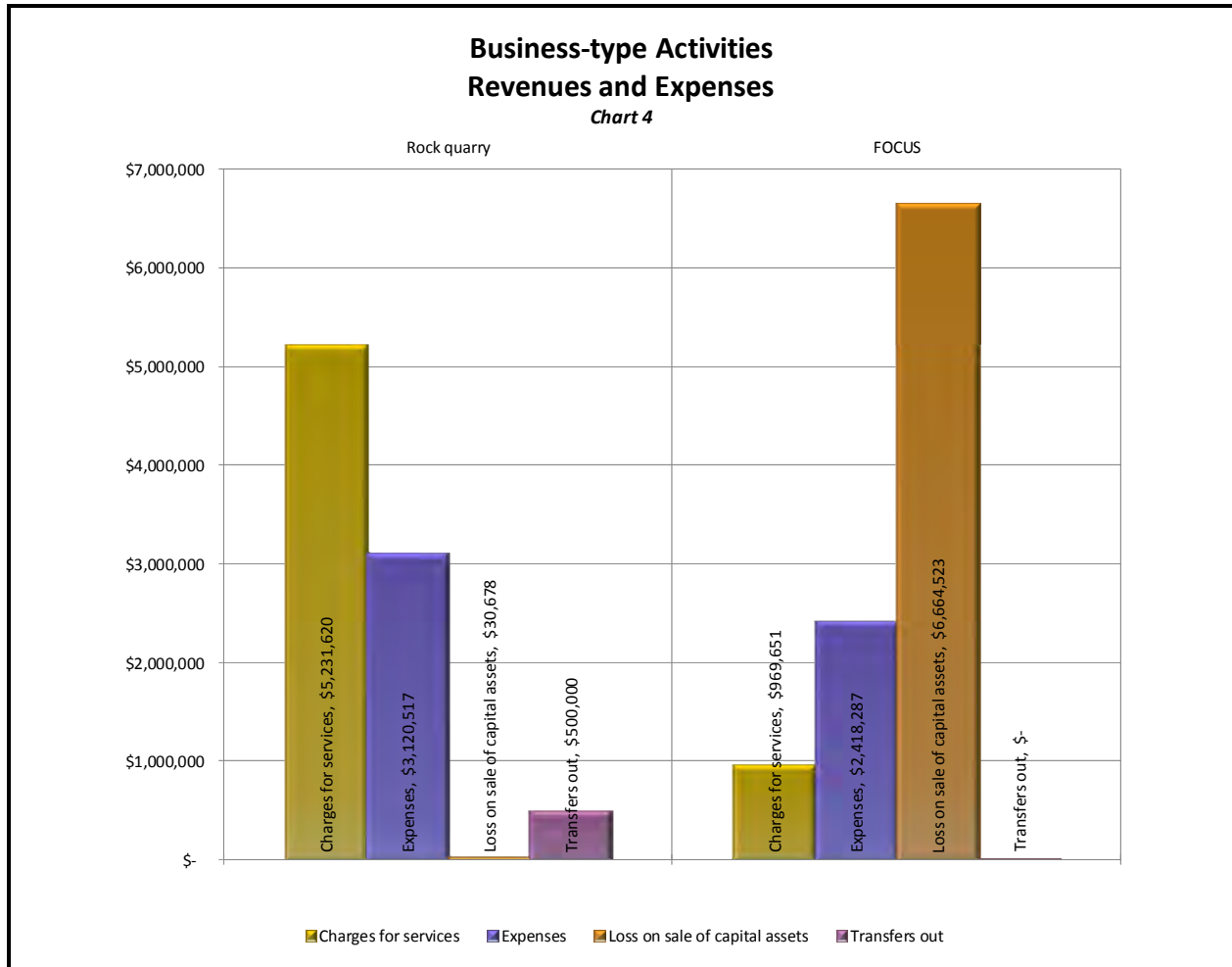


Business-type Activities

The business-type activities of the County have a total net position of \$4.2 million, a 61 percent decrease from the \$10.7 million of 2016.

For fiscal year 2017, the business-type activities program revenues were down by 108.4 percent or \$6.4 million from fiscal year 2016. The business-type activities expenses fell slightly by 4.9 percent, or \$285,457.

Further details will be provided in the Proprietary Funds section on pages 24 - 27.



FUND FINANCIAL ANALYSIS

The County is required to include detailed reports for its governmental and proprietary funds, as well as, the General Fund Budgetary Comparison Schedule. These statements begin on page 84.

Governmental Funds

At completion of fiscal year 2017, the County's governmental funds reported total fund balances of \$42.2 million, which was a decrease from last year's total by \$172,810. This decrease was related to activity within the Capital Projects, Economic Development and Nonmajor Governmental Funds. The General Fund's total fund balances grew by 6.6 percent, or \$1.5 million. Total governmental revenues increased \$1.1 million, or 2 percent mainly as a result of increased property tax collections.

Total governmental funds expenditures increased by \$3 million, or 7.2 percent, from the prior year. The decrease in the governmental fund capital outlay expenditures is due to issues involving utility easements for the expansion of the airport

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 \$6 million, while its total fund balance was \$23.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to its total original budgeted expenditures for the following year. The unassigned fund balance represents 13.6 percent of the total General Fund expenditures for fiscal year 2017-2018, while the total fund balance represents 53.7 percent of that same amount. The General Fund revenues have increased by approximately \$2.5 million from 2016. General Fund expenditures increased 7.2 percent primarily in the public safety, general government and public works programs and the 2013 and 2015 capital lease principal and interest expenditures.

The County is required to present individual financial statements for each of the County's major funds and any funds deemed significant by management. The General Fund is always a major fund. Other governmental and enterprise funds must also be reported as a major fund, if both of the following criteria have been met.

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

The County could decide to include any governmental or enterprise fund's individual financial statements as a major fund, even if they do not meet the criteria for major fund reporting. The following governmental 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, 2017 fund balance was \$870,159, a decrease of \$421,376 from the June 30, 2016 fund balance. Capital outlay expenditures included minor construction projects, but principally involved the final purchases for the 2015 capital equipment lease; therefore, the capital expenditures decreased by \$3.1 million.

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 2016-2017 were \$1.9 million, which was less than the prior year by \$115,169. Expenditures related to professional services for various economic development projects accounted for \$3.6 million of the \$4.8 million in expenditures. The remaining balance of the expenditures was mostly for the waste water pump station located in the Golden Corner Commerce Park off of SC Highway 59.

The remaining funds do not meet the criteria for major funds and are combined into a single column. The nonmajor funds include the following:

- Special Revenue Funds:
 - Emergency Services Protection District
 - 911 Communications
 - Sheriff's Victims Assistance
 - Clerk of Court Federal Child Support
 - Road Maintenance
 - State Accommodations Tax
 - Solicitor's Victims Assistance
 - Library State Aid
 - Miscellaneous Special Revenue
 - Local Accommodations Tax
 - Duke Energy Fixed Nuclear Facility
 - Tri-County Technical College
- Debt Service Fund
- Bridge and Culvert Capital Projects Fund

Proprietary Funds

The County reports two enterprise funds. Those funds are the Rock Quarry Fund and the FOCUS Fund. The total net position for both proprietary funds at June 30, 2017 was \$4.2 million of which \$7.4 million is related to the Rock Quarry and is netted against a loss of \$3.2 million related to FOCUS.

The Rock Quarry produces and sells mined blue granite for use in construction and landscaping projects. At the end of fiscal year 2017, the Rock Quarry's operating income of \$2.1 million increased from the previous year by \$12.2 percent as a result of lean management and increased rock sales.

During the fiscal year, the County entered into a capital lease agreement with OneTone Telecom, Inc. which resulted in the ownership transfer of FOCUS's infrastructure and equipment assets to OneTone. The transfer produced a loss on the disposal of capital assets totaling \$6.7 million which decreased the net position by \$8.1 million from the prior year. As stipulated in the agreement, a total of \$6.3 million will be repaid, interest free, over 20 years with the first payment of \$200,000 having been made on September 1, 2016. The final payment will occur in fiscal year 2035. The County's cost of the broadband project from inception in fiscal year end 2011 totals \$16 million offset by federal grant reimbursements of \$9.8 million and local revenues of \$3.3 million resulting in a \$2.9 million loss over the entire span of the project. The overall intent of the agreement is to remove the operational burden from the County, while recouping the loss through benefits to the County and its citizens from future network expansion and improved services.

General Fund Budgetary Highlights

In the 2016-2017 adopted budget (Ordinance 2016-01), the General Fund's original budget totaled \$44,327,318 including transfers out. Encumbrances for purchase orders involving capital expenditures with an outstanding balance at fiscal year-end 2016 did not lapse and were allowed to roll forward to the 2017 budget year as allowed in the budget provisions. The 2016 fiscal year-end's encumbrances rolled forward adding \$207,278 in expenditures to the 2017 budget variance.

By the end of the year, General Fund actual revenues totaled \$43,931,091, which is \$2,734,547 more than the final budget and attributable mainly to increases in the taxes, intergovernmental, licenses, permits and fees and charges for services revenue categories. During the year, expenditure budget amendments increased the total budgeted expenditures by \$442,011, which included the purchase order encumbrances from June 30, 2016. Actual expenditures totaled \$44,985,675, thus creating a budget variance of negative \$361,346. This difference, between the actual expenditures and the final budgeted expenditures, was accomplished by actual expenditures being more than the final budget in the public works and debt service functions of the general fund. Equally important to note, the actual expenditures were more than the original budget by \$803,357 and the original and final budgeted revenues were more by \$1,617,998.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for the governmental and business-type activities, as of June 30, 2017, total \$137.5 million, net of accumulated depreciation and depletion. These assets include land, construction in progress, infrastructure land rights, buildings and improvements, vehicles and equipment, infrastructure, permits and mineral interests. The total net decrease is \$12.9 million, or 8.6 percent, below last year. The decrease is due to the FOCUS, a business-type activity, transfer of the broadband capital assets to OneTone Communications, Inc.

Oconee County's Capital Assets						
Net of Accumulated Depreciation and Depletion						
Figure 3						
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,493,756	\$ 4,234,869	\$ 1,021,295	\$ 594,592	\$ 5,515,051	\$ 4,829,461
Other costs	36,942,306	36,924,770	-	-	36,942,306	36,924,770
Construction in progress	4,632,174	16,201,649	-	-	4,632,174	16,201,649
Buildings and improvements	50,177,116	49,737,825	166,997	200,722	50,344,113	49,938,547
Equipment and vehicles	11,175,704	9,542,453	2,104,525	2,260,259	13,280,229	11,802,712
Infrastructure	26,528,784	18,344,407	(17,116)	12,123,071	26,511,668	30,467,478
Other	39,506	41,975	-	-	39,506	41,975
Mineral interests	-	-	268,354	275,236	268,354	275,236
Total capital assets, net of accumulated depreciation and depletion	\$ 133,989,346	\$ 135,027,948	\$ 3,544,055	\$ 15,453,880	\$ 137,533,401	\$ 150,481,828

Major capital asset transactions during the year include:

- Construction in progress for:
 - Airport improvement projects (AIP) 23-Terminal Plan, \$32,000;
 - Whetstone, Bountylane and Village Creek emergency substations, \$32,564;
 - Twelve roads and four bridges, \$112,028; and
 - Prepaid fire truck, \$369,469.
- Asset additions for:
 - South SC Highway 59 waste water system, \$10,041,053;
 - Oakway school building and Shiloh and Cheohee Valley substations, \$1,069,345;
 - South Cove office and maintenance buildings and campground improvements, \$304,048;
 - 44.563 acres for various programs, \$685,591;
 - E911 communications software, \$1,074,515;
 - Twenty-one regular, three specialty, and two fire engine vehicles, \$2,187,475; and
 - Six roads, \$426,956.

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

Long-term Debt

As of June 30, 2017, the County had outstanding a total bonded debt of approximately \$15.3 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	
	2017	2016	2017	2016	2017	2016
General obligation (GO) bonds						
Applicable to the debt margin:						
GO bonds	\$ 14,350,000	\$ 11,575,000	\$ -	\$ -	\$ 14,350,000	\$ 11,575,000
Plus unamortized premium	456,581	513,005	-	-	456,581	513,005
GO refunding bonds	-	690,000	-	-	-	690,000
Plus unamortized premium	-	7,742	-	-	-	7,742
Total GO bonds applicable to the debt margin	\$ 14,806,581	\$ 12,785,747	\$ -	\$ -	\$ 14,806,581	\$ 12,785,747
Not applicable to the debt margin:						
GO bonds for special tax districts	\$ 505,000	\$ 595,000	\$ -	\$ -	\$ 505,000	\$ 595,000
Total GO bonds no applicable to the debt margin	\$ 505,000	\$ 595,000	\$ -	\$ -	\$ 505,000	\$ 595,000
Total GO bonds	\$ 15,311,581	\$ 13,380,747	\$ -	\$ -	\$ 15,311,581	\$ 13,380,747
Capital lease obligations	3,385,103	5,214,340	-	-	3,385,103	5,214,340
Special source refunding revenue bonds	2,267,000	2,516,000	-	-	2,267,000	2,516,000
Total outstanding debt	\$ 20,963,684	\$ 21,111,087	\$ -	\$ -	\$ 20,963,684	\$ 21,111,087

At June 30, 2017, the County's total outstanding general obligation (GO) debt in the governmental funds was \$15,311,581, while the enterprise funds had no outstanding debt. The outstanding balance consists of the series 2007 Keowee Fire Tax District, 2010 GO refunding, 2011 Detention Center, 2013 Echo Hills Commerce Park and 2016B Workforce Development Center GO bonds.

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

The State of South Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin, (amount of general obligation debt that the County could borrow without a referendum), for the County is approximately \$30.3 million, which is a 6.8 percent decrease from the prior year. The legal debt margin calculation does not apply to GO debt issued for special tax districts.

The outstanding balance of the series 2014 special source refunding revenue bond is \$2,267,000. 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 was paid off during the year. However, the 2015 capital lease purchase has an outstanding balance of \$3,385,104.

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 2017, the estimated liability was increased by \$1.2 million due to the current year's portion. The balance of the estimated liability for closure and post closure care costs at June 30, 2017 is \$3.4 million.

Included in the long-term liabilities are the compensated absences which consist of accrued accumulated unpaid vacation time earned by County employees. The estimated long-term liability for annual leave is \$1,385,502 for the governmental activities and \$111,613 for the business-type activities.

The net pension liability, also a long-term liability, for the governmental activities was \$33,424,643 at the end of 2016 and increased \$5,230,699 to \$38,655,342 for June 30, 2017. The business-type activities increased \$435,906 to \$1,838,039 for 2017.

Finally, the long-term liabilities include the net post-employment benefit obligation. At fiscal year-end, the net post-employment benefit obligation for the governmental activities was \$3,463,273, an increase of \$287,817 from 2016. The business-type activities net post-employment benefit obligation increased \$22,130 during 2017 to \$180,384 at fiscal year-end.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Oconee County's economic outlook continues to improve as indicated with lower unemployment rates. The County's unemployment rate, as of June 2017, was 5.5 percent. This was higher than the October 2017 rate of 4.4 percent. South Carolina's unemployment rates for the same periods are 4.2 percent and 3.9 percent, respectively. The County's partnership with the School District of Oconee County and Tri-County Technical College in the construction of a workforce development center reflects the County's goal to create a more diverse employment foundation to draw businesses and industries into the County. This and other economic development initiatives place the County in an excellent position for future growth.

Oconee County Ordinance 2017-01 establishes the budget and provides for the levy of taxes for ordinary County purposes for fiscal year beginning July 1, 2017 and ending June 30, 2018. Appropriations in the 2017-2018 Annual Adopted Budgets provide funding for:

- **Governmental funds:**
 - General Fund, \$44,397,501
 - Special revenues funds for:
 - Emergency Services Protection, \$1,460,000
 - Victims Services – Sheriff's Office, \$152,000
 - Victims Services – Solicitor's Office, \$58,000
 - 911 Communications, \$1,034,000
 - Tri-County Technical College Operations, \$1,670,000
 - Road Maintenance, \$1,470,000
 - Capital projects funds for:
 - Economic Development, \$615,000
 - Bridge and Culvert, \$525,000
 - Debt service fund, \$1,958,544
- **Proprietary fund:**
 - Rock Quarry, \$4,988,500

The combined budget for these funds is \$58,328,545. The General Fund's adopted budget for fiscal year 2018 totals \$44,397,501, which is more than the prior year's budget by \$70,183, or 0.2 percent. This minimal increase is a result of the reduction in staff by fifteen full-time employees, the increase in the employer's contribution to the state retirement plan, the addition of six full-time employees in the Emergency and Fire Services program, and the elimination of one-time transfers added to the anticipated increase primarily in the property tax collections and intergovernmental revenues. The total millage levied for fiscal year ending 2018 is 71 mills for the County's incorporated areas and 73.9 mills for the unincorporated areas, which is the same as 2017.

