



Whitewater Falls

OCONEE COUNTY, SOUTH CAROLINA

Comprehensive Annual Financial Report

For the Fiscal Year Ended
June 30, 2018



Chau Ram Park



Lake Keowee

Prepared by the
Department of Finance

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

Prepared by
Department of Finance

OCONEE COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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INTRODUCTORY SECTION

D. Richard Martin
Interim County
Administrator



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

December 15, 2018

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, 2018, 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, 2018. 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 unqualified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2018. 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 77,270.

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 protection; emergency and fire services; judicial services; solid waste disposal and recycling; the construction and maintenance of highways, streets and other infrastructure; building inspections; licenses and permits; recreational and cultural activities; library services, and

support of local health and welfare services. Oconee County is also financially accountable for Keowee Fire Tax District, a special tax district, which is reported separately as a discretely presented component unit within the County's financial statements. Additional information for Keowee Fire Tax District can be found in the notes to the financial statements (see Note 1, Reporting Entity section).

The Council is required to adopt a final budget for the subsequent year 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 continued to improve during the most recent fiscal year. According to the South Carolina Department of Employment and Workforce, during June of 2017 through June of 2018, the County's unemployment rate dipped to a 20-year low of 2.7 percent and ended at 3.7 percent as of June 30, 2018. In conjunction with the 20-year low unemployment rate, the number of Oconee County citizens employed was 33,126 as of June 30, 2018. 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.

Long-term Financial Planning and Major Initiatives

In keeping with this commitment, Oconee County continues necessary infrastructure projects to align with the overall economic development strategy. The wastewater project for the Golden Corner Commerce Park is complete and in 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 commenced to provide tree clearing and a new access road in the Seneca Rail Park to enhance the marketability of this industrial real estate.

Over 1 million cubic yards of dirt was moved within the Oconee Industry and Technology Park to make way for a new Tri-County Technical College – Oconee Campus building and a new vocational campus for the School District of Oconee County. The new college campus opened in August 2018 and the vocational campus is scheduled to open in 2020. This project has not only allowed for a workforce development solution to aid the economic development efforts, but has yielded over 80 acres of flat industrial real estate for future industrial prospects.

During recent years, the County invested very heavily in economic development to provide a backbone of infrastructure to the southern areas of the County near Interstate 85 (I-85). This investment includes the short-range goal of developing the Golden Corner Commerce Park with complete amenities. The site is located on South Carolina Highway 59 near the village of Fair Play and within minutes of the 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 I-85 to bring more economic momentum and growth to Oconee County for the future.

Several major economic development announcements for 2018 include a total of approximately \$140,950,000 of new capital investments within Oconee County. The companies that decided to expand their base of operations within Oconee are BorgWarner, RBC AeroStructures, and JTEKT Koyo.

In addition to manufacturing, the economy of the County 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. As an affirmation of the County's support of agriculture and its continued positive impact on the County, the County leased approximately 57 acres to the Foothills Agricultural Resources and Marketing Center (FARM Center) to promote agricultural-based educational and agribusiness support facility. Additionally, the County continues to work with the agricultural

community in the development of a countywide farmers market, a “farm to table” initiative, and through the Agricultural Advisory Board to strengthen this economic driver for our community.

As Oconee County contains a significant amount of public lands, in addition to 1,355 miles of lakes’ shoreline, tourism provides a considerable 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 in our community and create a sense of place within our municipal downtowns. Furthermore, this plan called for a countywide buy local campaign, “Think Oconee!” that has aided efforts to market the community to both internal and external audiences alike. These economic development efforts worked to successfully usher in two new craft breweries, Keowee Brewing Company and Jocassee Valley Brewing Company, and a luxury condo development, Lakeside Lodge, to serve tourists, as well as the local citizenry.

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 accommodations tax and the municipalities have seen that same increase along with increased revenues with their hospitality taxes and business license fees.

To enhance guests’ experiences within the County-operated park system, infrastructural and aesthetic upgrades to each of the County’s three parks have been completed this year. The County’s park revenues have consistently increased over the past three years, and each of the County’s parks have seen a record-number of visitors resulting from the various tourism promotions and campaigns.

Currently, Oconee County is in the process of creating the *2020 Comprehensive Plan*. A comprehensive plan is a document designed to guide the future actions of the County. It presents a vision for the future, with long-range goals and objectives for all activities that affect the local government. This includes guidance on how to make decisions on public and private land development proposals, the expenditures of public funds, availability of tax policy, cooperative efforts and issues of pressing concern, such as farmland preservation or the rehabilitation of older neighborhood areas. The plan will be written to provide direction for future activities over a 10-20 year period after plan adoption. This process will include community outreach, stakeholder meetings, elected and appointed officials and as many citizens of Oconee County that we can involve. The plan will receive a review and possible update, at least, every five years.

Relevant financial policies

The Oconee County Council adopted Resolution 2011-09 that established a general policy for maintaining and using the unassigned fund balance of the General Fund, subject to any superior ordinances or budget provisions. The Resolution prescribes that the General Fund will be budgeted so as to maintain an unassigned fund balance in an amount between 25 percent and 30 percent of regular general fund expenditures, which would be equivalent to 90 to 120 days of coverage. If the unassigned fund balance is below 25 percent, the Administrator will develop and recommend to Council a plan to increase the unassigned fund balance to a minimum of 25 percent of regular general fund expenditures within a time period not to exceed five years. At the inception of this policy and hereafter, such recommendations, and implementation of plans to increase or decrease the fund balance(s) of the County may be through the annual County budget ordinance(s), or through separate actions as approved by County Council. The MD&A includes a discussion of the County’s fund balances.

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, 2017. This was the tenth consecutive year that the County has achieved this prestigious award. 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 program requirements.

A Certificate of Achievement is valid for a period of one year only. However, 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 along with 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 Presentation Award for the annual budget for the fiscal year beginning July 1, 2017. This was the sixth consecutive year that the County has achieved this prestigious award. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administrator's Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the administrator and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the Oconee County's finances.