REQUESTS FOR INFORMATION

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

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

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION JUNE 30, 2017

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
ASSETS				
Cash and cash equivalents	\$ 15,353,539	\$ 4,832,636	\$ 20,186,175	\$ 699,108
Investments	10,020,848	240,558	10,261,406	-
Receivables:				
Taxes	1,225,213	-	1,225,213	5,277
Accounts	326,242	167,902	494,144	15,000
Due from other governments	1,416,197	-	1,416,197	-
Internal balances	8,999,872	(8,999,872)	-	-
Due from component unit	505,000	-	505,000	-
Inventories	171,737	330,579	502,316	-
Prepaid expenses	341,817	-	341,817	-
Seized assets	194,160	-	194,160	-
Lease receivable	-	6,100,001	6,100,001	-
Assets held for resale	162,529	-	162,529	-
Assets held for economic development	8,566,232	-	8,566,232	-
Capital assets:				
Nondepreciable	46,068,236	1,021,295	47,089,531	-
Depreciable, net	87,921,110	2,522,760	90,443,870	1,350,365
Total assets	<u>181,272,732</u>	<u>6,215,859</u>	<u>187,488,591</u>	<u>2,069,750</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension - South Carolina Retirement System	3,626,864	325,367	3,952,231	-
Pension - South Carolina Police Officers Retirement System	3,359,514	-	3,359,514	158,557
Total deferred outflows of resources	<u>6,986,378</u>	<u>325,367</u>	<u>7,311,745</u>	<u>158,557</u>
LIABILITIES				
Accounts payable	2,285,476	142,641	2,428,117	-
Accrued liabilities	1,208,120	55,803	1,263,923	8,916
Unearned revenues	301,743	-	301,743	-
Due to primary government	-	-	-	505,000
Noncurrent liabilities:				
Due within one year	2,975,757	31,059	3,006,816	19,882
Due in more than one year	26,262,217	260,938	26,523,155	96,756
Net Pension Liability:				
South Carolina Retirement System	24,899,583	1,838,039	26,737,622	-
South Carolina Police Officers Retirement System	13,755,759	-	13,755,759	727,715
Total liabilities	<u>71,688,655</u>	<u>2,328,480</u>	<u>74,017,135</u>	<u>1,358,269</u>
DEFERRED INFLOWS OF RESOURCES				
Pension - South Carolina Retirement System	500,542	40,837	541,379	-
Pension - South Carolina Police Officers' Retirement System	10,482	-	10,482	40,612
Total deferred inflows of resources	<u>511,024</u>	<u>40,837</u>	<u>551,861</u>	<u>40,612</u>
NET POSITION				
Net investment in capital assets	115,481,202	3,544,055	119,025,257	722,126
Restricted for capital projects	6,236,756	-	6,236,756	-
Restricted for debt service	864,559	-	864,559	-
Restricted for general government	625,432	-	625,432	-
Restricted for judicial services	98,095	-	98,095	-
Restricted for education	549,597	-	549,597	-
Restricted for economic development	768	-	768	-
Restricted for culture and recreation	370,293	-	370,293	-
Restricted for public safety	1,826,218	-	1,826,218	-
Restricted for health and welfare	2,156	-	2,156	-
Restricted for transportation	1,281,082	-	1,281,082	-
Unrestricted	(11,276,727)	627,854	(10,648,873)	107,300
Total net position	<u>\$ 116,059,431</u>	<u>\$ 4,171,909</u>	<u>\$ 120,231,340</u>	<u>\$ 829,426</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
		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	\$ 14,146,220	\$ 1,131,063	\$ 835,773	\$ 8,028	\$ (12,171,356)	\$ -	\$ (12,171,356)	\$ -
Public safety	21,736,482	1,094,335	1,047,070	2,165	(19,592,912)	-	(19,592,912)	-
Transportation	7,667,087	999,702	854	301,915	(6,364,616)	-	(6,364,616)	-
Public works	5,632,511	1,406,614	90,565	-	(4,135,332)	-	(4,135,332)	-
Culture and recreation	2,227,271	531,420	434,006	-	(1,261,845)	-	(1,261,845)	-
Judicial services	3,153,126	747,257	140,088	-	(2,265,781)	-	(2,265,781)	-
Education	1,065,999	-	-	-	(1,065,999)	-	(1,065,999)	-
Health and welfare	534,108	-	260,396	-	(273,712)	-	(273,712)	-
Economic development	3,858,741	226	106,080	846,987	(2,905,448)	-	(2,905,448)	-
Interest on long-term debt	614,791	-	-	-	(614,791)	-	(614,791)	-
Total governmental activities	60,636,336	5,910,617	2,914,832	1,159,095	(50,651,792)	-	(50,651,792)	-
Business-type activities:								
FOCUS	9,082,810	969,651	-	-	-	(8,113,159)	(8,113,159)	-
Rock quarry	3,153,499	5,231,620	-	-	-	2,078,121	2,078,121	-
Total business-type activities	12,236,309	6,201,271	-	-	-	(6,035,038)	(6,035,038)	-
Total primary government	\$ 72,872,645	\$ 12,111,888	\$ 2,914,832	\$ 1,159,095	(50,651,792)	(6,035,038)	(56,686,830)	-
Component unit:								
Keowee Fire Tax District	\$ 802,337	\$ 104,000	\$ 16,737	\$ 15,000	-	-	-	(666,600)
General revenues:								
Property taxes levied for:								
General purposes					35,533,516	-	35,533,516	-
Public safety					1,484,683	-	1,484,683	692,265
Debt service					2,177,565	-	2,177,565	-
Capital projects					564,522	-	564,522	-
Economic development					1,240,659	-	1,240,659	-
Education					1,187,953	-	1,187,953	-
Other taxes and licenses					1,027,358	-	1,027,358	-
Grants and contributions not restricted for a specific purpose					2,881,355	-	2,881,355	45,000
Unrestricted investment earnings					232,848	-	232,848	937
Insurance recovery					111,094	-	111,094	-
Miscellaneous					-	-	-	3,715
Transfers					500,000	(500,000)	-	-
Total general revenues and transfers					46,941,553	(500,000)	46,441,553	741,917
Change in net position					(3,710,239)	(6,535,038)	(10,245,277)	75,317
Net position, beginning of year					119,769,670	10,706,947	130,476,617	761,266
Prior period adjustment					-	-	-	(7,157)
Net position, beginning of year, as restated					119,769,670	10,706,947	130,476,617	754,109
Net position, end of year					\$ 116,059,431	\$ 4,171,909	\$ 120,231,340	\$ 829,426

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

OCONEE COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2017

	General	Capital Projects	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,707,527	\$ 880,962	\$ 389,558	\$ 8,375,492	\$ 15,353,539
Investments	7,570,848	-	2,000,000	450,000	10,020,848
Taxes receivable, net	1,013,236	-	28,915	183,062	1,225,213
Accounts receivable, net	256,490	-	-	69,752	326,242
Due from other governments	877,463	3,616	75,892	459,226	1,416,197
Due from component unit	-	-	-	505,000	505,000
Advances to other funds	8,999,872	-	-	-	8,999,872
Prepaid expenditures	241,897	-	-	99,920	341,817
Inventories	171,737	-	-	-	171,737
Seized assets	-	-	-	194,160	194,160
Assets held for resale	162,529	-	-	-	162,529
Assets held for economic development	2,754,025	-	5,812,207	-	8,566,232
Total assets	<u>\$ 27,755,624</u>	<u>\$ 884,578</u>	<u>\$ 8,306,572</u>	<u>\$ 10,336,612</u>	<u>\$ 47,283,386</u>
LIABILITIES					
Accounts payable	\$ 1,953,002	\$ 10,803	\$ 73,101	\$ 248,570	\$ 2,285,476
Accrued liabilities	1,014,826	-	-	13,351	1,028,177
Unearned revenue	-	-	-	301,743	301,743
Total liabilities	<u>2,967,828</u>	<u>10,803</u>	<u>73,101</u>	<u>563,664</u>	<u>3,615,396</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	884,160	-	24,217	159,556	1,067,933
Unavailable revenue - seized property	-	-	-	194,160	194,160
Unavailable revenue - intergovernmental	4,754	3,616	-	37,743	46,113
Unavailable revenue - forfeited land commission	162,529	-	-	-	162,529
Total deferred inflows of resources	<u>1,051,443</u>	<u>3,616</u>	<u>24,217</u>	<u>391,459</u>	<u>1,470,735</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	241,897	-	-	99,579	341,476
Inventories	171,737	-	-	-	171,737
Assets held for resale	162,529	-	-	-	162,529
Assets held for economic development	2,754,025	-	5,812,207	-	8,566,232
Seized assets	-	-	-	194,160	194,160
Advances to other funds	8,999,872	-	-	-	8,999,872
Restricted for:					
General government	-	-	-	625,432	625,432
Public safety	-	-	-	1,826,218	1,826,218
Transportation	-	-	-	1,281,082	1,281,082
Culture and recreation	-	-	-	370,293	370,293
Judicial services	-	-	-	98,095	98,095
Education	-	-	-	549,597	549,597
Health and welfare	-	-	-	2,156	2,156
Economic development	-	-	-	768	768
Capital projects	-	870,159	1,897,047	3,469,550	6,236,756
Debt service	-	-	-	864,559	864,559
Assigned:					
Solid waste reserve	1,665,700	-	-	-	1,665,700
Health care reserve	2,000,000	-	-	-	2,000,000
Courthouse grant	-	-	500,000	-	500,000
Transportation grant	300,000	-	-	-	300,000
OPEB reserve	1,207,715	-	-	-	1,207,715
Subsequent year's budget	229,305	-	-	-	229,305
Unassigned	6,003,573	-	-	-	6,003,573
Total fund balances	<u>23,736,353</u>	<u>870,159</u>	<u>8,209,254</u>	<u>9,381,489</u>	<u>42,197,255</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,755,624</u>	<u>\$ 884,578</u>	<u>\$ 8,306,572</u>	<u>\$ 10,336,612</u>	<u>\$ 47,283,386</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, 2017

Total fund balances for governmental funds:	\$ 42,197,255
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.	133,989,346
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,470,735
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	\$ (15,311,581)
Capital lease obligations	(3,385,103)
Special source revenue bonds	(2,267,000)
Other post-employment benefits	(3,463,273)
Post-closure care liabilities	(3,425,515)
Compensated absences payable	(1,385,502)
Net pension liability	(32,179,988)
Total long-term liabilities	(61,417,962)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(179,943)
Net position of governmental activities	<u>\$ 116,059,431</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, 2017

	General	Capital Projects	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 34,320,047	\$ -	\$ 1,240,254	\$ 6,597,635	\$ 42,157,936
Other taxes	-	-	-	837,018	837,018
Intergovernmental	3,535,611	60,940	554,471	2,000,451	6,151,473
Licenses, permits and fees	3,546,665	-	-	16,731	3,563,396
Fines and forfeitures	268,958	-	-	174,634	443,592
Charges for services	1,907,558	-	-	-	1,907,558
Interest revenue	175,487	8,078	20,694	28,589	232,848
Contributions and donations	-	-	100,000	629,342	729,342
Other revenues	176,765	-	6,080	78,033	260,878
Total revenues	<u>43,931,091</u>	<u>69,018</u>	<u>1,921,499</u>	<u>10,362,433</u>	<u>56,284,041</u>
EXPENDITURES					
Current:					
General government	10,138,606	-	-	1,114	10,139,720
Public safety	18,922,177	-	-	2,934,196	21,856,373
Transportation	3,419,518	-	-	1,216,302	4,635,820
Public works	4,202,381	-	-	64,518	4,266,899
Culture and recreation	2,886,342	-	-	602,966	3,489,308
Judicial services	2,682,592	-	-	147,076	2,829,668
Education	-	-	-	1,065,999	1,065,999
Health and welfare	252,796	-	-	143,925	396,721
Economic development	570,129	-	3,638,648	235,000	4,443,777
Capital outlay	-	1,310,539	1,083,838	843,543	3,237,920
Debt service:					
Principal	1,829,237	-	-	1,554,000	3,383,237
Interest	81,897	-	-	562,274	644,171
Bond issuance costs	-	-	63,000	-	63,000
Total expenditures	<u>44,985,675</u>	<u>1,310,539</u>	<u>4,785,486</u>	<u>9,370,913</u>	<u>60,452,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,054,584)</u>	<u>(1,241,521)</u>	<u>(2,863,987)</u>	<u>991,520</u>	<u>(4,168,572)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	2,530,741	940,000	-	1,037,411	4,508,152
Transfers out	(145,000)	(173,058)	(1,259,353)	(2,430,741)	(4,008,152)
Insurance recoveries	111,094	-	-	-	111,094
Proceeds from issuance of debt	-	-	3,300,000	-	3,300,000
Proceeds from the sale of capital assets	31,465	53,203	-	-	84,668
Total other financing sources (uses)	<u>2,528,300</u>	<u>820,145</u>	<u>2,040,647</u>	<u>(1,393,330)</u>	<u>3,995,762</u>
Net change in fund balances	<u>1,473,716</u>	<u>(421,376)</u>	<u>(823,340)</u>	<u>(401,810)</u>	<u>(172,810)</u>
Fund balances, beginning of year	<u>22,262,637</u>	<u>1,291,535</u>	<u>9,032,594</u>	<u>9,783,299</u>	<u>42,370,065</u>
Fund balances, end of year	<u>\$ 23,736,353</u>	<u>\$ 870,159</u>	<u>\$ 8,209,254</u>	<u>\$ 9,381,489</u>	<u>\$ 42,197,255</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, 2017

Net change in fund balances - total governmental funds	\$	(172,810)
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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	\$ 5,784,352		
Depreciation expense	<u>(6,806,721)</u>		(1,022,369)

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(16,233)
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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.		30,962
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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	\$ 3,383,237		
Issuance of long-term debt	(3,300,000)		
Amortization of premium on long-term debt	<u>64,166</u>		147,403

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	\$ (1,135,625)		
Landfill post-closure liability	(1,236,333)		
Compensated absences	(45,630)		
Accrued interest on long-term debt	28,214		
OPEB liability	<u>(287,818)</u>		<u>(2,677,192)</u>
			<u><u>\$ (3,710,239)</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, 2017

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 32,415,827	\$ 32,520,545	\$ 34,320,047	\$ 1,799,502
Intergovernmental	4,109,665	2,888,398	3,535,611	647,213
Licenses, permits and fees	3,115,925	3,115,925	3,546,665	430,740
Fines and forfeitures	312,000	312,000	268,958	(43,042)
Charges for services	1,711,637	1,711,637	1,907,558	195,921
Interest revenue	437,700	437,700	175,487	(262,213)
Other revenues	210,339	210,339	176,765	(33,574)
Total revenues	42,313,093	41,196,544	43,931,091	2,734,547
EXPENDITURES:				
Current:				
General government:				
County council	289,291	277,191	273,492	3,699
Legislative delegation	86,786	90,786	89,420	1,366
Finance department	540,631	565,631	558,627	7,004
Non-departmental expenditures	1,084,527	1,183,123	1,206,297	(23,174)
Human resources	337,576	339,576	335,377	4,199
Information technology	734,509	700,509	691,634	8,875
Procurement	158,528	166,028	163,323	2,705
Facilities maintenance	1,187,145	1,219,545	1,207,595	11,950
Registration and elections	196,217	193,217	237,288	(44,071)
Soil and water conservation	73,414	71,864	70,393	1,471
Administrator's office	582,485	709,683	704,119	5,564
Vehicle maintenance	857,652	851,152	838,469	12,683
Register of deeds	340,548	331,548	324,059	7,489
Assessor	1,117,114	1,054,614	1,037,328	17,286
Auditor	450,485	442,485	436,747	5,738
Board of assessment appeals	11,894	4,394	3,763	631
Tax collector	446,208	437,708	433,745	3,963
Treasurer	510,929	553,989	548,078	5,911
Direct aid	634,984	630,452	630,452	-
County attorney	444,997	350,497	348,400	2,097
Total general government	10,085,920	10,173,992	10,138,606	35,386
Public safety:				
Sheriff's department	7,613,180	7,932,949	7,933,456	(507)
Law enforcement center	3,862,582	3,869,582	3,832,436	37,146
Communications	1,513,523	1,569,523	1,550,413	19,110
Animal control	581,697	543,197	536,742	6,455
Coroner	214,111	220,011	218,739	1,272
Building codes	924,981	869,930	859,955	9,975
Emergency management	4,007,242	4,007,742	3,990,436	17,306
Total public safety	18,717,316	19,012,934	18,922,177	90,757
Transportation:				
County airport	940,703	887,629	881,700	5,929
Roads department	2,723,700	2,572,675	2,537,818	34,857
Total transportation	3,664,403	3,460,304	3,419,518	40,786
Public works:				
Solid waste	3,751,459	3,815,864	4,202,381	(386,517)

(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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES: (CONTINUED)				
Culture and recreation:				
Library	\$ 1,352,652	\$ 1,414,152	\$ 1,397,038	\$ 17,114
Parks, recreation and tourism	644,173	453,325	444,557	8,768
High Falls Park	351,232	340,080	335,747	4,333
South Cove Park	413,321	471,228	466,215	5,013
Chau Ram Park	232,763	245,763	242,785	2,978
Total culture and recreation	2,994,141	2,924,548	2,886,342	38,206
Judicial services:				
Clerk of court	651,296	679,796	670,813	8,983
Probate judge	377,410	375,910	370,360	5,550
Solicitor	684,670	732,496	722,740	9,756
Public defender	200,000	200,000	200,000	-
Magistrate office	791,005	728,005	718,679	9,326
Total judicial	2,704,381	2,716,207	2,682,592	33,615
Health and welfare:				
Department of social services	21,200	19,700	19,093	607
Health department	82,277	32,277	31,773	504
Veteran's affairs	194,941	204,691	201,930	2,761
Total health and welfare	298,418	256,668	252,796	3,872
Economic development:				
Economic development	569,521	574,521	570,129	4,392
Debt service	1,396,759	1,689,291	1,911,134	(221,843)
Total expenditures	44,182,318	44,624,329	44,985,675	(361,346)
Deficiency of revenues under expenditures	(1,869,225)	(3,427,785)	(1,054,584)	2,373,201
OTHER FINANCING SOURCES (USES)				
Transfers in	1,251,922	2,707,922	2,530,741	(177,181)
Transfers out	(145,000)	(145,000)	(145,000)	-
Insurance recoveries	150,000	150,000	111,094	(38,906)
Proceeds from the sale of capital assets	32,000	32,000	31,465	(535)
Total other financing sources, net	1,288,922	2,744,922	2,528,300	(216,622)
Net change in fund balances	(580,303)	(682,863)	1,473,716	2,156,579
Fund balances, beginning of year	22,262,637	22,262,637	22,262,637	-
Fund balances, end of year	<u>\$ 21,682,334</u>	<u>\$ 21,579,774</u>	<u>\$ 23,736,353</u>	<u>\$ 2,156,579</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2017

	Rock Quarry	FOCUS	Totals
ASSETS			
CURRENT ASSETS			
Cash	\$ 4,832,636	\$ -	\$ 4,832,636
Investments	240,558	-	240,558
Accounts receivable, net of allowance	91,867	76,035	167,902
Inventories	330,579	-	330,579
Total current assets	<u>5,495,640</u>	<u>76,035</u>	<u>5,571,675</u>
NONCURRENT ASSETS			
Lease receivable	-	6,100,001	6,100,001
Capital assets:			
Nondepreciable	1,021,295	-	1,021,295
Depreciable, net of accumulated depreciation	2,522,760	-	2,522,760
Total noncurrent assets	<u>3,544,055</u>	<u>6,100,001</u>	<u>9,644,056</u>
Total assets	<u>9,039,695</u>	<u>6,176,036</u>	<u>15,215,731</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	243,586	81,781	325,367
Total deferred outflows of resources	<u>243,586</u>	<u>81,781</u>	<u>325,367</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	33,869	108,772	142,641
Accrued liabilities	48,108	7,695	55,803
Current portion - compensated absences	22,867	8,192	31,059
Total current liabilities	<u>104,844</u>	<u>124,659</u>	<u>229,503</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	68,933	11,621	80,554
Advances from other funds	-	8,999,872	8,999,872
Net OPEB obligation	146,694	33,690	180,384
Net pension liability - South Carolina Retirement System	1,544,806	293,233	1,838,039
Total noncurrent liabilities	<u>1,760,433</u>	<u>9,338,416</u>	<u>11,098,849</u>
Total liabilities	<u>1,865,277</u>	<u>9,463,075</u>	<u>11,328,352</u>
DEFERRED INFLOWS OF RESOURCES			
Pension - South Carolina Retirement System	36,147	4,690	40,837
Total deferred inflows of resources	<u>36,147</u>	<u>4,690</u>	<u>40,837</u>
NET POSITION			
Investment in capital assets	3,544,055	-	3,544,055
Unrestricted	3,837,802	(3,209,948)	627,854
Total net position	<u>\$ 7,381,857</u>	<u>\$ (3,209,948)</u>	<u>\$ 4,171,909</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, 2017

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 5,231,194	\$ 969,651	\$ 6,200,845
Miscellaneous operating revenues	426	-	426
Total operating revenues	<u>5,231,620</u>	<u>969,651</u>	<u>6,201,271</u>
OPERATING EXPENSES			
Salaries and fringe benefits	1,307,496	255,072	1,562,568
Supplies	57,252	47,998	105,250
Electricity and natural gas	115,743	189,484	305,227
Petroleum, oil and lubricants	182,308	-	182,308
Machinery, equipment repairs and maintenance	556,617	252,349	808,966
Professional services	498,582	1,136,985	1,635,567
Miscellaneous	48,325	1,328	49,653
Depreciation and depletion	354,194	535,071	889,265
Total operating expenses	<u>3,120,517</u>	<u>2,418,287</u>	<u>5,538,804</u>
Operating income (loss)	<u>2,111,103</u>	<u>(1,448,636)</u>	<u>662,467</u>
NON-OPERATING INCOME (EXPENSE)			
Interest income (expense)	(2,304)	-	(2,304)
Loss on disposal of capital assets	(30,678)	(6,664,523)	(6,695,201)
Total non-operating expense, net	<u>(32,982)</u>	<u>(6,664,523)</u>	<u>(6,697,505)</u>
Income (loss) before transfers	<u>2,078,121</u>	<u>(8,113,159)</u>	<u>(6,035,038)</u>
TRANSFERS			
Transfers out	(500,000)	-	(500,000)
Total transfers	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
Change in net position	1,578,121	(8,113,159)	(6,535,038)
Net position, beginning of year	<u>5,803,736</u>	<u>4,903,211</u>	<u>10,706,947</u>
Net position, end of year	<u>\$ 7,381,857</u>	<u>\$ (3,209,948)</u>	<u>\$ 4,171,909</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, 2017

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,178,530	\$ 2,899,469	\$ 8,077,999
Payments to suppliers	(1,578,967)	(1,550,481)	(3,129,448)
Payments to employees	(1,265,449)	(259,469)	(1,524,918)
Net cash provided by operating activities	<u>2,334,114</u>	<u>1,089,519</u>	<u>3,423,633</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(500,000)	-	(500,000)
Net cash used in noncapital financing activities	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(685,123)	(1,289,519)	(1,974,642)
Proceeds from the sale of capital assets	-	200,000	200,000
Net cash used in capital and related financing activities	<u>(685,123)</u>	<u>(1,089,519)</u>	<u>(1,774,642)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments	257,007	-	257,007
Interest paid	(2,304)	-	(2,304)
Net cash provided by investing activities	<u>254,703</u>	<u>-</u>	<u>254,703</u>
Net change in cash and cash equivalents	1,403,694	-	1,403,694
Cash and cash equivalents:			
Beginning of year	<u>3,428,942</u>	<u>-</u>	<u>3,428,942</u>
End of year	<u>\$ 4,832,636</u>	<u>\$ -</u>	<u>\$ 4,832,636</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 2,111,103	\$ (1,448,636)	\$ 662,467
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and depletion	354,194	535,071	889,265
Changes in assets and liabilities:			
Increase in accounts receivable	(53,090)	(48,428)	(101,518)
Increase in inventories	(176,392)	-	(176,392)
Increase in deferred outflows of resources	(136,938)	(66,729)	(203,667)
Increase in accounts payable	8,879	51,975	60,854
Increase (decrease) in accrued liabilities	10,225	(318)	9,907
Increase in advance from other funds	-	1,978,246	1,978,246
Increase in net OPEB obligation	19,527	2,603	22,130
Increase (decrease) in compensated absences	12,295	(4,079)	8,216
Increase in net pension liability	195,729	95,378	291,107
Decrease in deferred inflows of resources	(11,418)	(5,564)	(16,982)
Net cash provided by operating activities	<u>\$ 2,334,114</u>	<u>\$ 1,089,519</u>	<u>\$ 3,423,633</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, 2017

	Agency Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 9,589,372
Taxes receivable	2,504,708
Total assets	<hr/> \$ 12,094,080 <hr/>
LIABILITIES	
Due to other taxing districts and agencies	\$ 12,094,080
Total liabilities	<hr/> \$ 12,094,080 <hr/>

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, 2017

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

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

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund type:

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

NOTES TO THE FINANCIAL STATEMENTS

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 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 \$229,305 for the year ended June 30, 2017.

Assets, Liabilities and Net Position or Equity

Cash and Investments

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Receivables

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

Intergovernmental Receivable

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

Inventories and Prepaid Assets

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid items are accounted for using the consumption method.

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 acquisition value.

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 four items that qualify for reporting in this category and relates to the County's Retirement Plan and is reported in the government-wide and proprietary fund statements of net position: (1) Experience 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 losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. (2) The differences between projected investment return on pension investments and actual return on those investments are deferred and amortized against pension expense over a five-year period. (3) Changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions. These changes are reported as deferred outflows or resources and will be recognized as a reduction of the net pension liability in future years. (4) 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 and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category, one of which arises only under a modified accrual basis of accounting. Accordingly, the items, unavailable revenue, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, seized property, intergovernmental, and the forfeited land commission and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other items relate to the County's Retirement Plan and are reported in the government-wide and proprietary fund statements of net position. Certain experience gains (discussed in the previous paragraph) are deferred and amortized against pension expense over a five-year period, resulting in recognition as deferred inflows of resources. Additionally, the changes in the County's proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of the total plan employer contributions are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows.

Interfund Transactions

Transactions among the 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% of regular budgeted General Fund expenditures. At June 30, 2017, 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.

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations as follows:

Fund	Excess
General Fund	
Non-departmental expenditures	\$ 23,174
Registration and elections	44,071
Sheriff's department	507
Solid waste	386,517
Debt service	221,843
Road Maintenance	
Transportation	549,399
Miscellaneous Special Revenue Fund	
General government	1,114
Public safety	198,453
Health and welfare	143,925
Culture and recreation	91,663
Economic development	235,000
Sheriff's Victims' Assistance Fund	
Public safety	9,394
Solicitor's Victims' Assistance Fund	
Public safety	4,514
Debt Service Fund	
Interest	21,064

Deficit Fund Balance/Net Position

For the year ended June 30, 2017, the FOCUS Fund reported a deficit net position of \$3,209,948. This deficit will be eliminated through the recognition of revenues in future periods as well as transfers from other funds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2017, are summarized below:

As reported in the Statement of Net Position:

Primary government	
Cash and cash equivalents	\$ 20,186,175
Investments	10,261,406
Agency Fund - cash and cash equivalents	9,589,372
	<u>\$ 40,036,953</u>
Cash deposited with financial institutions	\$ 14,688,147
SC State Investment Pool	15,087,400
Certificates of deposit	4,916,615
Investments in equities and various other securities	2,000,000
Investments in government bonds	3,344,791
	<u>\$ 40,036,953</u>

Custodial credit risk – Cash. This is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County's policy regarding cash custodial credit risk is to require the banks with which the County maintains deposits to collateralize or insure the County's funds. As of June 30, 2017, the carrying amount of the County's deposits was \$40,028,679 and the bank balance was \$40,905,373. All of the County's deposits at year-end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the County's name. Petty cash funds of \$8,271 are reflected as cash.

As of June 30, 2017, the County has the following investments:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	11-15
SC State Investment Pool	\$ 15,087,400	\$ 15,087,400	\$ -	\$ -	\$ -
Certificates of deposit	4,916,615	-	3,979,460	755,451	181,704
Equities and various other securities	2,000,000	-	2,000,000	-	-
Government bonds	3,344,791	-	-	3,000,150	344,641
	<u>\$ 25,348,806</u>	<u>\$ 15,087,400</u>	<u>\$ 5,979,460</u>	<u>\$ 3,755,601</u>	<u>\$ 526,345</u>

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

The County has the following recurring fair value measurements as of June 30, 2017.

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
Equities and various other securities	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Government bonds	-	3,344,791	-	3,344,791
Total investments by fair value level	<u>\$ 2,000,000</u>	<u>\$ 3,344,791</u>	<u>\$ -</u>	<u>\$ 5,344,791</u>

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

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

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

Credit risk. This is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's policy is to invest in only those securities allowed by state statutes and that are highly rated. The County's investments in the U.S. Government Agencies, including the Federal Home Loan Mortgage Corporation (FHLMC), and Federal National Mortgage Association (FNMA) were rated AA+ by Standard & Poor's and AAA by Moody's Investor Services. As of June 30, 2017, the County owned \$5,344,791 of government sponsored entity (GSE) debt securities. These bonds are the direct obligation of the FHLMC which are rated AA+ or equivalent by all rating agencies. The investments are either directly or indirectly guaranteed by the U.S. Treasury. The County is invested in certificates of deposit with varying maturity dates and the State South Carolina LGIP. The County's certificates of deposit are properly collateralized for those deposits that are in excess of federal depository insurance.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES AND PROPERTY TAXES

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, 2017, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Economic Development	Nonmajor Governmental
Taxes receivable	\$ 1,033,913	\$ -	\$ 29,505	\$ 186,756
Accounts receivable	355,364	-	-	69,753
Due from other governments	877,541	3,616	75,892	459,226
Less: Allowance	(119,629)	-	(590)	(3,695)
Net receivables	<u>\$ 2,147,189</u>	<u>\$ 3,616</u>	<u>\$ 104,807</u>	<u>\$ 712,040</u>

	Rock Quarry	FOCUS	Total
Taxes receivable	\$ -	\$ -	\$ 1,250,174
Accounts receivable	91,867	76,035	593,019
Due from other governments	-	-	1,416,275
Less: Allowance	-	-	(123,914)
Net receivables	<u>\$ 91,867</u>	<u>\$ 76,035</u>	<u>\$ 3,135,554</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. LEASE RECEIVABLE

During 2017 the County entered into a lease agreement as lessor to lease the assets of the FOCUS fund including infrastructure and equipment. This agreement qualifies as a capital lease for accounting purposes and, therefore has been recorded at the present value of the future minimum lease payments as of the date of inception. Further, this lease qualifies as a sales-type capital lease. Annual installments are to be made through the County's fiscal year ended 2035. The agreement does not include a provision for interest. The agreement resulted in no unguaranteed residual value accruing to the County. Additionally, there is no related liability to the County as a result of the agreement and no contingent rentals for the year ended June 30, 2017.

The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2017.

Year Ending June 30,	Total Minimum Lease Payments
2018	\$ -
2019	-
2020	316,000
2021	316,000
2022	316,000
2023 - 2027	5,062,000
2028 - 2032	50,000
2033 - 2037	40,001
	<u>\$ 6,100,001</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the County's governmental activities for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Governmental activities					
Capital assets not being depreciated					
Land	\$ 4,234,869	\$ 50,402	\$ -	\$ 208,485	\$ 4,493,756
Other costs	36,924,770	-	-	17,536	36,942,306
Construction in progress	16,201,649	2,048,867	-	(13,618,342)	4,632,174
Total capital assets not being depreciated	57,361,288	2,099,269	-	(13,392,321)	46,068,236
Capital assets being depreciated					
Buildings and improvements	71,340,002	744,249	-	1,636,979	73,721,230
Equipment and vehicles	43,343,490	2,940,834	(687,149)	1,269,718	46,866,893
Infrastructure	72,956,656	-	(68,676)	10,450,473	83,338,453
Other	93,595	-	-	-	93,595
Total capital assets being depreciated	187,733,743	3,685,083	(755,825)	13,357,170	204,020,171
Less accumulated depreciation					
Buildings and improvements	(21,602,177)	(1,941,937)	-	-	(23,544,114)
Equipment and vehicles	(33,801,037)	(2,607,501)	682,198	35,151	(35,691,189)
Infrastructure	(54,612,249)	(2,254,814)	57,394	-	(56,809,669)
Other	(51,620)	(2,469)	-	-	(54,089)
Total accumulated depreciation	(110,067,083)	(6,806,721)	739,592	35,151	(116,099,061)
Total capital assets being depreciated, net	77,666,660	(3,121,638)	(16,233)	13,392,321	87,921,110
Governmental activities capital assets, net	<u>\$ 135,027,948</u>	<u>\$ (1,022,369)</u>	<u>\$ (16,233)</u>	<u>\$ -</u>	<u>\$ 133,989,346</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General Government	\$ 151,221
Public Safety	2,050,955
Transportation	2,877,916
Public Works	622,456
Culture and Recreation	233,183
Judicial Services	305,282
Health and Welfare	133,090
Economic Development	432,618
Total Governmental Activities Depreciation Expense	<u>\$ 6,806,721</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
Business-type activities					
Capital assets not being depreciated					
Land	\$ 594,592	\$ 426,703	\$ -	\$ -	\$ 1,021,295
Total capital assets not being depreciated	594,592	426,703	-	-	1,021,295
Capital assets being depreciated					
Buildings and improvements	544,786	74,644	(74,644)	-	544,786
Equipment and vehicles	7,082,102	577,736	(582,532)	35,151	7,112,457
Infrastructure	14,819,342	895,559	(15,714,901)	-	-
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	22,976,164	1,547,939	(16,372,077)	35,151	8,187,177
Less accumulated depreciation					
Buildings and improvements	(344,064)	(33,725)	-	-	(377,789)
Equipment and vehicles	(4,821,843)	(325,662)	174,724	(35,151)	(5,007,932)
Infrastructure	(2,696,271)	(522,996)	3,202,151	-	(17,116)
Mineral interests	(254,698)	(6,882)	-	-	(261,580)
Total accumulated depreciation	(8,116,876)	(889,265)	3,376,875	(35,151)	(5,664,417)
Total capital assets being depreciated, net	14,859,288	658,674	(12,995,203)	-	2,522,760
Business-type activities capital assets, net	<u>\$ 15,453,880</u>	<u>\$ 1,085,377</u>	<u>\$ (12,995,203)</u>	<u>\$ -</u>	<u>\$ 3,544,055</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

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

Rock Quarry Fund	\$ 354,194
FOCUS Fund	<u>535,071</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 889,265</u></u>

NOTE 7. LONG-TERM LIABILITIES

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Due Within One Year
Governmental activities					
General obligation bonds	\$ 12,860,000	\$ 3,300,000	\$ (1,305,000)	\$ 14,855,000	\$ 1,082,000
General obligation bond premiums	520,747	-	(64,166)	456,581	-
Total general obligation bonds	<u>13,380,747</u>	<u>3,300,000</u>	<u>(1,369,166)</u>	<u>15,311,581</u>	<u>1,082,000</u>
Capital lease obligations	5,214,340	-	(1,829,237)	3,385,103	826,481
Special source refunding revenue bonds	2,516,000	-	(249,000)	2,267,000	256,000
Post-closure care costs	2,189,182	1,496,575	(260,242)	3,425,515	171,276
Annual leave	1,339,872	707,070	(661,440)	1,385,502	640,000
Net pension liability	33,424,643	7,524,798	(2,294,099)	38,655,342	-
Net post-employment benefit obligation	<u>3,175,455</u>	<u>287,818</u>	<u>-</u>	<u>3,463,273</u>	<u>-</u>
	<u><u>\$ 61,240,239</u></u>	<u><u>\$ 13,316,261</u></u>	<u><u>\$ (6,663,184)</u></u>	<u><u>\$ 67,893,316</u></u>	<u><u>\$ 2,975,757</u></u>
Business-type activities					
Annual leave	\$ 103,397	\$ 41,137	\$ (32,921)	\$ 111,613	\$ 31,059
Net pension liability	1,546,932	435,906	(144,798)	1,838,039	-
Net post-employment benefit obligation	<u>158,254</u>	<u>22,130</u>	<u>-</u>	<u>180,384</u>	<u>-</u>
	<u><u>\$ 1,808,583</u></u>	<u><u>\$ 499,173</u></u>	<u><u>\$ (177,719)</u></u>	<u><u>\$ 2,130,036</u></u>	<u><u>\$ 31,059</u></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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

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, 2017, 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>
2007 General Obligation Bonds	3 - 3.6 %	15 years	2022	<u>\$ 1,200,000</u>	<u>\$ 505,000</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, 2017, 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	2031	<u>\$ 17,000,000</u>	<u>\$ 9,035,000</u>
		Plus unamortized premium			<u>434,380</u>
					<u>\$ 9,469,380</u>

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, 2017, are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Due Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
2013 General Obligation Bonds	3 - 3.6 %	15 years	2028	<u>\$ 2,600,000</u>	<u>\$ 2,015,000</u>
		Plus unamortized premium			<u>22,201</u>
					<u>\$ 2,037,201</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds (Continued)

During the year ended June 30, 2017, the County issued series 2016B general obligation bonds in the amount of \$3,300,000. The bond proceeds were used to defray the costs of land preparation (including grading), infrastructure costs (including roads, curbs, drainage and stormwater facilities, intersection improvements, and internal utilities) and civil design and site work relating to the Oconee County Workforce Development Center. General obligation bonds outstanding at June 30, 2017, 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>
2016B General Obligation Bonds	1.7%	10 years	2026	<u>\$ 3,300,000</u>	<u>\$ 3,300,000</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2017, 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>
2018	\$ 1,082,000	\$ 493,526	\$ 1,575,526
2019	1,118,000	464,638	1,582,638
2020	1,149,000	434,748	1,583,748
2021	1,180,000	403,960	1,583,960
2022	1,221,000	372,274	1,593,274
2023-2027	5,765,000	1,240,309	7,005,309
2028-2031	3,340,000	326,540	3,666,540
	<u>\$ 14,855,000</u>	<u>\$ 3,735,995</u>	<u>\$ 18,590,995</u>

Debt service funds of \$352,295 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 7. LONG-TERM LIABILITIES (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, 2017:

Machinery and Equipment and Construction in Progress	\$ 3,898,980
Less: Accumulated Depreciation	<u>(736,178)</u>
	<u><u>\$ 3,162,802</u></u>

The County recognized depreciation expense on assets under capital lease in the amount of \$575,050 for the year ended June 30, 2017.

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, 2017:

Fiscal Year Ending June 30,	Governmental Funds
<u> </u>	<u> </u>
2018	\$ 879,966
2019	879,966
2020	879,966
2021	879,966
Total Minimum Lease Payments	<u>3,519,864</u>
Less: Amount Representing Interest	<u>(134,761)</u>
	<u><u>\$ 3,385,103</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (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%. 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
2018	\$ 256,000	\$ 64,610	\$ 320,610
2019	262,000	57,314	319,314
2020	273,000	49,847	322,847
2021	278,000	42,066	320,066
2022	289,000	34,143	323,143
2023-2025	909,000	52,326	961,326
	<u>\$ 2,267,000</u>	<u>\$ 300,306</u>	<u>\$ 2,567,306</u>

NOTE 8. SHORT-TERM LIABILITIES

On December 15, 2016, the County issued General Obligation Bond Note, Series 2016A for \$700,000. This note had an interest rate of 1.30% and matured April 1, 2017. The proceeds were used for the various capital projects and to defray to cost of issuance of Series 2016 Bonds.