The County is proud of this recognition and believes it demonstrates to the Citizens of Oconee County how committed 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,



D. Richard Martin
Interim County Administrator



Ladale V. Price
Director of Finance



Government Finance Officers Association

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

Presented to

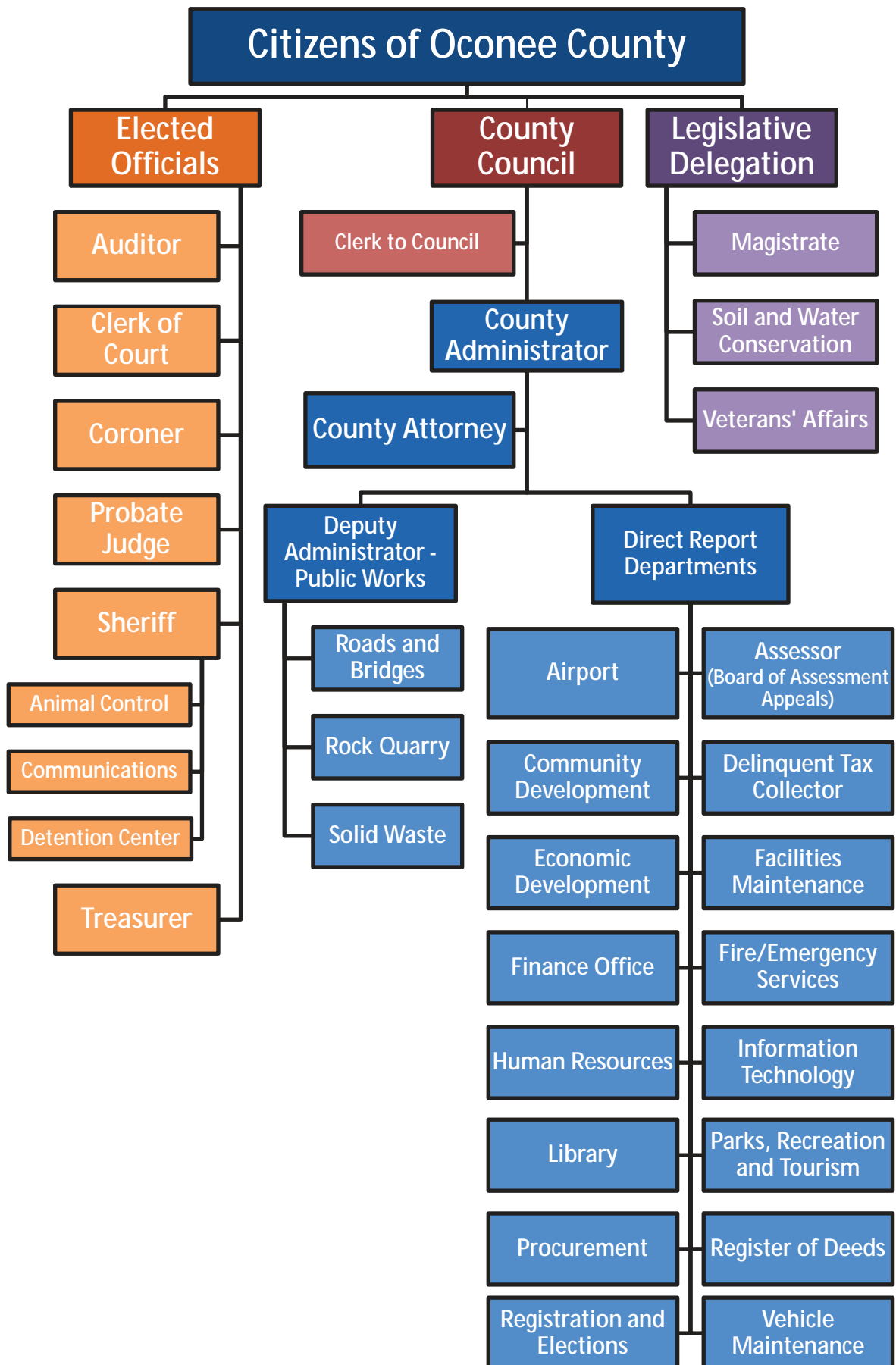
**Oconee County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

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

Interim County Administrator

Rick Martin

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

FY2017-2018

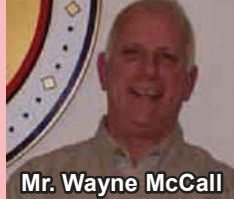
Map 1

District 1



Mrs. Edda Cammick

District 2



Mr. Wayne McCall

**District
1**

Salem

**District
2**

Walhalla

West Union

District 3



Mr. Paul Cain

**District
4**

Westminster

Seneca

**District
3**

District 4



Mr. Julian Davis

**District
5**

District 5



Mr. Glenn Hart

Legend

- Municipality
- Interstate 85
- Major Road
- Railroad

N

0 4
Miles

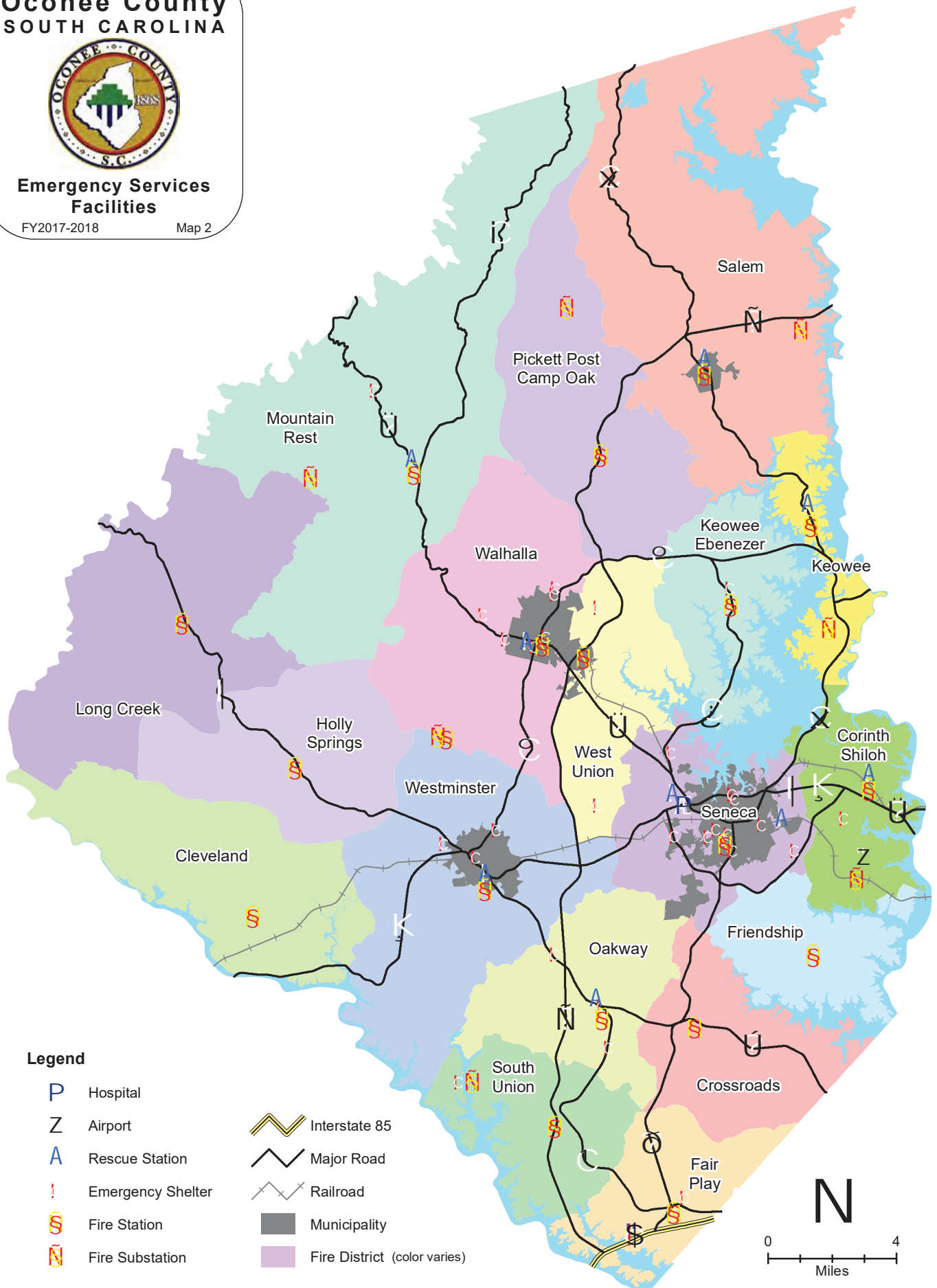
Oconee County SOUTH CAROLINA



Emergency Services Facilities

FY2017-2018

Map 2



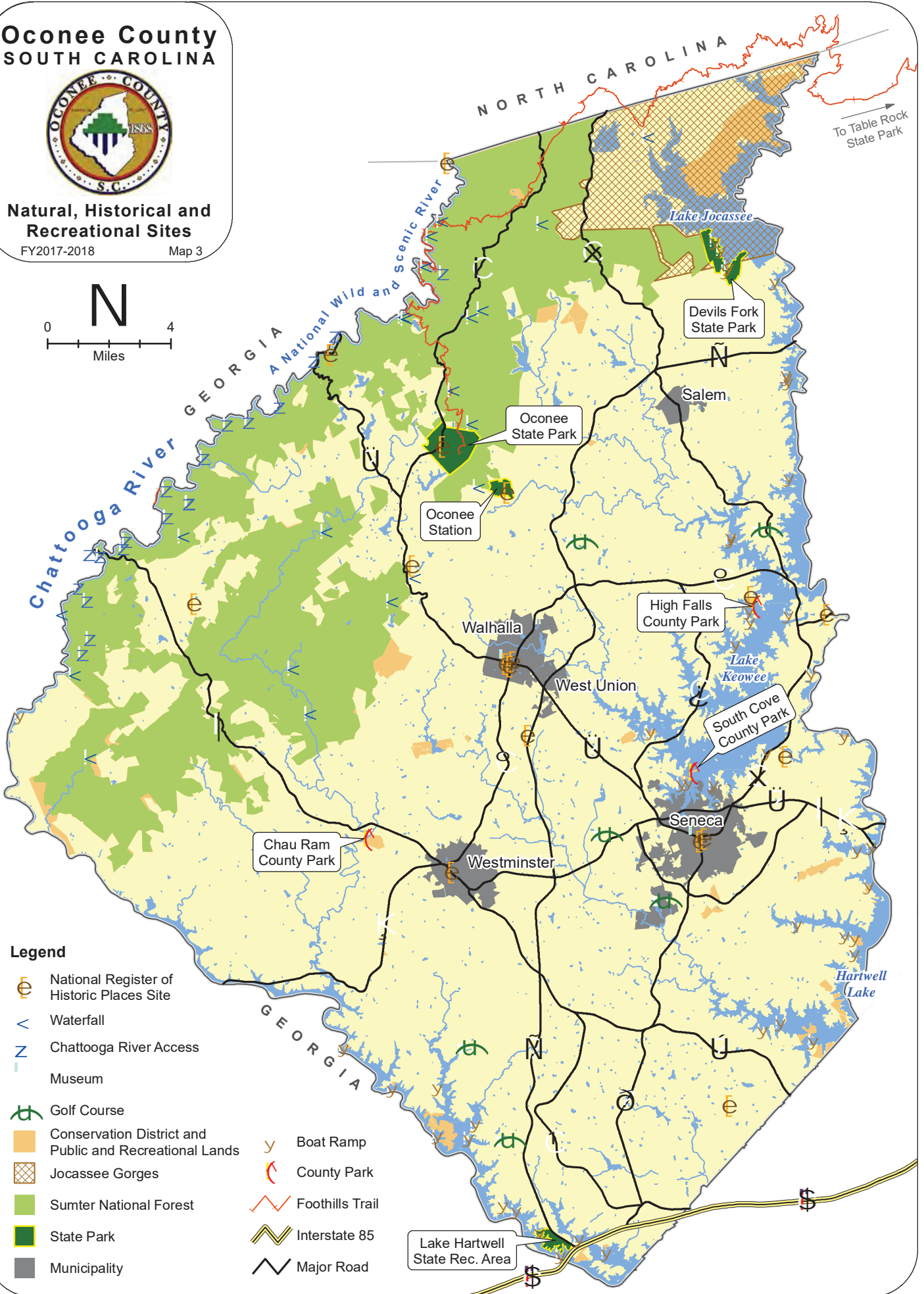
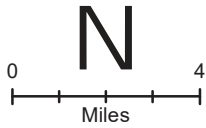
Oconee County SOUTH CAROLINA



Natural, Historical and Recreational Sites

FY2017-2018

Map 3



Legend

- National Register of Historic Places Site
- Waterfall
- Chattooga River Access
- Museum
- Golf Course
- Conservation District and Public and Recreational Lands
- Jocassee Gorges
- Sumter National Forest
- State Park
- Municipality
- Boat Ramp
- County Park
- Foothills Trail
- Interstate 85
- Major Road