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

	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017
General obligation bonds	\$ -	\$ 700,000	\$ (700,000)	\$ -
	<u>\$ -</u>	<u>\$ 700,000</u>	<u>\$ (700,000)</u>	<u>\$ -</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. 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, 2017, 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	\$ 2,431,957	\$ 608,630	\$ 794,200	
Percentage of landfill capacity used to date	<u>100%</u>	<u>98%</u>	<u>50%</u>	
Reported liability for closure and post-closure care cost	<u>\$ 2,431,957</u>	<u>\$ 596,457</u>	<u>\$ 397,101</u>	<u>\$ 3,425,515</u>
Total estimated current closure and post-closure care cost remaning to be recognized	<u>\$ -</u>	<u>\$ 12,173</u>	<u>\$ 397,099</u>	
Landfill's approximate remaining life in years	<u>-</u>	<u>1</u>	<u>10</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, 2017. 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 10. 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 State Fiscal Accountability Authority (SFAA), 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, 202 Arbor Lake Drive, Columbia, SC 29223. 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, a discretely present component unit of the County, 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 10. 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 10. 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 1% or \$500 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 1% or \$500 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% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of 1% in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a 30-year amortization schedule of the unfunded liabilities of the plans, the board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the 30-year amortization period; and this increase is not limited to one-half of 1% per year.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Contributions (Continued):

Required employee contribution rates for the year ended June 30, 2017, are as follows:

South Carolina Retirement System

Employee Class Two	8.16% of earnable compensation
Employee Class Three	8.16% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	8.74% of earnable compensation
Employee Class Three	8.74% of earnable compensation

Required employer contribution rates for the year ended June 30, 2017, are as follows:

South Carolina Retirement System

Employee Class Two	10.91% of earnable compensation
Employee Class Three	10.91% of earnable compensation
Employer incidental death benefit	0.15% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	13.34% of earnable compensation
Employee Class Three	13.34% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation
Employer accidental death program	0.20% of earnable compensation

Net Pension Liability:

The most recent annual actuarial valuation reports adopted by the SFAA are as of July 1, 2015. The net pension liability of each defined benefit pension plan was, therefore, determined based on the July 1, 2015 actuarial valuations, using membership data as of July 1, 2015, projected forward to the end of the fiscal year, and financial information of the pension trust funds as of June 30, 2016, 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 10. 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, 2017, the County's net pension liability amounts for SCRS and PORS are as follows:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 56,775,548	\$ 30,037,927	\$ 26,737,622	52.9%
PORS	\$ 34,776,327	\$ 21,020,568	\$ 13,755,759	60.4%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2017, the change in the County's net pension liability for the SCRS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 955,547
Interest	4,045,184
Difference between actual and expected experience	58,475
Benefit payments	(3,483,348)
Net change in total pension liability	1,575,858
Total pension liability - beginning June 30, 2016	55,199,690
Total pension liability - ending June 30, 2017	56,775,548
 Plan fiduciary net position	
Contributions - employer	1,342,723
Contributions - member	944,026
Refunds of contributions to members	(117,284)
Retirement benefits	(3,340,204)
Death benefits	(25,861)
Net investment income	(207,035)
Administrative expense	(16,460)
Net transfers to affiliated systems	(1,248)
Net change in Plan fiduciary net position	(1,421,342)
Plan fiduciary net position - beginning June 30, 2016	31,459,268
Plan fiduciary net position - ending June 30, 2017	30,037,927
Net pension liability	<u><u>\$ 26,737,622</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Net Pension Liability (Continued):

As of June 30, 2017, the change in the County's net pension liability for the PORS Plan is calculated as follows:

Total pension liability	
Service cost	\$ 849,097
Interest	2,460,483
Difference between actual and expected experience	62,811
Benefit payments	(1,955,910)
Net change in total pension liability	<u>1,416,481</u>
Total pension liability - beginning June 30, 2016	<u>33,359,845</u>
Total pension liability - ending June 30, 2017	<u>34,776,327</u>
 Plan fiduciary net position	
Contributions - employer	950,269
Contributions - member	624,688
Refunds of contributions to members	(104,003)
Retirement benefits	(1,832,651)
Death benefits	(19,256)
Net investment income	(133,555)
Administrative expense	(11,141)
Net transfers to affiliated systems	6,216
Net change in Plan fiduciary net position	<u>(519,432)</u>
Plan fiduciary net position - beginning June 30, 2016	<u>21,540,000</u>
Plan fiduciary net position - ending June 30, 2017	<u>21,020,568</u>
 Net pension liability	 <u><u>\$ 13,755,759</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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, 2015. The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2015, valuations for SCRS and PORS.

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

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

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market outlook at the end of the third quarter 2015. 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Actuarial Assumptions and Methods (Continued):

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% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.75% inflation component.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	43.0%		
Global Public Equity	34.0%	6.52%	2.22%
Private Equity	9.0%	9.30%	0.84%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	3.0%	4.53%	0.13%
Opportunistic	20.0%		
GTAA/Risk Parity	10.0%	3.90%	0.39%
HF (Low Beta)	10.0%	3.87%	0.39%
Diversified Credit	17.0%		
Mixed Credit	5.0%	3.52%	0.17%
Emerging Markets Debt	5.0%	4.91%	0.25%
Private Debt	7.0%	4.47%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.72%	0.17%
Cash and Short Duration (Net)	2.0%	0.71%	0.01%
Total expected real return			5.10%
Inflation for actuarial purposes			2.75%
Total expected nominal return			7.85%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

Discount Rate:

The discount rate used to measure the total pension liability was 7.5%. 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.

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	Current	1% Increase
	(6.50%)	Discount Rate	(8.50%)
		(7.50%)	
County's portion - SCRS	\$ 33,354,452	\$ 26,737,622	\$ 21,229,361
County's portion - PORS	\$ 18,028,167	\$ 13,755,759	\$ 9,916,295

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

For the year ended June 30, 2017, the County recognized pension expense of \$2,133,689 for the SCRS plan and \$1,591,146 for the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

Retirement Plan (Continued)

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

At June 30, 2017, 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	\$ 277,167	\$ 29,037
Net difference between projected and actual earnings on pension plan investments	2,249,493	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	512,342
Employer contributions subsequent to the measurement date	<u>1,425,571</u>	<u>-</u>
Total	<u><u>\$ 3,952,231</u></u>	<u><u>\$ 541,379</u></u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 204,109	\$ -
Net difference between projected and actual earnings on pension plan investments	1,559,782	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	502,442	10,482
Employer contributions subsequent to the measurement date	<u>1,093,181</u>	<u>-</u>
Total	<u><u>\$ 3,359,514</u></u>	<u><u>\$ 10,482</u></u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. 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 \$1,425,571 and \$1,093,181 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, 2017. 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
2018	\$ 107,691	\$ 889,103
2019	475,156	386,803
2020	896,597	624,064
2021	505,837	355,881

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, 202 Arbor Lake Road, Columbia, SC 29223.

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, P.O. 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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

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 2017, there were approximately 79 retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$498,358 for the fiscal year.

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

Funding Policy and Annual OPEB Costs

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

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

Funding Policy and Annual OPEB Costs (Continued)

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:

	2017
Annual Required Contribution	\$ 866,851
Interest on OPEB Obligation	125,014
Adjustment to Annual Required Contribution	<u>(183,559)</u>
Annual OPEB Costs	808,306
Contributions Made	<u>(498,358)</u>
Increase in Net OPEB Obligation	309,948
Net OPEB Obligation - Beginning of Year	<u>3,333,709</u>
Net OPEB Obligation - End of Year	<u><u>\$ 3,643,657</u></u>

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

For the Year Ended June 30	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 808,307	\$ 498,359	61.7%	\$ 3,643,657
2016	814,874	440,915	54.1%	3,333,709
2015	713,556	276,245	38.7%	2,959,750
2014	718,130	414,177	57.7%	2,522,439
2013	715,043	456,541	63.8%	2,218,486

Funding Status and Progress

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. EMPLOYEE BENEFITS (CONTINUED)

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

Funding Status and Progress (Continued)

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 2015 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 3.75% investment rate of return (net of administrative expenses), which is consistent with the investment return earned on the County's general assets and an initial medical cost trend rate of 7.25% declining to an ultimate rate of 4.55% after 14 years. General inflation is assumed to be 2.25% 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 11. 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. Four individuals were excluded from this stop-loss coverage and had different specific deductibles. The estimated maximum annual cost to the County is \$2,499,602. At June 30, 2017, claims due and payable total approximately \$439,202 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, 2017: General Fund – \$421,790; Proprietary Fund – FOCUS \$2,702; and Proprietary Fund – Rock Quarry \$14,710.

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, 2017, approximately 222 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 11. SELF-INSURED HEALTH INSURANCE (CONTINUED)

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

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2017	\$ 385,457	\$ 5,169,297	\$ 5,115,552	\$ 439,202
2016	298,630	4,478,433	4,391,606	385,457
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 12. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2017, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FOCUS Fund	<u>\$ 8,999,872</u>

Advances are used for long-term interfund loans. The General Fund had one outstanding advance at June 30, 2017. The advance to the FOCUS Fund has been to finance construction and operations. This is expected to be repaid in the coming years in accordance with scheduled payments from proceeds receivable from a capital lease, as well as operating income in the coming years.

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 12. INTERFUND ASSETS AND LIABILITIES (CONTINUED)

Total transfers during the year ended June 30, 2017, consisted of the following individual amounts:

Transfer in Fund	Transfer Out Fund	Amount
General Fund	Rock Quarry Fund	\$ 500,000
General Fund	Nonmajor Governmental Funds	1,490,741
Nonmajor Governmental Funds	General Fund	145,000
Nonmajor Governmental Funds	Capital Projects Fund	173,058
Nonmajor Governmental Funds	Economic Development Fund	719,353
General Fund	Economic Development Fund	540,000
Capital Projects Fund	Nonmajor Governmental Funds	940,000
		<u>\$ 4,508,152</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 13. 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 14. 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
2018	\$ 80,576
2019	76,030
2020	76,030
2021	66,029
	<u>\$ 298,665</u>

Construction commitments at June 30, 2017, totaled approximately \$1,616,996.

NOTE 15. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2017, the company paid property taxes in the amount of \$30.7 million based on assessed property values of \$149.1 million. This represents approximately 28.0% of the 2016 levy. Approximately \$21.3 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

NOTE 16. 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, 2017, 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 17. LITIGATION

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18. TAX ABATEMENTS

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*, as of July 1, 2016 through which governments that enter into tax abatement agreements are required to disclose certain information pertaining to the agreement.

The County, acting through its County Council, negotiates property tax abatement agreements on an individual basis under several programs in accordance with the provisions of Chapter 44 of Title 12, Code of Laws of South Carolina 1976, as amended. Local governments may enter into tax abatement agreements in accordance with South Carolina state law as follows:

1. *Fee in lieu of tax for economic development properties* – any industry or business whereby the industry or business would pay fees in lieu of taxes with respect to certain properties which constitute “economic development properties” through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate or remain in the State and thus utilize and employ the manpower, products, and resources of the State and benefit the general public welfare of the County by providing services, employment, recreation, or other public benefits not otherwise provided locally. At the time of termination, the sponsor shall pay to the County an additional fee equal to the difference between the total amount of property taxes that would have been paid by the sponsor had the project been taxable, taking into account exemptions from property taxes that would have been available to the sponsor, and the amount of fee payments actually made by the sponsor. Abatement agreements under the Economic Development Program equal a 100% reduction in property taxes during the exemption period as outlined in the agreement. A fee in lieu of tax (FILOT) is to be paid within the following parameters: the sponsor shall pay to the County an annual fee payment in connection with the economic development property which has been placed in service, in an amount not less than that the property taxes that would be due on the economic development property if it were taxable but using (1) an assessment ratio of not less than 6%; (2) a millage rate this is either fixed for the life of the fee or is allowed to increase or decrease every fifth year in step with the average cumulative actual millage rate applicable to the project based upon the preceding five-year period; or (3) a fair market value for the economic development property.
2. *Special Source Revenue and Infrastructure Tax Credits* – In addition to the program defined in item one above, the County, in accordance with South Carolina state law, may issue special source and infrastructure tax credits to effectively reduce the assessed value of certain qualifying properties. Such credits are approved via the State of South Carolina Department of Revenue and the Oconee County Auditor provided that the project sponsor expands its operations to levels outlines in state law. Provisions for recapturing abated tax revenues are specific to each agreement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 18. TAX ABATEMENTS (CONTINUED)

3. *Fee in lieu of tax for residential properties* – Similar to the previously noted programs, property taxes are abated under this program by the County, in accordance with state law, to effectively reduce the assessment of qualifying properties. In order to qualify for this program, project sponsors developing residential or multi-use properties must meet a minimum investment threshold. Unlike the previous programs, this program does not provide for a provision for recapturing abated tax revenues.

For the year ended June 30, 2017, the County abated taxes totaling \$4,188,806 under the programs previously noted, including the following individual tax abatement agreements that each exceeded 10% of the total amount abated under the programs:

- An approximate 45% property tax abatement to a manufacturing company for expanding its manufacturing facilities for which the abated amount was \$896,623.
- An approximate 41% property tax abatement to a manufacturing company for expanding its operations and facilities for which the abated amount was \$844,291.

Commitments made by the County and other governments are negotiated individually for each agreement. Various commitments have been made by the County and the State of South Carolina as a part of the agreements; however, no commitments were made by either the County or other governments relative to the two individual agreements noted above.

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System					
Fiscal Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered employee payroll	County's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.125177%	\$ 26,737,622	\$ 11,666,400	229.2%	52.9%
2016	0.125554%	23,811,921	11,703,378	203.5%	57.0%
2015	0.130397%	22,450,040	9,694,783	231.6%	59.9%

South Carolina Police Officers Retirement System					
Fiscal Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered employee payroll	County's share of the net pension liability as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.54232%	\$ 13,755,759	\$ 6,334,764	217.1%	60.4%
2016	0.51203%	11,159,654	6,207,981	179.8%	64.6%
2015	0.51281%	9,817,433	5,298,295	185.3%	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 10 to the financial statements.

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System						
Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	County's covered employee payroll	Contributions as a percentage of covered employee payroll	
2017	\$ 1,425,571	\$ 1,425,571	\$ -	\$ 12,331,937	11.56%	
2016	1,322,885	1,322,885	-	11,666,400	11.34%	
2015	1,280,951	1,280,951	-	11,703,378	10.95%	

South Carolina Police Officers Retirement System						
Fiscal Year Ended June 30,	Actuarially required contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	County's covered employee payroll	Contributions as a percentage of covered employee payroll	
2017	\$ 1,093,181	\$ 1,093,181	\$ -	\$ 7,676,831	14.24%	
2016	921,831	921,831	-	6,334,764	14.55%	
2015	850,224	850,224	-	6,207,981	13.70%	

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 10 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%
6/30/2015	-	10,411,136	10,411,136	-	7,176,546	145.1%

The assumptions used in the preparation of the above schedule are disclosed in Note 10 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, 2017

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications	State Accommodations Tax	Local Accommodations Tax
ASSETS						
Cash and cash equivalents	\$ 477,465	\$ 1,288,288	\$ 971,954	\$ 750,341	\$ 79,164	\$ 189,048
Investments	-	-	-	450,000	-	-
Taxes receivable	37,550	25,516	-	-	-	-
Accounts receivable, net	-	-	-	37,570	-	32,079
Due from other governments	2,769	68	240,533	104,914	88,897	7,774
Due from component unit	-	-	-	-	-	-
Prepaid expenditures	-	-	-	98,320	-	-
Seized assets	-	-	194,160	-	-	-
Total assets	<u>\$ 517,784</u>	<u>\$ 1,313,872</u>	<u>\$ 1,406,647</u>	<u>\$ 1,441,145</u>	<u>\$ 168,061</u>	<u>\$ 228,901</u>
LIABILITIES						
Accounts payable	\$ 2,876	\$ 16,604	\$ 102,516	\$ 97,491	\$ 26,669	\$ -
Accrued liabilities	-	-	3,829	-	-	-
Unearned revenues	-	-	84,696	-	-	-
Total liabilities	<u>2,876</u>	<u>16,604</u>	<u>191,041</u>	<u>97,491</u>	<u>26,669</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	32,315	21,036	-	-	-	-
Unavailable revenue - seized property	-	-	194,160	-	-	-
Unavailable revenue - intergovernmental	-	-	37,743	-	-	-
Total deferred inflows of resources	<u>32,315</u>	<u>21,036</u>	<u>231,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	-	-	-	98,320	-	-
Seized assets	-	-	194,160	-	-	-
Restricted for:						
General government	-	-	625,432	-	-	-
Public safety	482,593	-	-	1,245,334	-	-
Transportation	-	1,276,232	4,850	-	-	-
Debt service	-	-	-	-	-	-
Culture and recreation	-	-	-	-	141,392	228,901
Judicial services	-	-	108	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	2,156	-	-	-
Economic development	-	-	768	-	-	-
Capital projects	-	-	156,229	-	-	-
Total fund balances	<u>482,593</u>	<u>1,276,232</u>	<u>983,703</u>	<u>1,343,654</u>	<u>141,392</u>	<u>228,901</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 517,784</u>	<u>\$ 1,313,872</u>	<u>\$ 1,406,647</u>	<u>\$ 1,441,145</u>	<u>\$ 168,061</u>	<u>\$ 228,901</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
\$ 76,474	\$ 27,581	\$ 219,748	\$ 86,771	\$ -	\$ 545,033	\$ 352,295	\$ 3,311,330	\$ 8,375,492
-	-	-	-	-	-	-	-	450,000
-	-	-	-	-	35,574	72,271	12,151	183,062
-	-	-	-	-	-	103	-	69,752
-	-	-	14,171	-	68	-	32	459,226
-	-	-	-	-	-	505,000	-	505,000
-	-	-	-	1,600	-	-	-	99,920
-	-	-	-	-	-	-	-	194,160
<u>\$ 76,474</u>	<u>\$ 27,581</u>	<u>\$ 219,748</u>	<u>\$ 100,942</u>	<u>\$ 1,600</u>	<u>\$ 580,675</u>	<u>\$ 929,669</u>	<u>\$ 3,323,513</u>	<u>\$ 10,336,612</u>
\$ -	\$ -	\$ 1,898	\$ -	\$ 341	\$ -	\$ -	\$ 175	\$ 248,570
3,938	1,826	803	2,955	-	-	-	-	13,351
-	-	217,047	-	-	-	-	-	301,743
<u>3,938</u>	<u>1,826</u>	<u>219,748</u>	<u>2,955</u>	<u>341</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>563,664</u>
-	-	-	-	-	31,078	65,110	10,017	159,556
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	-	37,743
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,078</u>	<u>65,110</u>	<u>10,017</u>	<u>391,459</u>
-	-	-	-	1,259	-	-	-	99,579
-	-	-	-	-	-	-	-	194,160
-	-	-	-	-	-	-	-	625,432
72,536	25,755	-	-	-	-	-	-	1,826,218
-	-	-	-	-	-	-	-	1,281,082
-	-	-	-	-	-	864,559	-	864,559
-	-	-	-	-	-	-	-	370,293
-	-	-	97,987	-	-	-	-	98,095
-	-	-	-	-	549,597	-	-	549,597
-	-	-	-	-	-	-	-	2,156
-	-	-	-	-	-	-	-	768
-	-	-	-	-	-	-	3,313,321	3,469,550
<u>72,536</u>	<u>25,755</u>	<u>-</u>	<u>97,987</u>	<u>1,259</u>	<u>549,597</u>	<u>864,559</u>	<u>3,313,321</u>	<u>9,381,489</u>
<u>\$ 76,474</u>	<u>\$ 27,581</u>	<u>\$ 219,748</u>	<u>\$ 100,942</u>	<u>\$ 1,600</u>	<u>\$ 580,675</u>	<u>\$ 929,669</u>	<u>\$ 3,323,513</u>	<u>\$ 10,336,612</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, 2017