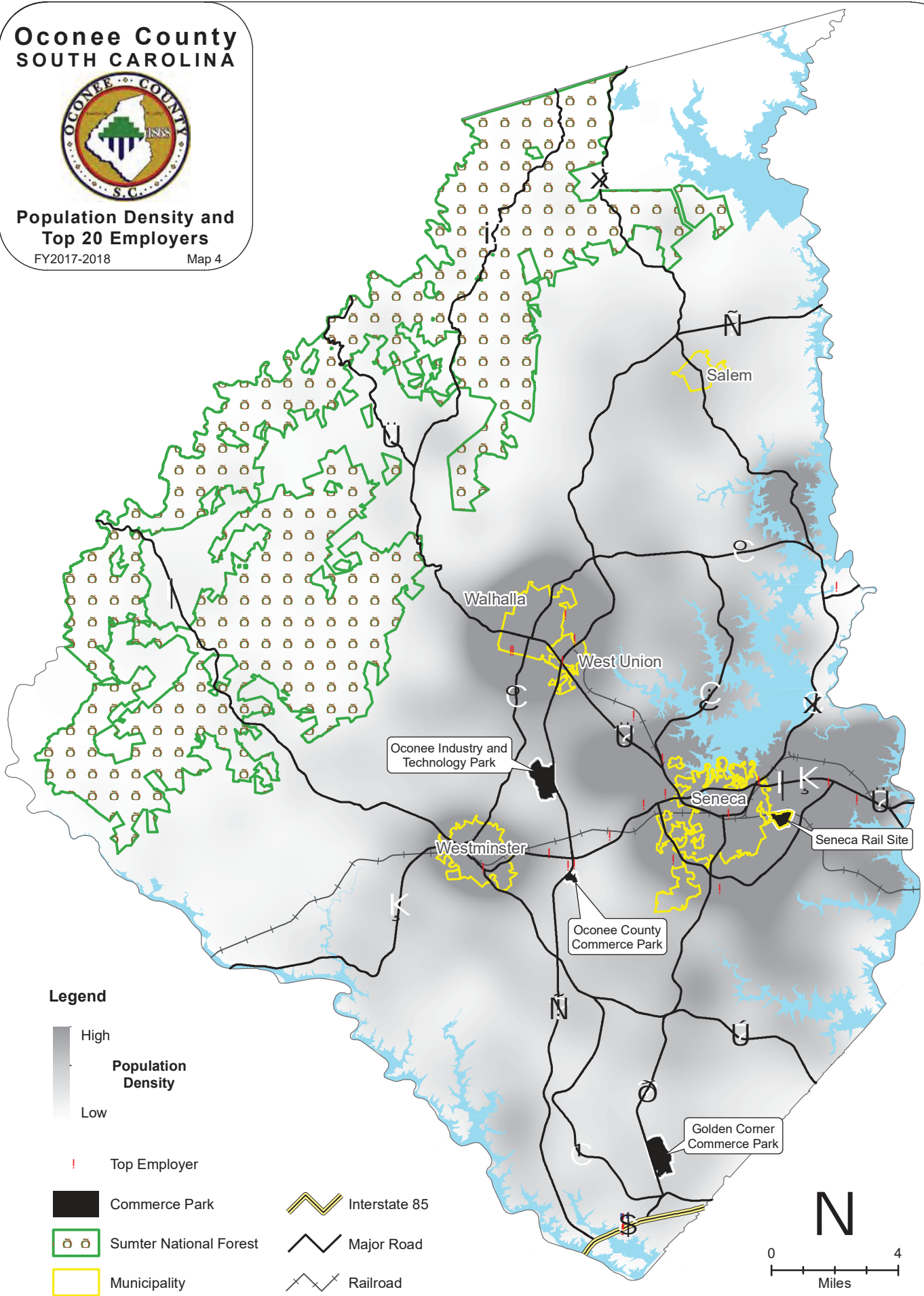
Oconee County SOUTH CAROLINA



Population Density and Top 20 Employers

FY2017-2018

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, 2018, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, Miscellaneous Special Revenue Fund, and the Economic Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 1 and 9, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changes the accounting for the County's other postemployment benefits and related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15), the Schedules of the Proportionate Share of County Net Pension Liability (on page 81), and the Schedules of County Pension Contributions (on page 82), and the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 83) 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 Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96) 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, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), 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, Uniform Schedule of Court Fines, Assessments and Surcharges (per ACT 96), 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 15, 2018, 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 solely 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 effectiveness of the County's 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

Columbia, South Carolina
December 15, 2018

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, 2018. 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, 2018, Oconee County's assets and deferred outflows of resources were more than its liabilities and deferred inflows of resources by \$108,278,329, which was a decrease from the prior year of 9.9 percent. The County's unrestricted net position was negative \$18,504,450.
- The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017. This standard resulted in a restatement to recognize the County's total other postemployment benefits liability and reduce beginning net position of the County's governmental and business-type activities in the total amount of \$7,682,877.
- The County's governmental activities reported a decrease in net position of \$9,238,810. The net position of business-type activities increased \$4,968,676 during fiscal year 2018. Overall the County's net position decreased \$4,270,134.
- The County's expenses in governmental activities were \$6,797,982 more than the \$58,441,714 in governmental activities revenues, which are comprised of the general revenues (before transfers) and the program revenues. For comparison, the prior year expenses were \$4,210,239 more than the prior year revenues (before transfers), as reflected in the Changes in Net Position Figure 2.
- At the end of fiscal year 2018, the General Fund reported total fund balances of \$20,185,541, which was a decrease of \$3,550,812 from the previous fiscal year.
- In the General Fund, actual revenue sources available for appropriation were \$1,911,047 more than anticipated. This is primarily due to the licenses, permits and fees revenue, property taxes, charges for services and interest revenue. Actual expenditures were \$2,148,215 more than the final budgeted expenditures. Furthermore, actual revenues were \$1,103,893 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 has leased the bandwidth system to a private company in order to generate revenue while providing customers with broadband service.

The next statements are fund financial statements that begin on page 16. 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 postemployment health insurance plan information, and information related to the County's retirement plans.

Finally, the County is required to include additional supplementary information. The schedules for the County's proportionate share of the net pension liability; the pension contributions; and the changes in the total OPEB liability are required supplementary information that addresses the County's liability for the retirement plans and contributions and the health care benefits for retired employees, or OPEB, and its funding progress. In addition, the County must present the detailed financial statements for the individual nonmajor funds; budget variance reports for the funds with adopted budgets; the individual agency funds' statements; 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 Oconee County and its 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, 2018, display a combined net position of \$108.3 million, or 9.9 percent, less than at June 30, 2017. The largest portion of the net position, \$115.4 million, reflects the County's investment in capital assets, such as land, buildings, equipment, and infrastructure. Furthermore, the County's investment in its capital assets is reported net of the outstanding debt that is related to the acquisition of those assets. 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 (10.5 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net position (-17.1 percent) is unrestricted net position, with a negative balance of \$18.4 million at June 30, 2018. Unrestricted net position includes \$4,667,387 of assets held for economic 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.

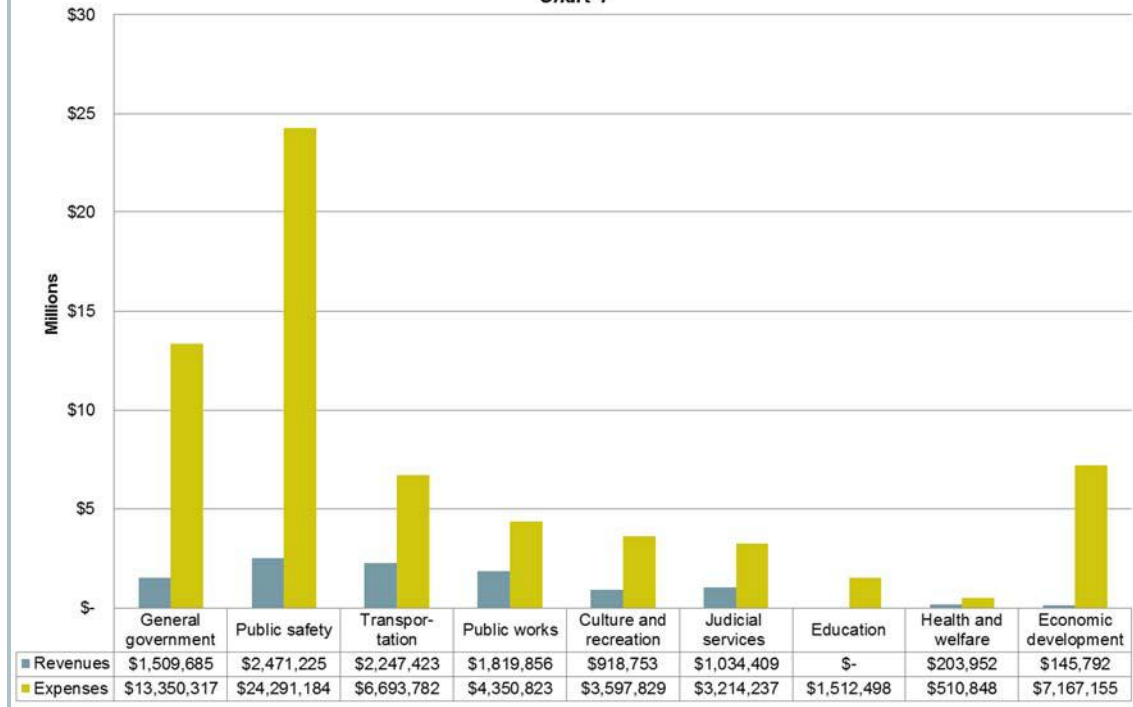
Oconee County's Net Position							
Figure 1							
	Governmental Activities		Business-type Activities		Total		
	2018	2017	2018	2017	2018	2017	
Current and other assets	\$ 41,503,982	\$ 47,283,386	\$ 13,928,621	\$ 2,671,804	\$ 55,432,603	\$ 49,955,190	
Capital assets	130,616,901	133,989,346	3,591,256	3,544,055	134,208,157	137,533,401	
Total assets	\$ 172,120,883	\$ 181,272,732	\$ 17,519,877	\$ 6,215,859	\$ 189,640,760	\$ 187,488,591	
Other postemployment benefits	\$ 408,522	\$ -	\$ 27,501	\$ -	\$ 436,023	\$ -	
Pension - South Carolina Retirement System	3,864,401	3,626,864	256,215	325,367	4,120,616	3,952,231	
Pension - South Carolina Police Officers' Retirement System	4,264,865	3,359,514	-	-	4,264,865	3,359,514	
Total deferred outflows of resources	\$ 8,537,788	\$ 6,986,378	\$ 283,716	\$ 325,367	\$ 8,821,504	\$ 7,311,745	
Long-term liabilities	\$ 75,472,458	\$ 67,893,316	\$ 8,965,615	\$ 2,130,036	\$ 84,438,073	\$ 70,023,352	
Other liabilities	4,332,400	3,795,339	147,315	198,444	4,479,715	3,993,783	
Total liabilities	\$ 79,804,858	\$ 71,688,655	\$ 9,112,930	\$ 2,328,480	\$ 88,917,788	\$ 74,017,135	
Other postemployment benefits	\$ 505,163	\$ -	\$ 33,678	\$ -	\$ 538,841	\$ -	
Pension - South Carolina Retirement System	670,986	500,542	49,587	40,837	720,573	541,379	
Pension - South Carolina Police Officers' Retirement System	6,733	10,482	-	-	6,733	10,482	
Total deferred outflows of resources	\$ 1,182,882	\$ 511,024	\$ 83,265	\$ 40,837	\$ 1,266,147	\$ 551,861	
Net position:							
Net investment in capital assets	\$ 111,858,197	\$ 115,481,202	\$ 3,527,427	\$ 3,544,055	\$ 115,385,624	\$ 119,025,257	
Restricted	11,397,155	11,854,956	-	-	11,397,155	11,854,956	
Unrestricted	(23,584,421)	(11,276,727)	5,079,971	627,854	(18,504,450)	(10,648,873)	
Total net position	\$ 99,670,931	\$ 116,059,431	\$ 8,607,398	\$ 4,171,909	\$ 108,278,329	\$ 120,231,340	

Oconee County's Changes in Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 6,749,644	\$ 5,910,617	\$ 6,105,290	\$ 6,201,271	\$ 12,854,934	\$ 12,111,888
Operating grants and contributions	2,337,922	2,914,832	-	-	2,337,922	2,914,832
Capital grants and contributions	1,263,529	1,159,095	7,660	-	1,271,189	1,159,095
General revenues:						
Property taxes	43,219,013	42,188,898	-	-	43,219,013	42,188,898
Other taxes and licenses	1,017,648	1,027,358	-	-	1,017,648	1,027,358
Grants and contributions not restricted for a specific purpose	2,831,768	2,881,355	-	-	2,831,768	2,881,355
Unrestricted investment earnings	401,360	232,848	5,211	-	406,571	232,848
Loss on sale of capital assets	-	-	-	-	-	-
Insurance recoveries	620,830	111,094	-	-	620,830	111,094
Total revenues	\$ 58,441,714	\$ 56,426,097	\$ 6,118,161	\$ 6,201,271	\$ 64,559,875	\$ 62,627,368
Program expenses						
General government	\$ 13,350,317	\$ 14,146,220	\$ -	\$ -	\$ 13,350,317	\$ 14,146,220
Public safety	24,291,184	21,736,482	-	-	24,291,184	21,736,482
Transportation	6,693,782	7,667,087	-	-	6,693,782	7,667,087
Public works	4,350,823	5,632,511	-	-	4,350,823	5,632,511
Culture and recreation	3,597,829	2,227,271	-	-	3,597,829	2,227,271
Judicial services	3,214,237	3,153,126	-	-	3,214,237	3,153,126
Education	1,512,498	1,065,999	-	-	1,512,498	1,065,999
Health and welfare	510,848	534,108	-	-	510,848	534,108
Economic development	7,167,155	3,858,741	-	-	7,167,155	3,858,741
Interest on long-term debt	551,023	614,791	-	-	551,023	614,791
FOCUS	-	-	-	9,082,810	-	9,082,810
Rock quarry	-	-	3,590,313	3,153,499	3,590,313	3,153,499
Total expenses	\$ 65,239,696	\$ 60,636,336	\$ 3,590,313	\$ 12,236,309	\$ 68,830,009	\$ 72,872,645
Excess (deficiency) before transfers	\$ (6,797,982)	\$ (4,210,239)	\$ 2,527,848	\$ (6,035,038)	\$ (4,270,134)	\$ (10,245,277)
Transfers	(2,440,828)	500,000	2,440,828	(500,000)	-	-
Increase (decrease) in net position	(9,238,810)	(3,710,239)	4,968,676	(6,535,038)	(4,270,134)	(10,245,277)
Net position, beginning of year, as restated	108,909,741	119,769,670	3,638,722	10,706,947	112,548,463	130,476,617
Net position, ending of year	\$ 99,670,931	\$ 116,059,431	\$ 8,607,398	\$ 4,171,909	\$ 108,278,329	\$ 120,231,340