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	Miscellaneous Special Revenue	911 Communications	State Accommodations Tax	Local Accommodations Tax
Revenues:						
Property taxes	\$ 1,485,135	\$ 1,182,452	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	303,187	219,812	314,019
Intergovernmental	-	222,557	1,139,760	330,511	-	-
Licenses and permits	-	-	16,731	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	213	-	-	-
Contributions and donations	-	-	629,342	-	-	-
Other revenues	-	-	78,033	-	-	-
Total revenues	<u>1,485,135</u>	<u>1,405,009</u>	<u>1,864,079</u>	<u>633,698</u>	<u>219,812</u>	<u>314,019</u>
Expenditures:						
Current:						
General government	-	-	1,114	-	-	-
Public safety	1,416,412	-	628,489	598,856	-	-
Transportation	-	1,082,779	21,520	-	-	-
Public works	-	-	64,518	-	-	-
Culture and recreation	-	-	164,188	-	153,444	207,636
Judicial services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Health and welfare	-	-	143,925	-	-	-
Economic development	-	-	235,000	-	-	-
Capital outlay	210,543	81,473	37,841	405,579	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1,626,955</u>	<u>1,164,252</u>	<u>1,296,595</u>	<u>1,004,435</u>	<u>153,444</u>	<u>207,636</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,820)</u>	<u>240,757</u>	<u>567,484</u>	<u>(370,737)</u>	<u>66,368</u>	<u>106,383</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(34,741)	(40,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,741)</u>	<u>(40,000)</u>
Net change in fund balances	(141,820)	240,757	567,484	(370,737)	31,627	66,383
Fund balances (deficits), beginning of year	<u>624,413</u>	<u>1,035,475</u>	<u>416,219</u>	<u>1,714,391</u>	<u>109,765</u>	<u>162,518</u>
Fund balances, end of year	<u>\$ 482,593</u>	<u>\$ 1,276,232</u>	<u>\$ 983,703</u>	<u>\$ 1,343,654</u>	<u>\$ 141,392</u>	<u>\$ 228,901</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,188,222	\$ 2,177,565	\$ 564,261	\$ 6,597,635
-	-	-	-	-	-	-	-	837,018
-	-	86,666	109,547	111,410	-	-	-	2,000,451
-	-	-	-	-	-	-	-	16,731
139,158	35,476	-	-	-	-	-	-	174,634
-	-	-	-	-	-	28,376	-	28,589
-	-	-	-	-	-	-	-	629,342
-	-	-	-	-	-	-	-	78,033
139,158	35,476	86,666	109,547	111,410	1,188,222	2,205,941	564,261	10,362,433
-	-	-	-	-	-	-	-	1,114
151,094	67,500	71,845	-	-	-	-	-	2,934,196
-	-	-	-	-	-	-	112,003	1,216,302
-	-	-	-	-	-	-	-	64,518
-	-	-	-	77,698	-	-	-	602,966
-	-	-	147,076	-	-	-	-	147,076
-	-	-	-	-	1,065,999	-	-	1,065,999
-	-	-	-	-	-	-	-	143,925
-	-	-	-	-	-	-	-	235,000
-	-	14,821	-	32,453	-	-	60,833	843,543
-	-	-	-	-	-	1,554,000	-	1,554,000
-	-	-	-	-	-	562,274	-	562,274
151,094	67,500	86,666	147,076	110,151	1,065,999	2,116,274	172,836	9,370,913
(11,936)	(32,024)	-	(37,529)	1,259	122,223	89,667	391,425	991,520
107,000	38,000	-	-	-	-	892,411	-	1,037,411
-	-	-	-	-	-	(2,356,000)	-	(2,430,741)
107,000	38,000	-	-	-	-	(1,463,589)	-	(1,393,330)
95,064	5,976	-	(37,529)	1,259	122,223	(1,373,922)	391,425	(401,810)
(22,528)	19,779	-	135,516	-	427,374	2,238,481	2,921,896	9,783,299
\$ 72,536	\$ 25,755	\$ -	\$ 97,987	\$ 1,259	\$ 549,597	\$ 864,559	\$ 3,313,321	\$ 9,381,489

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, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,493,500	\$ 1,493,500	\$ 1,485,135	\$ (8,365)
Total revenues	<u>1,493,500</u>	<u>1,493,500</u>	<u>1,485,135</u>	<u>(8,365)</u>
EXPENDITURES				
Public safety	1,301,000	1,509,763	1,416,412	93,351
Capital outlay	190,000	502,517	210,543	291,974
Total expenditures	<u>1,491,000</u>	<u>2,012,280</u>	<u>1,626,955</u>	<u>385,325</u>
Net change in fund balance	2,500	(518,780)	(141,820)	376,960
FUND BALANCES, beginning of year	<u>624,413</u>	<u>624,413</u>	<u>624,413</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 626,913</u>	<u>\$ 105,633</u>	<u>\$ 482,593</u>	<u>\$ 376,960</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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,081,500	\$ 1,475,135	\$ 1,182,452	\$ (292,683)
Intergovernmental	220,000	220,000	222,557	2,557
Total revenues	<u>1,301,500</u>	<u>1,695,135</u>	<u>1,405,009</u>	<u>(290,126)</u>
EXPENDITURES				
Transportation	450,000	533,380	1,082,779	(549,399)
Capital outlay	1,251,500	1,561,755	81,473	1,480,282
Total expenditures	<u>1,701,500</u>	<u>2,095,135</u>	<u>1,164,252</u>	<u>930,883</u>
Net change in fund balance	(400,000)	(400,000)	240,757	640,757
FUND BALANCES, beginning of year	<u>1,035,475</u>	<u>1,035,475</u>	<u>1,035,475</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 635,475</u>	<u>\$ 635,475</u>	<u>\$ 1,276,232</u>	<u>\$ 640,757</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, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 1,067,100	\$ 1,067,100	\$ 1,139,760	\$ 72,660
Licenses and permits	-	-	16,731	16,731
Contributions and donations	-	-	629,342	629,342
Other revenue	-	-	78,033	78,033
Interest revenue	-	-	213	213
	<u>1,067,100</u>	<u>1,067,100</u>	<u>1,864,079</u>	<u>796,979</u>
EXPENDITURES				
General government	-	-	1,114	(1,114)
Public safety	430,036	430,036	628,489	(198,453)
Public works	65,000	65,000	64,518	482
Transportation	420,000	420,000	21,520	398,480
Health and welfare	-	-	143,925	(143,925)
Culture and recreation	72,525	72,525	164,188	(91,663)
Economic development	-	-	235,000	(235,000)
Capital outlay	77,820	77,820	37,841	39,979
Total expenditures	<u>1,065,381</u>	<u>1,065,381</u>	<u>1,296,595</u>	<u>(231,214)</u>
Net change in fund balance	1,719	1,719	567,484	565,765
FUND BALANCES, beginning of year	<u>416,219</u>	<u>416,219</u>	<u>416,219</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 417,938</u>	<u>\$ 417,938</u>	<u>\$ 983,703</u>	<u>\$ 565,765</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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 280,000	\$ 280,000	\$ 303,187	\$ 23,187
Intergovernmental	-	-	330,511	330,511
Interest revenue	260,000	260,000	-	(260,000)
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>633,698</u>	<u>93,698</u>
EXPENDITURES				
Public safety	784,000	931,383	598,856	332,527
Capital outlay	250,000	446,100	405,579	40,521
Total expenditures	<u>1,034,000</u>	<u>1,377,483</u>	<u>1,004,435</u>	<u>373,048</u>
Net change in fund balance	(494,000)	(837,483)	(370,737)	466,746
FUND BALANCES, beginning of year	<u>1,714,391</u>	<u>1,714,391</u>	<u>1,714,391</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,220,391</u>	<u>\$ 876,908</u>	<u>\$ 1,343,654</u>	<u>\$ 466,746</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, 2017

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 55,000	\$ 55,000	\$ 139,158	\$ 84,158
Total revenues	55,000	55,000	139,158	84,158
EXPENDITURES				
Public safety	141,700	141,700	151,094	(9,394)
Total expenditures	141,700	141,700	151,094	(9,394)
Deficiency of revenues under expenditures	(86,700)	(86,700)	(11,936)	74,764
Other financing sources				
Transfers in	107,000	107,000	107,000	-
Total other financing sources	107,000	107,000	107,000	-
Net change in fund balance	20,300	20,300	95,064	74,764
FUND BALANCES (DEFICITS), beginning of year	(22,528)	(22,528)	(22,528)	-
FUND BALANCES (DEFICITS), end of year	\$ (2,228)	\$ (2,228)	\$ 72,536	\$ 74,764

**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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 28,000	\$ 28,000	\$ 35,476	\$ 7,476
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>35,476</u>	<u>7,476</u>
EXPENDITURES				
Public safety	62,986	62,986	67,500	(4,514)
Total expenditures	<u>62,986</u>	<u>62,986</u>	<u>67,500</u>	<u>(4,514)</u>
Deficiency of revenues under expenditures	(34,986)	(34,986)	(32,024)	2,962
Other financing sources				
Transfers in	38,000	38,000	38,000	-
Total other financing sources	<u>38,000</u>	<u>38,000</u>	<u>38,000</u>	<u>-</u>
Net change in fund balance	3,014	3,014	5,976	2,962
FUND BALANCES, beginning of year	<u>19,779</u>	<u>19,779</u>	<u>19,779</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 22,793</u>	<u>\$ 22,793</u>	<u>\$ 25,755</u>	<u>\$ 2,962</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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 111,410	\$ 111,410	\$ 111,410	\$ -
Total revenues	<u>111,410</u>	<u>111,410</u>	<u>111,410</u>	<u>-</u>
EXPENDITURES				
Culture and recreation	78,957	78,957	77,698	1,259
Capital outlay	<u>32,453</u>	<u>32,453</u>	<u>32,453</u>	<u>-</u>
Total expenditures	<u>111,410</u>	<u>111,410</u>	<u>110,151</u>	<u>1,259</u>
Net change in fund balance	-	-	1,259	1,259
FUND BALANCES, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,259</u></u>	<u><u>\$ 1,259</u></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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,081,000	\$ 1,081,000	\$ 1,188,222	\$ 107,222
Total revenues	<u>1,081,000</u>	<u>1,081,000</u>	<u>1,188,222</u>	<u>107,222</u>
EXPENDITURES				
Education	1,066,000	1,066,000	1,065,999	1
Total expenditures	<u>1,066,000</u>	<u>1,066,000</u>	<u>1,065,999</u>	<u>1</u>
Net change in fund balance	15,000	15,000	122,223	107,223
FUND BALANCES, beginning of year	<u>427,374</u>	<u>427,374</u>	<u>427,374</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 442,374</u>	<u>\$ 442,374</u>	<u>\$ 549,597</u>	<u>\$ 107,223</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, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 3,382,710	\$ 1,926,710	\$ 2,177,565	\$ 250,855
Interest revenue	-	-	28,376	28,376
Total revenues	<u>3,382,710</u>	<u>1,926,710</u>	<u>2,205,941</u>	<u>279,231</u>
EXPENDITURES				
Debt service				
Principal	1,554,000	1,554,000	1,554,000	-
Interest	541,210	541,210	562,274	(21,064)
Total expenditures	<u>2,095,210</u>	<u>2,095,210</u>	<u>2,116,274</u>	<u>(21,064)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,287,500</u>	<u>(168,500)</u>	<u>89,667</u>	<u>258,167</u>
Other financing sources (uses)				
Transfers in	-	-	892,411	892,411
Transfers out	-	(1,456,000)	(2,356,000)	(900,000)
Total other financing uses, net	<u>-</u>	<u>(1,456,000)</u>	<u>(1,463,589)</u>	<u>(7,589)</u>
Net change in fund balance	1,287,500	(1,624,500)	(1,373,922)	250,578
FUND BALANCES, beginning of year	<u>2,238,481</u>	<u>2,238,481</u>	<u>2,238,481</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,525,981</u>	<u>\$ 613,981</u>	<u>\$ 864,559</u>	<u>\$ 250,578</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 515,000	\$ 515,000	\$ 564,261	\$ 49,261
Total revenues	515,000	515,000	564,261	49,261
EXPENDITURES				
Transportation	450,000	458,657	112,003	346,654
Capital outlay	-	72,721	60,833	11,888
Total expenditures	450,000	531,378	172,836	358,542
Net change in fund balance	65,000	(16,378)	391,425	407,803
FUND BALANCES, beginning of year	2,921,896	2,921,896	2,921,896	-
FUND BALANCES, end of year	<u>\$ 2,986,896</u>	<u>\$ 2,905,518</u>	<u>\$ 3,313,321</u>	<u>\$ 407,803</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	June 30, 2016	Increases	Decreases	June 30, 2017
SDOC General Fund				
ASSETS				
Cash and cash equivalents	\$ 388,999	\$ 47,610,926	\$ (47,581,440)	\$ 418,485
Taxes receivable	1,783,821	-	(13,605)	1,770,216
Total assets	<u>\$ 2,172,820</u>	<u>\$ 47,610,926</u>	<u>\$ (47,595,045)</u>	<u>\$ 2,188,701</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 2,172,820	\$ 47,610,926	(47,595,045)	\$ 2,188,701
Total liabilities	<u>\$ 2,172,820</u>	<u>\$ 47,610,926</u>	<u>\$ (47,595,045)</u>	<u>\$ 2,188,701</u>
SDOC Debt Retirement				
ASSETS				
Cash and cash equivalents	\$ 5,464,940	\$ 56,334,253	\$ (54,419,181)	\$ 7,380,012
Taxes receivable	532,976	13,049	(23,813)	522,212
Total assets	<u>\$ 5,997,916</u>	<u>\$ 56,347,302</u>	<u>\$ (54,442,994)</u>	<u>\$ 7,902,224</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 5,997,916	\$ 56,347,302	\$ (54,442,994)	\$ 7,902,224
Total liabilities	<u>\$ 5,997,916</u>	<u>\$ 56,347,302</u>	<u>\$ (54,442,994)</u>	<u>\$ 7,902,224</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 18,278	\$ 4,715,348	\$ (4,714,599)	\$ 19,027
Total assets	<u>\$ 18,278</u>	<u>\$ 4,715,348</u>	<u>\$ (4,714,599)</u>	<u>\$ 19,027</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 18,278	\$ 4,715,348	\$ (4,714,599)	\$ 19,027
Total liabilities	<u>\$ 18,278</u>	<u>\$ 4,715,348</u>	<u>\$ (4,714,599)</u>	<u>\$ 19,027</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 64,810	\$ 1,165,651	\$ (1,045,285)	\$ 185,176
Total assets	<u>\$ 64,810</u>	<u>\$ 1,165,651</u>	<u>\$ (1,045,285)</u>	<u>\$ 185,176</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 64,810	\$ 1,165,651	\$ (1,045,285)	\$ 185,176
Total liabilities	<u>\$ 64,810</u>	<u>\$ 1,165,651</u>	<u>\$ (1,045,285)</u>	<u>\$ 185,176</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	June 30, 2016	Increases	Decreases	June 30, 2017
Municipal Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 33,738	\$ 3,386,953	\$ (3,352,627)	\$ 68,064
Taxes receivable	207,660	-	(182)	207,478
Total assets	<u>\$ 241,398</u>	<u>\$ 3,386,953</u>	<u>\$ (3,352,809)</u>	<u>\$ 275,542</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 241,398	\$ 3,386,953	\$ (3,352,809)	\$ 275,542
Total liabilities	<u>\$ 241,398</u>	<u>\$ 3,386,953</u>	<u>\$ (3,352,809)</u>	<u>\$ 275,542</u>
Keowee Fire Tax District				
ASSETS				
Cash and cash equivalents	\$ 8,774	\$ 727,969	\$ (728,921)	\$ 7,822
Taxes receivable	6,239	46	(1,483)	4,802
Total assets	<u>\$ 15,013</u>	<u>\$ 728,015</u>	<u>\$ (730,404)</u>	<u>\$ 12,624</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 15,013	\$ 728,015	\$ (730,404)	\$ 12,624
Total liabilities	<u>\$ 15,013</u>	<u>\$ 728,015</u>	<u>\$ (730,404)</u>	<u>\$ 12,624</u>
Magistrate Cash Bond/Juror Fund				
ASSETS				
Cash and cash equivalents	\$ 27,513	\$ 1,217,792	\$ (1,230,074)	\$ 15,231
Total assets	<u>\$ 27,513</u>	<u>\$ 1,217,792</u>	<u>\$ (1,230,074)</u>	<u>\$ 15,231</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 27,513	\$ 1,217,792	\$ (1,230,074)	\$ 15,231
Total liabilities	<u>\$ 27,513</u>	<u>\$ 1,217,792</u>	<u>\$ (1,230,074)</u>	<u>\$ 15,231</u>
Delinquent Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 764,473	\$ 3,677,087	\$ (3,476,678)	\$ 964,882
Total assets	<u>\$ 764,473</u>	<u>\$ 3,677,087</u>	<u>\$ (3,476,678)</u>	<u>\$ 964,882</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 764,473	\$ 3,677,087	\$ (3,476,678)	\$ 964,882
Total liabilities	<u>\$ 764,473</u>	<u>\$ 3,677,087</u>	<u>\$ (3,476,678)</u>	<u>\$ 964,882</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	June 30, 2016	Increases	Decreases	June 30, 2017
Sheriff's Office				
ASSETS				
Cash and cash equivalents	\$ 185,714	\$ 303,744	\$ (301,492)	\$ 187,966
Total assets	<u>\$ 185,714</u>	<u>\$ 303,744</u>	<u>\$ (301,492)</u>	<u>\$ 187,966</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 185,714	\$ 303,744	\$ (301,492)	\$ 187,966
Total liabilities	<u>\$ 185,714</u>	<u>\$ 303,744</u>	<u>\$ (301,492)</u>	<u>\$ 187,966</u>
Fireman's Insurance and Inspection Fund				
ASSETS				
Cash and cash equivalents	\$ 189	\$ 182,614	\$ (182,614)	\$ 189
Total assets	<u>\$ 189</u>	<u>\$ 182,614</u>	<u>\$ (182,614)</u>	<u>\$ 189</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 189	\$ 182,614	\$ (182,614)	\$ 189
Total liabilities	<u>\$ 189</u>	<u>\$ 182,614</u>	<u>\$ (182,614)</u>	<u>\$ 189</u>
Probate Judge				
ASSETS				
Cash and cash equivalents	\$ 13,899	\$ 47	\$ -	\$ 13,946
Total assets	<u>\$ 13,899</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ 13,946</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,899	\$ 47	\$ -	\$ 13,946
Total liabilities	<u>\$ 13,899</u>	<u>\$ 47</u>	<u>\$ -</u>	<u>\$ 13,946</u>
Solicitor's Worthless Check Program				
ASSETS				
Cash and cash equivalents	\$ 3,278	\$ 7,272	\$ (10,550)	\$ -
Total assets	<u>\$ 3,278</u>	<u>\$ 7,272</u>	<u>\$ (10,550)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 3,278	\$ 7,272	\$ (10,550)	\$ -
Total liabilities	<u>\$ 3,278</u>	<u>\$ 7,272</u>	<u>\$ (10,550)</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	June 30, 2016	Increases	Decreases	June 30, 2017
Retiree Health Reimbursement				
ASSETS				
Cash and cash equivalents	\$ -	\$ 160,798	\$ (160,798)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 160,798</u>	<u>\$ (160,798)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 160,798	\$ (160,798)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 160,798</u>	<u>\$ (160,798)</u>	<u>\$ -</u>
Employee Health Flex Spending				
ASSETS				
Cash and cash equivalents	\$ 290	\$ 115,082	\$ (115,220)	\$ 152
Total assets	<u>\$ 290</u>	<u>\$ 115,082</u>	<u>\$ (115,220)</u>	<u>\$ 152</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 290	\$ 115,082	\$ (115,220)	\$ 152
Total liabilities	<u>\$ 290</u>	<u>\$ 115,082</u>	<u>\$ (115,220)</u>	<u>\$ 152</u>
Pickens County				
ASSETS				
Cash and cash equivalents	\$ 56,623	\$ 62,175	\$ (59,825)	\$ 58,973
Total assets	<u>\$ 56,623</u>	<u>\$ 62,175</u>	<u>\$ (59,825)</u>	<u>\$ 58,973</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 56,623	\$ 62,175	\$ (59,825)	\$ 58,973
Total liabilities	<u>\$ 56,623</u>	<u>\$ 62,175</u>	<u>\$ (59,825)</u>	<u>\$ 58,973</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	June 30, 2016	Increases	Decreases	June 30, 2017
Community Development				
ASSETS				
Cash and cash equivalents	\$ 238,577	\$ 30,870	\$ -	\$ 269,447
Total assets	<u>\$ 238,577</u>	<u>\$ 30,870</u>	<u>\$ -</u>	<u>\$ 269,447</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 238,577	\$ 30,870	\$ -	\$ 269,447
Total liabilities	<u>\$ 238,577</u>	<u>\$ 30,870</u>	<u>\$ -</u>	<u>\$ 269,447</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 7,270,095	\$ 119,698,581	\$ (117,379,304)	\$ 9,589,372
Taxes receivable	2,530,696	13,095	(39,083)	2,504,708
Total assets	<u>\$ 9,800,791</u>	<u>\$ 119,711,676</u>	<u>\$ (117,418,387)</u>	<u>\$ 12,094,080</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 9,800,791	\$ 119,711,676	\$ (117,418,387)	\$ 12,094,080
Total liabilities	<u>\$ 9,800,791</u>	<u>\$ 119,711,676</u>	<u>\$ (117,418,387)</u>	<u>\$ 12,094,080</u>

OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2017

	<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	\$ 10,797	\$ -	\$ 10,797	\$ -
Assessments	9,390	-	6,246	3,144
Surcharges	56,651	-	24,319	32,332
Totals	<u>\$ 76,838</u>	<u>\$ -</u>	<u>\$ 41,362</u>	<u>\$ 35,476</u>
Magistrate Court				
Fines and fees	\$ 265,613	\$ 265,613	\$ -	\$ -
Assessments	324,097	-	291,385	32,712
Surcharges	153,989	-	127,317	26,672
Totals	<u>\$ 743,699</u>	<u>\$ 265,613</u>	<u>\$ 418,702</u>	<u>\$ 59,384</u>
Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ (2,749)
Amounts allocated for victims' assistance in fiscal year 2017				
Assessments and surcharges			\$ 94,860	
Assessments and surcharges retained by local municipality paid to Oconee County			<u>79,773</u>	174,633
Amounts spent for victims' assistance in fiscal year 2017				
from assessments and surcharges				
Salaries and benefits				(218,593)
General fund subsidy				<u>145,000</u>
Balance for victims' assistance - end of year				<u>\$ 98,291</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.

Contents

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Financial Trends 100 - 105

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity..... 106 - 109

These schedules contain information to help the reader assess the County's most significant local revenue sources.

Debt Capacity..... 110 - 114

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information 115 and 118

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information..... 119 - 124

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.

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

OCONEE COUNTY, SOUTH CAROLINA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
Invested in capital assets, net of related debt	\$ 106,195,121	\$ 107,401,916	\$ 104,968,618	\$ 109,846,322	\$ 110,431,532	\$ 95,788,551	\$ 98,724,529	\$ 115,776,114	\$ 117,641,741	\$ 115,481,202
Restricted	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846	3,974,459	4,547,704	11,572,618	11,854,956
Unrestricted	20,014,132	21,310,360	17,060,527	28,662,046	28,367,126	43,370,642	41,790,290	(2,830,210)	(9,444,689)	(11,276,727)
Total Governmental Activities Net Assets	<u>137,475,046</u>	<u>142,618,804</u>	<u>141,373,510</u>	<u>145,115,966</u>	<u>143,603,705</u>	<u>143,587,039</u>	<u>144,489,278</u>	<u>117,493,608</u>	<u>119,769,670</u>	<u>116,059,431</u>
Business-type Activities										
Invested in capital assets, net of related debt	2,908,740	2,715,788	2,292,824	2,195,987	11,367,562	16,167,255	15,418,889	15,676,314	15,453,880	3,544,055
Unrestricted	3,008,070	3,201,022	3,606,176	3,844,173	1,107,930	(16,066)	(1,746,495)	(4,596,442)	(4,746,933)	627,854
Total Business-type Activities Net Assets	<u>5,916,810</u>	<u>5,916,810</u>	<u>5,899,000</u>	<u>6,040,160</u>	<u>12,475,492</u>	<u>16,151,189</u>	<u>13,672,394</u>	<u>11,079,872</u>	<u>10,706,947</u>	<u>4,171,909</u>
Primary Government										
Invested in capital assets, net of related debt	109,103,861	110,117,704	107,261,442	112,042,309	121,799,094	111,955,806	114,143,418	131,452,428	133,095,621	119,025,257
Restricted	11,265,793	13,906,528	19,344,365	6,607,598	4,805,047	4,427,846	3,974,459	4,547,704	11,572,618	11,854,956
Unrestricted	23,022,202	24,511,382	20,666,703	32,506,219	29,475,056	43,354,576	40,043,795	(7,426,652)	(14,191,622)	(10,648,873)
Total Primary Government Net Assets	<u>\$ 143,391,856</u>	<u>\$ 148,535,614</u>	<u>\$ 147,272,510</u>	<u>\$ 151,156,126</u>	<u>\$ 156,079,197</u>	<u>\$ 159,738,228</u>	<u>\$ 158,161,672</u>	<u>\$ 128,573,480</u>	<u>\$ 130,476,617</u>	<u>\$ 120,231,340</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 16,628,618	\$ 18,548,180	\$ 12,779,958	\$ 11,515,584	\$ 11,697,494	\$ 11,261,859	\$ 10,047,351	\$ 10,126,223	\$ 15,373,751	\$ 14,146,220
Public safety	10,671,085	15,313,777	15,735,352	17,597,428	18,483,001	19,204,344	20,131,431	20,502,284	19,750,046	21,736,482
Transportation	5,327,716	5,036,913	6,618,188	7,945,478	7,495,563	7,372,983	8,008,004	6,916,146	6,360,354	7,667,087
Public works	-	-	3,728,944	3,892,013	4,901,973	1,930,852	3,897,503	3,887,619	2,218,478	5,632,511
Culture and recreation	3,069,785	2,037,675	2,857,679	2,917,401	3,019,172	2,986,367	3,213,785	3,343,201	3,314,681	2,227,271
Judicial services	2,179,220	2,197,316	2,521,566	2,769,534	2,970,949	3,019,193	3,046,553	3,233,141	3,098,182	3,153,126
Education	-	-	972,117	1,112,556	1,048,376	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999
Health and welfare	790,730	785,094	764,810	1,293,650	1,262,341	494,226	1,057,650	400,441	542,478	534,108
Economic development	-	-	553,264	756,688	617,995	1,517,386	2,454,331	1,291,090	891,864	3,858,741
Unallocated interest expense	445,295	447,120	384,690	313,024	590,972	854,537	852,127	642,981	648,480	614,791
Total Governmental Activities Expenses	39,112,449	44,366,075	46,916,568	50,113,356	52,087,836	49,678,501	53,750,520	51,409,126	53,284,314	60,636,336
<u>Business-type Activities:</u>										
Rock Quarry	2,352,819	2,246,791	2,724,555	2,310,280	2,228,448	2,702,814	2,725,580	2,760,715	3,151,400	3,153,499
FOCUS	-	-	-	-	18,604	228,910	1,606,703	2,324,110	2,672,861	9,082,810
Solid Waste	-	-	-	21,245	-	-	-	-	-	-
Total Business-type Activities Expense	2,352,819	2,246,791	2,724,555	2,331,525	2,247,052	2,931,724	4,332,283	5,084,825	5,824,261	12,236,309
Total Primary Government Expenses	41,465,268	46,612,866	49,641,123	52,444,881	54,334,888	52,610,225	58,082,803	56,493,951	59,108,575	72,872,645
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	5,138,752	4,657,574	635,354	682,115	699,104	721,041	743,811	957,289	1,102,851	1,131,063
Public safety	153,435	133,514	712,860	581,997	545,666	954,080	1,050,750	1,121,939	945,391	1,094,335
Transportation	-	-	549,140	689,700	911,261	954,518	842,073	840,747	839,311	999,702
Public works	-	-	861,453	1,186,979	1,221,323	1,145,528	1,202,131	1,143,107	1,321,487	1,406,614
Culture and recreation	-	-	348,402	376,308	377,337	358,074	377,862	378,066	468,321	531,420
Judicial services	2,460	1,730	1,281,388	1,106,359	1,109,336	1,005,102	907,605	779,808	746,975	747,257
Health and welfare	-	-	33,670	-	87,487	-	-	-	-	-
Economic development	-	-	-	-	-	9,500	-	-	850	226
Operating grants and contributions	1,292,982	1,994,989	2,097,997	2,658,014	1,391,801	1,646,556	1,925,061	1,888,624	2,407,575	2,914,832
Capital grants and contributions	2,498,147	2,394,832	4,251,132	3,943,974	1,899,031	677,399	2,022,895	2,531,412	1,755,317	1,159,095
Total Governmental Activities Program Revenues	9,085,776	9,182,639	10,771,396	11,225,446	8,242,346	7,471,798	9,072,188	9,640,992	9,588,078	9,984,544
<u>Business-type Activities:</u>										
Charges for services										
Rock Quarry	3,082,349	3,037,173	3,404,756	3,242,740	2,854,380	2,779,245	3,393,169	478,009	907,397	5,231,620
FOCUS	-	-	-	-	1,110	913,801	44,879	4,166,519	5,021,553	969,651
Solid Waste	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	210,434	6,455,725	3,141,110	-	-	-	-
Total Business-type Activities Program Revenues	3,082,349	3,037,173	3,404,756	3,453,174	9,311,215	6,834,156	3,438,048	4,644,528	5,928,950	6,201,271
Total Primary Government Program Revenues	12,168,125	12,219,812	14,176,152	14,678,620	17,553,561	14,305,954	12,510,236	14,285,520	15,517,028	16,185,815

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense) Revenue										
Governmental Activities	(30,026,673)	(35,183,436)	(36,145,172)	(38,887,910)	(43,845,490)	(42,206,703)	(44,678,332)	(41,768,134)	(43,696,236)	(50,651,792)
Business-type Activities	729,530	790,382	680,201	1,121,649	7,064,163	3,902,432	(894,235)	(440,297)	104,689	(6,035,038)
Total Primary Government	<u>\$ (29,297,143)</u>	<u>\$ (34,393,054)</u>	<u>\$ (35,464,971)</u>	<u>\$ (37,766,261)</u>	<u>\$ (36,781,327)</u>	<u>\$ (38,304,271)</u>	<u>\$ (45,572,567)</u>	<u>\$ (42,208,431)</u>	<u>\$ (43,591,547)</u>	<u>\$ (56,686,830)</u>
General Revenues and Other Changes in Net Position										
<u>Governmental Activities:</u>										
Property taxes	\$ 32,121,201	\$ 33,947,622	\$ 35,671,288	\$ 36,735,928	\$ 38,093,094	\$ 37,638,742	\$ 39,926,946	\$ 40,208,079	\$ 41,172,258	\$ 42,188,898
Other taxes and licenses	1,221,173	1,231,011	848,922	874,795	755,113	772,729	843,741	883,996	896,899	1,027,358
Unrestricted grants and contributions	3,816,253	3,639,338	3,038,376	2,577,854	2,286,169	2,732,272	2,743,615	2,760,812	2,753,991	2,881,355
Unrestricted investment earnings	1,485,206	1,061,380	498,702	370,259	427,725	350,417	483,260	521,943	546,936	232,848
Sale of capital assets	(18,678)	(740,289)	-	-	-	-	-	-	-	-
Miscellaneous	641,535	287,463	161,281	137,299	137,819	-	-	-	-	-
Special items	-	-	825,000	944,370	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	-	232,576	-	203,750	118,692	111,094
Proceeds from legal settlement	-	-	-	-	-	375,000	-	-	-	-
Transfers	800,878	900,669	687,650	989,861	633,309	116,991	1,583,009	750,000	483,522	500,000
Total Governmental Activities	<u>40,067,568</u>	<u>40,327,194</u>	<u>41,731,219</u>	<u>42,630,366</u>	<u>42,333,229</u>	<u>42,218,727</u>	<u>45,580,571</u>	<u>45,328,580</u>	<u>45,972,298</u>	<u>46,941,553</u>
<u>Business-type Activities:</u>										
Investment earnings	111,247	110,287	7,449	9,372	4,478	3,714	(1,552)	13,883	5,908	-
Miscellaneous	-	-	-	-	-	37,056	-	-	-	-
Transfers	(800,878)	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)	(1,583,009)	(750,000)	(483,522)	(500,000)
Total Business-type Activities	<u>(689,631)</u>	<u>(790,382)</u>	<u>(680,201)</u>	<u>(980,489)</u>	<u>(628,831)</u>	<u>(76,221)</u>	<u>(1,584,561)</u>	<u>(736,117)</u>	<u>(477,614)</u>	<u>(500,000)</u>
Total Primary Government	<u>39,377,937</u>	<u>39,536,812</u>	<u>41,051,018</u>	<u>41,649,877</u>	<u>41,704,398</u>	<u>42,142,506</u>	<u>43,996,010</u>	<u>44,592,463</u>	<u>45,494,684</u>	<u>46,441,553</u>
Change in Net Position										
Governmental Activities	10,040,895	5,143,758	5,586,047	3,742,456	(1,512,261)	12,024	902,239	3,560,446	2,276,062	(3,710,239)
Business-type Activities	39,899	-	-	141,160	6,435,332	3,826,211	(2,478,796)	(1,176,414)	(372,925)	(6,535,038)
Total Primary Government	<u>\$ 10,080,794</u>	<u>\$ 5,143,758</u>	<u>\$ 5,586,047</u>	<u>\$ 3,883,616</u>	<u>\$ 4,923,071</u>	<u>\$ 3,838,235</u>	<u>\$ (1,576,557)</u>	<u>\$ 2,384,032</u>	<u>\$ 1,903,137</u>	<u>\$ (10,245,277)</u>

OCONEE COUNTY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 179,781	\$ 590,626	\$ 4,734,890							
Unreserved	18,107,692	22,832,404	19,663,178							
Total General Fund	<u>\$ 18,287,473</u>	<u>\$ 23,423,030</u>	<u>\$ 24,398,068</u>							
All Other Governmental Funds										
Reserved	\$ 11,265,793	\$ 11,422,123	\$ 18,103,322							
Unreserved, reported in:										
Special revenue funds	-	-	2,471,822							
Capital projects	4,459,452	2,962,854	-							
Total All Other Governmental Funds	<u>\$ 15,725,245</u>	<u>\$ 14,384,977</u>	<u>\$ 20,575,144</u>							
Total Governmental Fund Balance	<u>\$ 34,012,718</u>	<u>\$ 37,808,007</u>	<u>\$ 44,973,212</u>							
General Fund										
Nonspendable				\$ 4,824,890	\$ 7,473,784	\$ 7,575,436	\$ 7,974,903	\$ 7,893,345	\$ 10,178,225	\$ 12,330,060
Restricted				-	1,401,505	-	-	-	-	-
Assigned				7,338,896	8,236,071	6,319,226	6,201,707	5,859,340	6,305,588	5,402,720
Unassigned				13,008,265	7,521,789	7,912,690	7,956,354	7,680,785	5,778,824	6,003,573
Total General Fund				<u>\$ 25,172,051</u>	<u>\$ 24,633,149</u>	<u>\$ 21,807,352</u>	<u>\$ 22,132,964</u>	<u>\$ 21,433,470</u>	<u>\$ 22,262,637</u>	<u>\$ 23,736,353</u>
All Other Governmental Funds										
Nonspendable				\$ 4,782,659	\$ 5,150,854	\$ 5,120,760	\$ 5,715,670	\$ 6,007,910	\$ 6,157,338	\$ 6,105,946
Restricted				23,000,044	21,761,098	31,810,874	23,056,108	12,010,393	11,572,618	11,854,956
Committed				-	-	-	-	1,830,000	1,900,000	-
Assigned				4,720,626	6,514,510	-	1,418,771	-	500,000	500,000
Unassigned				(219,951)	(21,702)	-	-	(5,430)	(22,528)	-
Total all other governmental funds				<u>\$ 32,283,378</u>	<u>\$ 33,404,760</u>	<u>\$ 36,931,634</u>	<u>\$ 30,190,549</u>	<u>\$ 19,842,873</u>	<u>\$ 20,107,428</u>	<u>\$ 18,460,902</u>
Total all governmental funds				<u>\$ 57,455,429</u>	<u>\$ 58,037,909</u>	<u>\$ 58,738,986</u>	<u>\$ 52,323,513</u>	<u>\$ 41,276,343</u>	<u>\$ 42,370,065</u>	<u>\$ 42,197,255</u>