**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 (before transfers), increased to \$64.6 million, or 3.1 percent, from the prior year.

Certain County programs are authorized to charge for services provided to its constituents. For the County as a whole, the charges for services increased 6.1 percent, or \$743,046, from fiscal year 2017 to fiscal year 2018. Further, the County receives both operating and capital grants and contributions from state and federal governments, as well as other non-government individuals and businesses. The operating grants and contributions of \$2.3 million are used to fund the general operations of certain programs of the County. The operating grants decreased from the prior year by \$576,910 (19.8 percent). This decrease 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 2018, the County received \$1.3 million in capital grants compared to the \$1.2 million received for fiscal year 2017, a 9.7 percent increase. The majority of this increase pertains to the transportation program. Revenue from property taxes increased by a little over \$1 million (2.4 percent).

The total governmental and business-type activities program expenses decreased by \$4 million, which primarily is due to the lease of the FOCUS project; thereby, eliminating the County's expenses for its operation. Additionally, program expense increases in economic development (\$3,308,414), public safety (\$2,554,702), culture and recreation (\$1,370,558), education (\$446,499), judicial services (\$61,111), and the Rock Quarry (\$436,814) offset the decreases in general government (\$795,903), transportation (\$973,305), public works (\$1,281,688), health and welfare (\$23,260) and interest on long-term debt (\$63,768), which resulted in an overall decrease of the County's government-wide expenses of \$4 million, or 5.5 percent. The net position, for the governmental and business-type activities combined, decreased by \$4 million from the previous year yielding a net position of \$108.3 million at the end of fiscal year 2018. See Figure 2 for more detailed information.

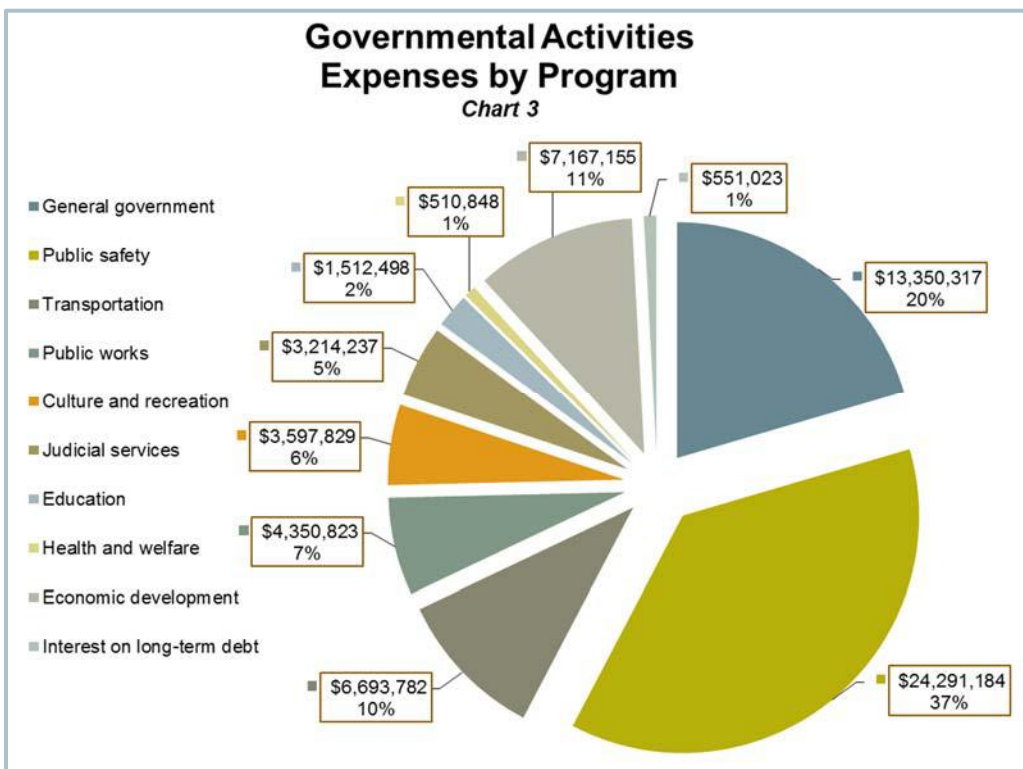
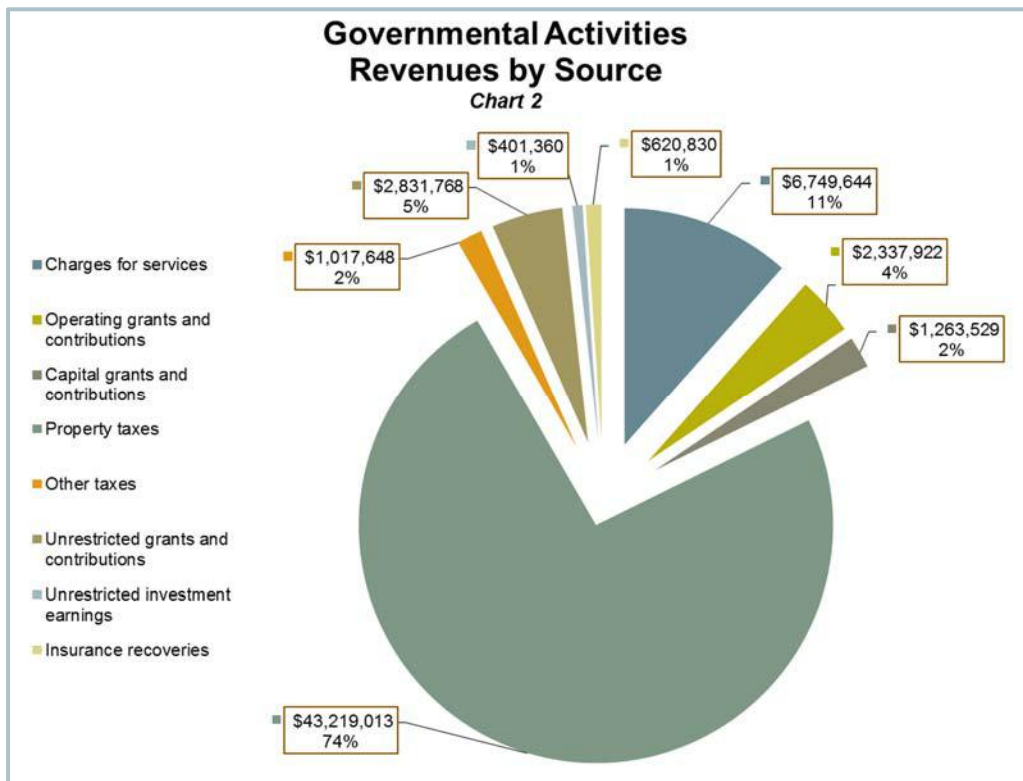
Governmental Activities

The net position of the County's governmental activities decreased from 2017 to 2018 by \$9,238,810 to \$99,670,931. The total assets and deferred outflows of resources decreased by \$7.6 million and the total liabilities and deferred inflows of resources increased by \$8.8 million. The decrease in total assets of \$9.2 million resulted mainly from a reduction of the advances to FOCUS receivable and the donation of economic development properties to businesses planning to locate within County industrial parks. The deferred outflows of resources increased \$1.6 million due to pension benefits and the new Governmental Accounting Standards Board's (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (other postemployment benefits, or OPEB)*. For Oconee County with a single employer defined benefit OPEB plan, Statement No. 75 defines how the OPEB liabilities, OPEB expense, and deferred inflows of resources and deferred outflows of resources related to OPEB are to be recognized. Together the rise in the pension liabilities and implementation of Statement 75, explain the increases from the prior year in deferred outflows of resources (22.2 percent), liabilities (11.3 percent) and deferred inflows of resources (131.5 percent). The OPEB liability added \$10.5 million to the total liabilities and \$505,163 to the deferred inflows of resources. The internal balances account for the governmental activities, which is a receivable account between the funds of the County's governmental activities and the business-type activities, decreased by \$2.8 million. The governmental activities unrestricted net position at June 30, 2018 totaled a negative \$23.6 million, a decrease from the prior year of \$12.3 million. Additionally, the 2018 total net position from the governmental activities operations included a decrease in the restricted net position of \$457,801, or 3.9 percent. The net investment in capital assets decreased by \$3.6 million.

The cost of all governmental activities this year was \$65.2 million compared to \$60.6 million last year, predominantly due to the \$3.3 million increase in the economic development program resulting from recognition of expenses associated with the donation of land and industrial sites to businesses.

In Oconee County, taxpayers paid \$43.2 million in property taxes to finance the governmental activities. Some operating costs were paid either by those who directly benefited from the services offered (\$6.7 million) through charges for services or from other governments and organizations that subsidized certain programs with both, operating and capital grants and contributions (\$3.6 million). Overall, the County's

governmental program revenues, consisting of fees for services and intergovernmental aid, increased marginally from \$9,984,544 in 2017 by \$366,551 to \$10,351,095 in 2018. The charges for services revenue increased \$839,027, or 14.2 percent, from the prior year in all programs except in the economic development program. Both, operating and capital grants and contributions revenues had a net decrease \$472,476 from 2017 with the general government program receiving \$636,383.

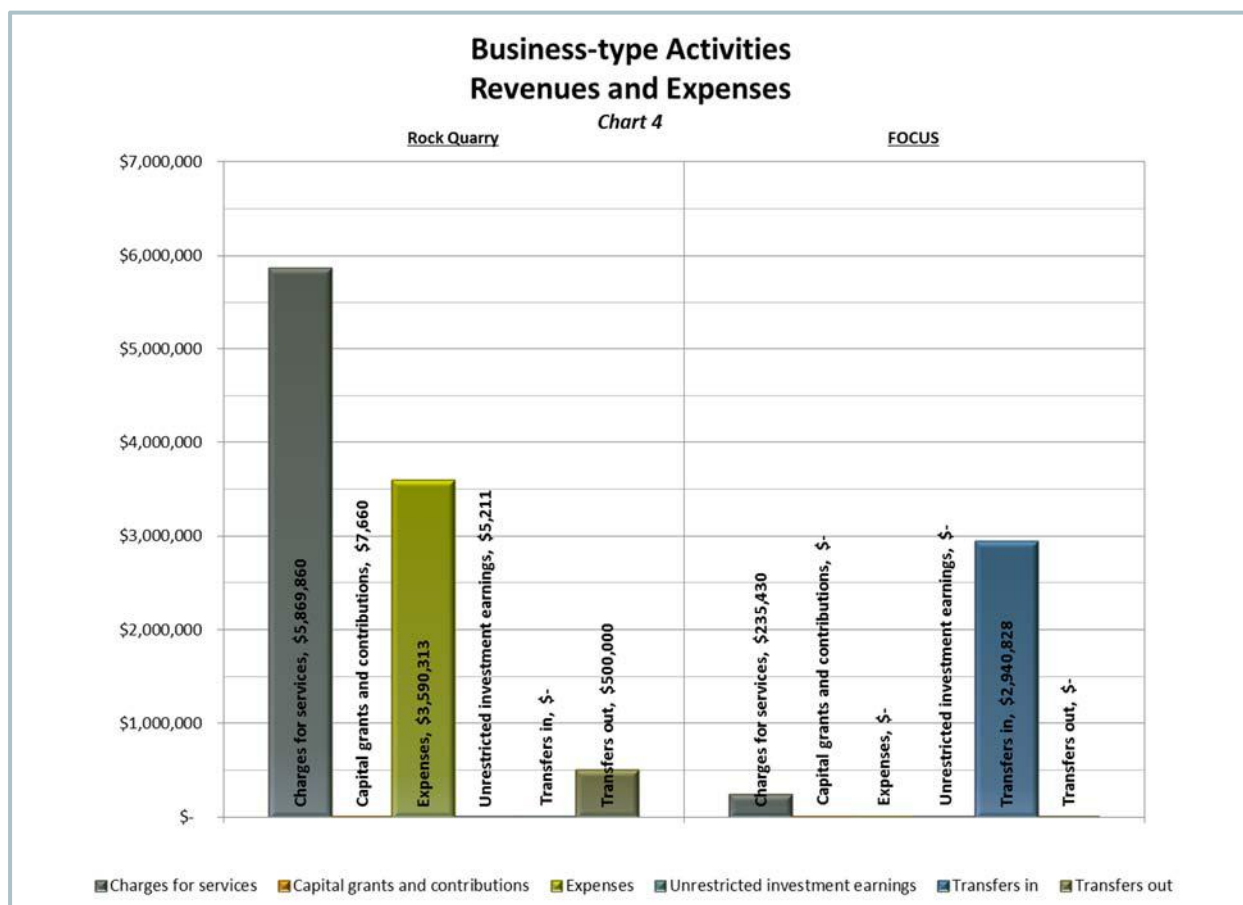


Business-type Activities

The business-type activities of the County have a total net position of \$8.6 million, a 106.3 percent growth from the \$4.2 million of 2017.