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property taxes	\$ 31,864,429	\$ 33,495,553	\$ 36,025,326	\$ 36,666,258	\$ 38,020,262	\$ 37,554,856	\$ 39,752,966	\$ 40,022,706	\$ 41,403,551	\$ 42,157,936
Other taxes	-	-	538,901	634,857	502,286	656,268	636,153	692,870	774,943	837,018
Intergovernmental	7,963,754	7,783,703	8,038,218	6,245,010	7,065,591	4,695,381	6,335,362	7,145,213	6,609,118	6,151,473
Licenses, permits and fees	3,649,173	3,041,597	3,062,181	2,649,168	2,658,935	2,846,954	2,942,232	3,136,565	3,329,718	3,563,396
Fines and forfeitures	704,937	639,085	582,737	522,071	485,898	442,930	462,505	397,280	349,825	443,592
Charges for services	-	-	855,538	1,449,809	1,681,043	1,714,530	1,706,415	1,511,531	1,548,745	1,907,558
County airport	649,305	475,413	-	-	-	-	-	-	-	-
PRT commission	291,232	300,169	-	-	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	771,530	971,447	-	-	-	-	-	-	-	-
Interest and investment income	1,486,802	1,061,380	498,704	370,260	428,175	350,414	483,260	521,943	546,936	232,848
Contributions and donations	-	-	-	-	-	-	-	-	-	729,342
Miscellaneous and other	844,500	1,129,037	453,342	1,581,827	612,032	620,736	563,502	402,341	626,619	260,878
Total Revenues	48,225,662	48,897,384	50,054,947	50,119,260	51,454,222	48,882,069	52,882,395	53,830,449	55,189,455	56,284,041
Expenditures										
General government	17,607,979	17,363,947	12,180,563	12,565,500	13,185,544	11,112,957	9,605,045	9,340,206	10,619,326	10,139,720
Public safety	12,185,492	13,760,420	15,442,607	15,700,587	15,885,097	17,965,052	18,289,706	19,528,060	19,259,455	21,856,373
Transportation	3,730,728	2,524,563	4,522,488	4,756,649	5,906,716	4,570,959	5,642,616	5,372,448	4,093,358	4,635,820
Public works	-	-	3,492,000	3,811,897	3,935,370	3,674,946	3,539,178	3,712,590	3,800,049	4,266,899
Culture and recreation	2,855,483	3,120,019	2,648,087	2,922,955	2,879,904	2,926,734	3,051,999	3,171,835	3,420,174	3,489,308
Judicial services	2,175,997	2,108,667	2,305,784	2,511,770	2,655,317	2,664,057	2,713,121	2,901,655	2,796,960	2,829,668
Education	-	972,117	1,049,556	1,013,376	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999	1,065,999
Health and welfare	680,787	638,131	613,646	718,538	682,022	340,292	939,131	395,228	403,368	396,721
Economic development	-	-	353,204	745,294	608,382	1,497,332	8,809,901	1,885,090	884,078	4,443,777
Capital outlay	5,209,551	4,269,999	6,275,299	9,871,923	2,720,372	2,449,772	4,989,163	14,342,987	8,766,134	3,237,920
Debt service										
Principal retirement	1,539,768	1,902,090	1,979,987	2,255,273	2,889,220	3,407,298	6,298,106	3,478,508	3,257,148	3,383,237
Interest and fiscal charges	460,619	447,120	376,340	393,536	815,861	905,084	856,521	743,870	645,774	644,171
Bond issue costs	-	-	-	195,907	-	79,154	102,756	-	50,500	63,000
Total Expenditures	46,446,404	46,134,956	51,162,122	57,499,385	53,177,181	52,630,391	65,879,028	65,938,477	59,082,324	60,452,613
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,779,258	2,762,428	(1,107,175)	(7,380,125)	(1,722,959)	(3,748,322)	(12,996,633)	(12,108,028)	(3,892,869)	(4,168,572)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Other Financing Sources (Uses)										
Sale of capital assets	13,210	132,196	18,307	57,868	42,326	31,171	-	107,108	165,899	84,668
Contributions - capital assets	-	-	-	-	-	-	-	-	-	-
Insurance recoveries	-	-	74,504	-	14,992	232,576	-	203,750	118,692	111,094
Bonds and capital leases	1,477,683	-	3,500,000	22,300,000	1,614,812	2,638,954	4,998,150	-	4,200,000	3,300,000
Bond premium	-	-	-	981,266	-	-	-	-	-	-
Payments to refunding bonds escrow	-	-	-	(5,411,024)	-	-	-	-	-	-
Transfer in	9,062,204	3,535,668	6,772,402	7,282,318	850,452	5,188,897	3,100,368	894,582	1,317,121	4,508,152
Transfer out	(8,261,326)	(2,634,999)	(6,084,752)	(6,292,456)	(217,143)	(5,071,906)	(1,517,358)	(144,582)	(815,121)	(4,008,152)
Total Other Financing Sources (Uses)	2,291,771	1,032,865	4,280,461	18,917,972	2,305,439	3,019,692	6,581,160	1,060,858	4,986,591	3,995,762
Special Items										
Gain on sale of land	-	-	-	944,370	-	-	-	-	-	-
Courthouse settlement	-	-	825,000	-	-	-	-	-	-	-
Total Special Items	-	-	825,000	944,370	-	-	-	-	-	-
Net Change in Fund Balance	<u>\$ 4,071,029</u>	<u>\$ 3,795,293</u>	<u>\$ 3,998,286</u>	<u>\$ 12,482,217</u>	<u>\$ 582,480</u>	<u>\$ (728,630)</u>	<u>\$ (6,415,473)</u>	<u>\$ (11,047,170)</u>	<u>\$ 1,093,722</u>	<u>\$ (172,810)</u>
Debt Service as a Percentage of Noncapital Expenditures*	98.88%	98.93%	99.16%	98.76%	98.38%	98.04%	98.42%	98.56%	98.62%	98.76%

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

Note:
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

Fiscal Year Ended June 30	Real Property	Personal Property	Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
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	33,845,784	170,891,945	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%
2016	323,167,245	42,705,030	180,421,797	546,294,072	71.0	9,438,560,789	5.79%
2017	333,937,375	42,504,784	183,478,946	559,921,105	71.0	9,511,692,773	5.89%

Source: Oconee County Auditor

Note:

Property in the County was reassessed at December 31, 2010, which is reflected in the taxable assessed values stated above for fiscal years ended June 30, 2012. The 2015 reassessment was delayed one year by County Council vote and was implemented in year end June 30, 2018.

OCONEE COUNTY, SOUTH CAROLINA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Oconee County Direct Rates										
Operating	64.10	64.10	63.90	61.10	58.90	58.90	57.60	57.60	57.60	60.40
Debt service	4.10	4.10	1.40	1.90	6.00	6.00	6.00	6.00	6.00	3.20
Economic development	1.00	1.00	1.00	1.00	1.00	1.00	2.20	2.20	2.20	2.20
Bridges and culverts	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Road Maintenance	0.00	0.00	0.00	0.00	0.00	0.00	2.10	2.10	2.10	2.10
Tri-County Tech Operations	2.10	2.10	2.70	2.10	2.10	2.10	2.10	2.10	2.10	2.10
Total County Millage	<u>72.30</u>	<u>72.30</u>	<u>70.00</u>	<u>67.10</u>	<u>69.00</u>	<u>69.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>	<u>71.00</u>
Overlapping Rates										
School District										
Operations	109.80	110.50	111.40	107.10	101.40	110.10	110.10	110.10	110.10	110.10
Debt service	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00	31.00
Total School Millage	<u>140.80</u>	<u>141.50</u>	<u>142.40</u>	<u>138.10</u>	<u>132.40</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>	<u>141.10</u>
Special District Rates										
City of Salem	30.00	31.00	32.40	32.40	32.40	32.40	34.90	36.40	36.40	36.40
City of Seneca	50.00	52.30	52.30	52.30	52.30	52.30	55.30	55.30	55.30	59.30
City of Walhalla	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00
City of West Union	39.00	40.25	41.30	41.30	42.00	45.00	46.00	46.00	48.30	48.80
City of Westminster	88.00	90.70	90.70	90.70	90.70	90.70	90.70	97.30	99.30	99.30
Unincorp. Fire Special District	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Keowee Fire Special District	14.00	13.50	14.50	14.40	14.50	14.50	14.50	14.50	14.50	14.50
Total Special District Millage	<u>307.90</u>	<u>314.65</u>	<u>318.10</u>	<u>318.00</u>	<u>318.80</u>	<u>321.80</u>	<u>328.30</u>	<u>336.40</u>	<u>340.70</u>	<u>345.20</u>
Total Direct and Overlapping Rates	<u>521.00</u>	<u>528.45</u>	<u>530.50</u>	<u>523.20</u>	<u>520.20</u>	<u>531.90</u>	<u>540.40</u>	<u>548.50</u>	<u>552.80</u>	<u>557.30</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 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

Taxpayer	2017			Taxpayer	2008		
	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$143,912,170	1	25.70%	Duke Energy Corporation	\$134,274,650	1	29.37%
Blue Ridge Electric Coop Inc.	6,960,720	2	1.24%	Blue Ridge Electric Coop Inc.	5,441,710	2	1.19%
BASF Corporation	5,908,480	3	1.06%	Valenite LLC	3,781,687	3	0.83%
Sandvik Inc.	3,004,922	4	0.54%	Bellsouth Telecommunications Inc.	3,432,700	4	0.75%
Cryovac Inc.	2,965,630	5	0.53%	BASF Corporation	3,333,020	5	0.73%
Borg Warner Torq Transfer Systems Inc.	2,687,914	6	0.48%	Cryovac Inc.	3,071,480	6	0.67%
Itron Corporation	1,876,649	7	0.34%	Itron Corporation	2,659,750	7	0.58%
Bellsouth Telecommunications Inc.	1,872,160	8	0.33%	US Engine Valve Company	1,646,640	8	0.36%
Johnson Controls Battery Group Inc.	1,750,098	9	0.31%	Square D Company	1,611,640	9	0.35%
Covidien LP	1,727,490	10	0.31%	Johnson Controls Battery Group Inc.	1,250,154	10	0.27%
Total	<u>\$172,666,233</u>		30.84%		<u>\$160,503,431</u>		35.11%
Total Gross Digest Assessment	<u>\$559,921,105</u>			Total Gross Digest Assessment	<u>\$457,165,825</u>		

Source: Oconee County Auditor

* Actual

OCONEE COUNTY, SOUTH CAROLINA

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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	36,255,019	98.56%
2015	37,438,922	36,298,823	96.95%	703,580	37,002,403	98.83%
2016	40,371,126	39,275,957	97.29%	698,132	39,974,089	99.02%
2017	41,052,706	40,031,849	97.51%	824,757	40,856,606	99.52%

Source: Oconee County Treasurer

OCONEE COUNTY, SOUTH CAROLINA

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation	Special Source	Special Source Refunding	Capital	Revenue	Capital			
	Bonds	Revenue Bonds	Revenue Bonds	Leases	Bond	Leases			
2008	\$ 9,075,000	\$ -	\$ -	\$2,185,058	\$ -	\$ -	\$11,260,058	0.5%	\$ 154
2009	7,800,000	-	-	1,557,968	-	-	9,357,968	0.4%	127
2010	6,465,000	3,500,000	-	912,932	-	-	10,877,932	0.5%	146
2011	22,365,381	3,500,000	-	617,659	-	-	26,483,040	1.1%	357
2012	19,927,443	3,315,000	-	1,928,251	-	-	25,170,694	1.1%	337
2013	20,806,549	3,125,000	-	1,300,953	-	-	25,232,502	1.0%	337
2014	17,839,292	-	2,993,000	2,987,997	-	-	23,820,289	0.9%	317
2015	15,645,178	-	2,758,000	1,844,489	-	-	20,247,667	0.7%	267
2016	13,380,747	-	2,516,000	5,214,340	-	-	21,111,087	0.7%	276
2017	15,311,581	-	2,267,000	3,385,104	-	-	20,963,685	n/a	n/a

Source: Oconee County 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

Fiscal Year Ended June 30	General Bonded Debt Outstanding			Ratio of Net Bonded Debt to Assessed Value ¹	Net Bonded Debt Per Capita ²
	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total Net Bonded Debt		
2008	\$ 9,075,000	\$ 1,880,690	\$ 7,194,310	1.57%	\$ 98
2009	7,800,000	2,210,845	5,589,155	1.18%	76
2010	6,465,000	1,607,112	4,857,888	1.00%	65
2011	22,365,381	1,218,659	21,146,722	4.11%	285
2012	19,927,443	1,235,487	18,691,956	3.61%	251
2013	20,806,549	1,440,108	19,366,441	3.76%	258
2014	17,839,292	1,095,802	16,743,490	3.21%	223
2015	15,645,178	1,682,706	13,962,472	2.66%	184
2016	13,380,747	1,628,323	11,752,424	2.15%	154
2017	15,311,581	352,295	14,959,286	2.67%	n/a

Source: Oconee County Finance Department

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

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable ¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Oconee County	\$ 14,806,581	100.00%	<u>\$ 14,806,581</u>
Overlapping Debt:			
School District of Oconee County	43,375,000	100.00%	43,375,000
<u>Incorporated Municipalities</u>			
City of Seneca	17,573	6.17%	1,084
City of Walhalla	-	1.49%	-
City of Westminster	-	1.11%	-
Town of Salem	-	0.15%	-
Town of West Union	-	0.28%	-
<u>Special Purpose Districts</u>			
Keowee Fire District	505,000	8.41%	42,471
Unincorporated Fire Special District	-	82.40%	-
Total Estimated Share of Overlapping Debt			<u>43,418,555</u>
Total Estimated Share of Direct and Overlapping Debt			<u>\$ 58,225,136</u>

Sources: Oconee County Finance Department and Oconee County Auditor

¹ Estimated percent applicable is determined by the ratio of assessed valuation of real property subject to taxation in the overlapping entity to the valuation of real property subject to taxation in the entire County.

OCONEE COUNTY, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed valuation	\$ 559,921,105
Debt limit - eight percent of total assessed value	\$ 44,793,688
Debt applicable to limit:	
General obligation bonds	14,806,581
Less: amount set aside for repayment of general obligation bonds	<u>(352,295)</u>
Debt qualifying for margin	<u>14,454,286</u>
Legal debt margin	<u><u>\$ 30,339,402</u></u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assessed value of taxable property	\$457,165,825	\$473,103,274	\$485,175,818	\$514,602,648	\$517,969,088	\$515,557,710	\$521,294,691	\$525,343,034	\$546,294,072	\$559,921,105
Legal debt limit*	\$ 36,573,266	\$ 37,848,262	\$ 38,814,065	\$ 41,168,212	\$ 41,437,527	\$ 41,244,617	\$ 41,703,575	42,027,443	43,703,526	44,793,688
Net debt applicable to limit	<u>7,194,310</u>	<u>5,589,155</u>	<u>4,857,888</u>	<u>20,261,341</u>	<u>17,844,513</u>	<u>18,531,441</u>	<u>16,054,198</u>	<u>13,282,472</u>	<u>11,157,424</u>	<u>14,454,286</u>
Legal debt margin	<u><u>\$ 29,378,956</u></u>	<u><u>\$ 32,259,107</u></u>	<u><u>\$ 33,956,177</u></u>	<u><u>\$ 20,906,871</u></u>	<u><u>\$ 23,593,014</u></u>	<u><u>\$ 22,713,176</u></u>	<u><u>\$ 25,649,377</u></u>	<u><u>\$ 28,744,971</u></u>	<u><u>\$ 32,546,102</u></u>	<u><u>\$ 30,339,402</u></u>
Total net debt applicable to the limit as a percentage of debt limit	19.67%	14.77%	12.52%	49.22%	43.06%	44.93%	38.50%	31.60%	25.53%	32.27%

Source: Oconee County Auditor and Oconee County Treasurer

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS

2010 Special Source Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal ¹	Interest	Total	
2011	\$ 127,458	\$ -	\$ 127,458	\$ 127,458	
2012	346,000	185,000	161,000	346,000	100%
2013	342,490	190,000	152,490	342,490	100%
2014 ²	343,750	200,000	143,750	343,750	100%

2014 Special Source Refunding Revenue Bonds - Pointe West Project					
Year	Fee in Lieu of Taxes	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2015	\$ 320,301	\$ 235,000	\$ 85,301	\$ 320,301	100%
2016	320,603	242,000	78,603	320,603	100%
2017	320,706	249,000	71,706	320,706	100%

Source: Oconee County Finance Department

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

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

Note:

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

OCONEE COUNTY, SOUTH CAROLINA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ¹	Personal Income ³ (in thousands)	Per Capita Personal Income ³	Median Age ¹	School Enrollment ⁴	Unemployment Rate ²
2008	73,089	\$ 2,342,766	\$ 32,970	41.6	10,377	7.3%
2009	73,829	2,324,139	31,599	42.4	10,402	13.3%
2010	74,355	2,304,809	31,655	43.4	10,629	11.4%
2011	74,233	2,378,718	33,988	42.8	10,570	10.0%
2012	74,603	2,345,709	34,387	43.2	10,546	8.8%
2013	74,954	2,595,710	34,650	43.4	10,567	7.7%
2014	75,221	2,691,445	35,794	44.2	10,548	6.3%
2015	75,744	2,858,965	37,761	44.3	10,441	5.6%
2016	76,355	2,967,386	38,863	45.5	10,404	5.2%
2017	n/a	n/a	n/a	n/a	10,442	4.3%

Sources: ¹ US Census Bureau, Population Division
² US Department of Labor, Bureau of Labor Statistics
³ US Department of Commerce, Bureau of Economic Analysis
⁴ School District of Oconee County, SC

Note:

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

OCONEE COUNTY, SOUTH CAROLINA

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Company or Organization	2017			2008		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
Duke Energy Corporation	3,038	1	9.13%	1,500	2	5.29%
School District of Oconee County	1,605	2	4.82%	1,605	1	5.66%
Oconee Medical Center	1,300	3	3.91%	1,370	3	4.83%
Borg Warner Torq Transfer Systems Inc.	828	4	2.49%			0.00%
Itron Corporation	780	5	2.34%	715	4	2.52%
Koyo Bearings USA LLC	600	6	1.80%			0.00%
Oconee County Government	450	7	1.35%	434	7	1.53%
U.S. Engine Valve Company	383	8	1.15%			0.00%
BASF Corporation	354	9	1.06%	377	9	1.33%
Schneider Electric USA Inc.	352	10	1.06%	655	5	2.31%
Timken US Corporation			0.00%	460	6	1.62%
Covidien LP			0.00%	423	8	1.49%
Valenite LLC			0.00%	347	10	1.22%
	<u>10,885</u>		32.70%	<u>7,886</u>		27.80%

Source: SC Appalachian Council of Governments

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrative Services	-	-	-	-	-	-	11	11	-	-
Administrator	2	2	2	2	3	3	2	2	3	3
Assessor	18	21	17	18	18	18	18	19	19	17
Auditor	7	7	7	7	7	7	7	7	7	7
County Attorney	-	-	-	-	-	-	-	-	2	2
County Council	1	1	1	1	1	1	1	1	1	1
Delinquent Tax Collector	3	3	3	3	3	3	3	3	3	3
Facilities Maintenance	11	10	10	11	11	11	11	12	12	12
Finance	8	8	9	8	7	6	-	-	7	7
Human Resources	4	4	4	4	4	5	-	-	4	4
Information Technology	8	8	10	9	12	10	7	5	5	5
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Planning	4	3	3	3	2	1	-	-	-	-
Procurement	3	3	3	3	3	2	2	2	2	2
Register of Deeds	5	5	4	4	4	4	4	4	4	4
Treasurer	6	7	7	7	7	7	7	6	6	6
Vehicle Maintenance	15	14	14	14	14	14	14	13	14	14
Voter Registrations and Elections	2	2	2	2	2	2	2	2	2	2
Public Safety										
Animal Control	6	6	6	6	6	6	6	6	6	6
Communications	18	18	18	18	21	21	21	21	21	21
Community Development	11	11	9	9	7	9	9	11	12	13
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	28	36	36	36	31	35	36	50	48	48
Emergency Services	3	16	12	13	20	3	3	3	21	21
Rural Fire	4	-	-	-	-	17	17	17	-	-
Sheriff's Office	87	89	90	87	88	91	91	94	91	93
Transportation										
Airport	5	5	5	5	4	4	4	4	4	4
Roads and Bridges	38	38	38	38	36	37	37	38	38	38

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Judicial Services										
Clerk of Court	11	10	10	10	10	10	11	12	11	12
Magistrate	9	9	9	9	9	9	9	9	9	9
Probate Court	5	6	6	7	6	6	6	6	6	6
Solicitor	7	8	10	10	10	10	10	9	9	9
Health and Welfare										
Veterans' Affairs	3	3	3	3	3	3	3	3	3	3
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	42	39	36	36	36	36	38	38	36	36
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	19
Parks, Recreation and Tourism	13	13	14	13	13	13	14	10	17	17
Economic Development	2	2	2	3	4	2	4	3	4	4
Enterprise Fund										
Rock Quarry	16	16	16	16	15	15	17	16	17	17
Oconee FOCUS	-	-	-	-	-	-	3	3	3	-
Total	<u>426</u>	<u>444</u>	<u>437</u>	<u>436</u>	<u>438</u>	<u>442</u>	<u>449</u>	<u>461</u>	<u>468</u>	<u>468</u>

Source: Oconee County Finance Department

Note:

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

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Administrative Services										
Accounts payable disbursements	-	-	-	-	-	-	14,770	-	-	-
Payroll disbursements	-	-	-	-	-	-	12,542	-	-	-
Employment applications processed	-	-	-	-	-	-	1,483	-	-	-
Employment terminations processed	-	-	-	-	-	-	94	-	-	-
Assessor										
Assessment appeals processed	800	500	1,205	6,200	1,274	730	650	716	747	1,224
Deeds Processed	-	-	-	-	-	4,885	5,474	6,502	7,405	6,802
Legal Residence Applications	-	-	-	-	-	1,428	2,692	3,500	2,606	2,502
Department of Revenue Applications	-	-	-	-	-	845	894	1,148	951	850
Agricultural Applications	-	-	-	-	-	1,100	1,250	1,400	1,320	980
Building Permits Processed	-	-	-	-	-	985	808	1,070	838	1,130
Assessable Transfers of Interest	-	-	-	-	-	1,785	2,404	2,575	2,660	2,895
Plats	-	-	-	-	-	574	548	691	701	842
Home Site Visits	-	-	-	-	-	14,430	14,500	14,650	14,400	18,957
Auditor										
Real estate, vehicle, and business property notices	145,712	148,031	156,190	149,521	150,169	149,251	79,063	152,947	155,622	160,376
Temporary tags	1,223	1,167	1,144	1,170	1,045	1,033	984	4,885	5,100	5,292
Board of Assessment and Appeals										
Appeals filed	180	100	25	61	n/a	15	-	9	34	6
Hearings held	-	29	6	4	38	4	-	4	14	1
County Council										
Regular meetings	22	24	22	24	21	22	19	21	22	22
Special meetings	15	14	15	10	9	7	7	7	5	5
Delinquent Tax Collector										
Records processed	6,892	7,551	8,080	6,719	6,216	6,680	6,156	7,100	6,866	5,884
Finance										
Accounts payable disbursements	10,767	10,939	10,869	10,338	10,775	10,012	-	7,811	4,705	6,262
Payroll disbursements	12,753	12,298	12,427	13,103	12,700	13,235	-	12,770	13,086	13,438
Human Resources										
Employment applications processed	2,621	2,832	3,148	3,148	2,321	1,510	-	2,133	1,709	2,091
Employment terminations processed	62	90	108	108	97	93	-	68	47	75
Procurement										
Number of requests for proposals (RFP)	7	8	8	11	13	15	3	18	18	18
Number of purchase orders	1,020	1,002	1,002	872	846	820	923	687	587	587
Register of Deeds										
Recorded documents	20,226	15,832	15,832	15,502	16,746	16,262	16,695	16,097	16,435	16,435
Treasurer										
Tax notices mailed	n/a	n/a	n/a	152,011	175,572	193,569	203,247	144,604	140,400	144,719
Vehicle Maintenance										
Repair orders processed	2,600	1,272	1,272	2,420	2,311	2,225	2,460	2,409	2,686	2,693

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government - continued										
Voter Registrations and Elections										
Current registered voters	44,233	50,000	46,785	44,844	47,000	46,000	49,000	48,476	49,486	51,069
Public Safety										
Animal Control										
Animals received	5,433	5,434	5,241	5,241	4,540	4,416	3,808	3,820	3,812	3,542
Animals adopted	767	965	1,029	1,029	912	1,079	1,143	1,160	1,238	1,095
Community Development										
Land use/Subdivision reviews	156	209	150	278	400	420	450	522	525	-
Permits issued	2,207	1,338	1,000	1,076	1,185	1,200	1,483	1,792	2,208	-
Coroner (based on a calendar year)										
Deaths	496	547	559	619	677	641	675	700	672	682
Detention Center										
Average daily population	154	159	159	149	129	135	157	162	158	174
Emergency Services (based on a calendar year)										
Medical rescue call responses	4,379	4,509	4,521	4,764	5,129	5,022	4,807	5,261	3,626	3,605
Special rescue call responses	31	62	10	10	27	31	43	79	51	63
Fire call responses	1,306	2,133	3,330	5,522	5,800	5,670	5,670	4,504	3,094	2,462
Hazardous material call responses	n/a	n/a	32	20	n/a	n/a	-	13	13	10
Sheriff's Office										
Service calls	48,000	37,666	6,023	41,257	48,570	45,477	48,742	48,742	50,004	81,493
Arrest warrants served	3,382	3,700	3,700	3,056	3,217	3,353	3,291	3,291	2,676	3,000
Transportation										
Roads and Bridges										
Work orders	2,775	6,938	6,938	6,847	8,709	8,709	12,189	5,429	3,962	9,332
Tons of gravel hauled	42,400	32,763	32,263	41,399	29,873	19,995	18,826	31,321	29,660	26,539
Judicial Services										
Clerk of Court										
Foreclosure auctions	118	63	393	306	237	201	140	135	118	118
Cases processed	6,810	3,966	6,147	5,369	5,585	4,796	5,493	4,893	3,878	5,307

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Judicial Services - continued										
Magistrate										
Magistrate traffic cases	6,670	1,162	2,236	2,034	1,730	7,796	10,700	2,668	2,792	2,792
Magistrate criminal cases	11,752	7,250	14,903	13,461	10,305	11,632	11,042	10,958	7,366	7,366
Health and Welfare										
Department of Social Services										
Food stamps cases	3,100	3,800	4,390	5,223	5,223	5,006	5,102	5,200	4,555	4,555
Family independence cases	-	-	-	-	175	106	136	170	107	107
Child protective services investigations	310	213	259	175	175	318	334	677	635	635
Adult protective services investigations	-	-	-	-	20	9	41	110	125	125
Children in foster care	-	-	-	-	52	94	91	54	120	120
Public Works										
Solid Waste										
Municipal solid waste (MSW) tons	37,773	36,779	36,779	36,794	36,632	36,982	37,520	37,691	39,309	39,036
Construction and demolition (C&D) tons	25,014	21,308	21,308	19,299	14,870	16,023	18,165	22,133	22,763	24,694
Culture and Recreation										
Library										
Computer users	39,838	44,556	54,441	53,169	57,095	54,459	47,665	42,803	36,164	31,456
Registered patrons	33,428	32,941	37,370	41,229	49,125	44,640	47,417	33,866	41,499	42,514
Enterprise Fund										
Rock Quarry										
Tons shot	552,517	499,084	392,630	476,214	301,140	477,732	497,295	495,622	532,797 #	568,818
Tons sold/used	493,165	452,608	497,819	435,000	418,614	421,468	381,182	482,620	560,809	508,798

Source: Oconee County Finance Department

Note:
workload indicator data for each year

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Nondepartmental										
Land (acres)	17.91	17.91	17.91	17.91	17.91	17.91	18.85	20.58	20.11	20.11
Buildings	4	4	4	4	4	4	4	8	7	7
Heavy equipment	5	5	3	3	3	2	4	4	3	3
Vehicles	45	58	48	46	48	39	37	38	55	3
Culture and Recreation										
Library										
Land (acres)	3.17	3.17	3.17	3.17	3.29	3.29	3.29	3.29	3.29	4.47
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles	2	2	2	2	2	3	3	3	3	4
Parks, Recreation, and Tourism										
Land (acres)	119.17	119.17	119.17	119.17	119.17	119.17	119.17	119.17	119.17	119.17
Buildings	18	18	18	17	18	18	18	17	16	18
Heavy equipment	4	4	4	5	5	5	4	4	4	5
Vehicles	12	10	12	12	10	12	14	15	14	11
Economic Development										
Economic Development										
Land (acres)	0.50	0.50	0.50	3.33	3.33	3.33	2.83	2.83	61.54	60.42
Buildings	1	1	1	2	2	2	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	2	2
Industrial Development Land for Resale (acres)										
Land - Oconee Industrial and Technology Park	-	-	-	406.71	406.71	398.11	397.16	397.16	397.16	359.50
Land - Golden Corner Commerce Center	397.23	397.23	397.23	397.23	397.23	366.80	360.87	360.87	360.87	360.87
Land - Oconee County Commerce Center Park	33.36	33.36	33.36	33.36	33.36	13.38	13.38	13.38	13.38	13.38
Land - Seneca Rail Park	-	-	-	-	111.08	111.08	111.08	111.08	111.08	111.08
Health and Welfare										
Nondepartmental										
Land: (acres)										
Health clinic	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52	0.52
Nursing home	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
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

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Department of Social Services										
Land (acres)	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47	9.47
Buildings	1	1	1	1	1	1	1	1	1	1
Health Department										
Land (acres)	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Buildings	2	2	2	2	2	2	2	1	1	1
Judicial Services										
Nondepartmental										
Land (acres)	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79
Buildings	3	3	3	3	3	2	2	2	2	2
Magistrate										
Land (acres)	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	1	1	2	2	3	3	3	3
Probate Court										
Vehicles	-	-	-	-	-	-	1	1	1	1
Solicitor										
Vehicles	2	1	2	2	1	1	1	1	1	1
Public Safety										
Nondepartmental										
Land (acres)	11.49	11.49	12.84	13.06	13.06	36.36	36.92	37.17	37.17	37.17
Buildings	7	8	8	8	8	8	8	9	10	10
Vehicles	3	1	9	11	9	9	9	9	10	11
Animal Control										
Land (acres)	1.35	1.35	-	-	-	-	-	-	-	-
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	8	9	5	6	8	8	7
Coroner										
Land (acres)	0.25	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	1	1	1	1	1	1	1	1	2
Emergency/Fire Services ¹										
Land (acres)	-	-	-	-	-	3.10	3.10	3.10	4.11	5.50
Buildings	2	2	2	3	3	5	6	6	6	8
Rescue/fire boats	3	3	3	3	3	3	3	3	3	8
Vehicles	87	91	96	103	110	114	121	125	186	115
Probation and Parole										
Land (acres)	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01	1.01
Buildings	1	1	1	1	1	1	1	1	1	1
Sheriff's Department										
Aircraft	-	1	1	1	1	1	1	1	1	1
Patrol boats	1	2	2	2	2	3	3	3	3	5
Vehicles	118	120	122	119	118	123	136	137	145	148

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

Function/Program	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Works										
Solid Waste ^{2, 3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Heavy equipment	15	16	16	16	17	56	64	66	67	42
Vehicles	16	16	17	16	18	15	15	15	15	14
Transportation										
Airport										
Land (acres)	272.49	272.49	272.49	272.49	272.49	272.49	272.49	275.07	275.07	282.14
Buildings	4	4	4	4	5	5	5	5	5	5
Heavy equipment	1	1	1	1	1	1	2	3	3	5
Vehicles	7	7	6	6	6	6	6	7	6	4
Roads and Bridges										
Land (acres)	315.32	315.32	315.32	315.32	315.32	316.06	316.06	316.06	316.06	316.06
Buildings	4	4	4	4	4	4	4	4	4	4
Heavy equipment	45	49	54	55	62	60	64	63	68	71
Vehicles	53	53	49	51	46	45	47	46	49	44
Enterprise Funds										
Rock Quarry										
Land (acres)	26.60	26.60	26.60	26.60	26.60	28.29	29.27	29.27	30.13	35.63
Buildings	4	4	4	4	3	3	3	3	3	3
Heavy equipment	24	25	18	19	18	17	17	20	21	22
Vehicles	13	15	10	12	12	11	10	10	10	11
Oconee FOCUS										
Vehicles	-	-	-	-	1	1	1	1	1	-

Source: Oconee County Finance Department

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

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

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

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 aggregate 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, 2017, 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 14, 2017. 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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2017



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

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

Report on Compliance for Each Major Federal Program

We have audited Oconee County, South Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended June 30, 2017. The County's major federal program is identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures	Passed Through to Subrecipients
<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	\$ 267,272	\$ 267,272
Total Appalachian Regional Commission			<u>267,272</u>	<u>267,272</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	N/A	27,453	-
(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	222,557	-
Total U.S. Department of Agriculture			<u>250,010</u>	<u>-</u>
<u>Environmental Protection Agency</u>				
Congressionally Mandated Projects	66.202	XP00D18214	174,092	-
Total Environmental Protection Agency			<u>174,092</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
(Passed through the SC Department of Public Safety)				
Crime Victim Assistance	16.575	1V14133	345	-
Bulletproof Vest Partnership Program	16.607	N/A	5,635	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-MU-BX-0408	2	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-MU-BX-0371	168,861	-
Total U.S. Department of Justice			<u>174,843</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Airport Improvement Program	20.106	3-45-0016-022-2015	9,291	-
Airport Improvement Program	20.106	3-45-0016-023-2016	28,800	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2JC16010	15,705	-
Total U.S. Department of Transportation			<u>53,796</u>	<u>-</u>
<u>Institute of Museum and Library Services</u>				
(Passed through the SC State Library)				
Grants to States	45.310	IIIA-16-24	719	-
Grants to States	45.310	IID-15-408	2,022	-
Grants to States	45.310	IIIA-16-135	850	-
Total Institute of Museum and Library Services			<u>3,591</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	15EMPG01	20,023	-
Emergency Management Performance Grants	97.042	16EMPG01	52,802	-
Hazard Mitigation Grant	97.039	4166-SC-002	11,382	-
Total U.S. Department of Homeland Security			<u>84,207</u>	<u>-</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health and Human Services				
(Passed through the SC Department of Social Services)				
Child Support Enforcement - Transaction Reimbursement	93.563	N/A	\$ 78,471	\$ -
Child Support Enforcement - Incentive Payments	93.563	N/A	31,077	-
Child Support Enforcement - Service of Process Payments	93.563	G1501SC1401	8,366	-
Child Support Enforcement - Filing Fees	93.563	N/A	21,000	-
Administration for Children and Families Program	93.563	N/A	444	-
Other	N/A	N/A	2,064	-
(Passed through the SC Department of Health and Environmental Control)				
Public Health Emergency Preparedness Program	93.074	NU90TP000551-05-00	18,900	-
(Passed through the SC Department of Social Services)				
Promoting Safe and Stable Families Program	93.556	N/A	267	-
Foster Care - Title IVE (Recovery)	93.658	N/A	13,776	-
Social Services Block Grant	93.667	N/A	5,388	-
CCDF Cluster:				
Child Care Mandatory and Matching Funds	93.596	N/A	167	-
TANF Cluster:				
Administration for Children and Families Program	93.558	N/A	36,052	-
Medicaid Cluster:				
Medical Assistance Program	93.778	N/A	4,488	-
Total U.S. Department of Health and Human Services			<u>220,460</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 1,228,271</u>	<u>\$ 267,272</u>

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE II. DE MINIMIS INDIRECT COST RATE

The County chose not to use the ten percent de minimis cost rate for the year ended June 30, 2017.

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, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified not considered to be material weaknesses? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:
Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified not considered to be material weaknesses? ☐ Yes ☒ None Reported

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

Any audit findings disclosed that are required to be reported in
accordance with the Uniform Guidance? ☐ Yes ☒ No

Identification of major programs:

CFDA Number

10.665

23.002

Name of Federal Program or Cluster

U.S. Department of Agriculture – Secure Payments
for States and Counties Containing Federal Land
Appalachian Regional Commission – Appalachian
Area Development

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ Yes ☐ No

OCONEE COUNTY, SOUTH CAROLINA

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**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.