For fiscal year 2018, the business-type activities program revenues were down by 1.5 percent, or \$95,981 from fiscal year 2017. The business-type activities expenses fell by 70.7 percent, or \$8.6 million, as a result of the lack of expenditures in the FOCUS Fund.

Further details are provided in the Proprietary Funds section on page 26.



FUND FINANCIAL ANALYSIS

The County is required to include detailed reports for its governmental and proprietary funds, including the budgetary comparison schedule for the General Fund. These statements begin on page 22.

Governmental Funds

At completion of fiscal year 2018, the County's governmental funds reported total fund balances of \$34.6 million, which was a decrease from last year's total by \$7.6 million. This decrease was related to activity within the General Fund, Economic Development Fund, and Nonmajor Governmental Funds. The Miscellaneous Special Revenue Fund replaced the Capital Projects Funds as a major fund for 2018. The General Fund's total fund balances shrank by 15 percent, or \$3.6 million.

Total governmental revenues increased \$226,976, or 0.4 percent, mainly as a result of increased licenses, permits and fees, property tax collections, charges for services, and interest revenue.

Total governmental funds expenditures increased \$2.8 million, or 4.6 percent, from the prior year. The increase in the governmental fund economic development expenditures resulted from the cost of land and industrial sites donated to businesses.

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 \$6.4 million, while its total fund balance was \$20.2 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 subsequent year. The unassigned fund balance represents 13.5 percent of the total General Fund budgeted expenditures for fiscal year 2018-2019, while the total fund balance represents 42.5 percent of that same amount. The General Fund revenues have increased by approximately \$1.5 million from 2017. General Fund expenditures increased 3.6 percent primarily in the economic development, general government, transportation, public works, and health and welfare programs.

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.

Miscellaneous Special Revenue Fund – accounts for monies collected from various sources. Such monies are restricted for their specific purpose. In fiscal year 2017-2018, this fund became a major fund. The revenues totaled \$832,750, of which \$693,402 were monies from state and federal government grants. The expenditures totaled \$1.8 million with the most spent for capital outlay (43.2 percent), then, public safety (23 percent), and finally the remaining program expenditures of 33.7 percent.

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 2017-2018 were \$835,699, which was less than the prior year by \$1.1 million. Expenditures related to transfer of land and industrial sites accounted for \$3.4 million of the \$6.1 million in expenditures. The remaining balance of the expenditures was for utility upgrades at the Oconee Industry and Technology Park (OITP).

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 | • Road Maintenance | • Tri-County Technical College |
| • 911 Communications | • State Accommodations Tax | • Local Accommodations Tax |
| • Sheriff's Victims Assistance | • Library State Aid | • Duke Energy Fixed Nuclear Facility |
| • Clerk of Court Federal Child Support | • Solicitor's Victims Assistance | |

• Debt Service Fund

• Capital Projects Funds:

- Bridge and Culvert Capital Projects Fund
- 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, 2018 was \$8.6 million all of which is related to the Rock Quarry. The FOCUS fund has receivables from customers and the lease that with the advances from the General Fund net to a zero fund net position. The Rock Quarry produces and sells mined blue granite for use in construction and landscaping projects. At the end of fiscal year 2018, the Rock Quarry's operating income of \$2.4 million increased from the previous year by 12.2 percent as a result of lean management and increased rock sales.

Due to the capital lease agreement with OneTone Telecom, Inc., the lease receivable balance at the end of the fiscal year was \$6.1 million. Also, the General Fund transferred \$2.9 million to the FOCUS fund.

General Fund Budgetary Highlights

On June 21, 2016, the 2017-2018 General Fund Budget was adopted with Ordinance 2017-01. The original budgeted expenditures totaled \$44,917,069 including transfers out. Encumbrances for purchase orders involving capital expenditures with an outstanding balance at fiscal year-end 2017 did not lapse and were allowed to roll forward to the 2018 budget year as allowed in the budget provisions. The 2017 fiscal year-end's encumbrances rolled forward adding \$266,812 in expenditures to the 2018 budget variance.

By the end of the year, General Fund actual revenues totaled \$45,479,629, which was \$1,911,047 more than the original and final budgets and resulted from increased collections in the taxes, licenses, permits and fees, charges for services and interest revenue categories. During the year, expenditure budget amendments decreased the total budgeted expenditures by \$381,762, which included the purchase order encumbrances from June 30, 2017. Actual expenditures totaled \$46,583,522, thus creating a budget variance of negative \$2.1 million. This difference, between the actual expenditures and the final budgeted expenditures, was accomplished by actual expenditures being more than the final budget in the general government, economic development, public works and debt service functions of the General Fund. Equally important to note, the actual expenditures were more than the original budget by \$1,766,453.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets, net of accumulated depreciation and depletion for the governmental and business-type activities, as of June 30, 2018, totaled \$134.2 million. 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 \$3.2 million, or 2.4 percent, below last year.

Oconee County's Capital Assets						
Net of Accumulated Depreciation and Depletion						
Figure 3						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 4,493,756	\$ 4,493,756	\$ 1,422,355	\$ 1,021,295	\$ 5,916,111	\$ 5,515,051
Other costs	36,942,306	36,942,306	-	-	36,942,306	36,942,306
Construction in progress	5,440,351	4,632,174	-	-	5,440,351	4,632,174
Buildings and improvements	48,896,861	50,177,116	147,218	173,533	49,044,079	50,350,649
Equipment and vehicles	10,493,110	11,175,704	1,760,211	2,080,873	12,253,321	13,256,577
Infrastructure	24,313,482	26,528,784	-	-	24,313,482	26,528,784
Other	37,035	39,506	-	-	37,035	39,506
Mineral interests	-	-	261,472	268,354	261,472	268,354
Total capital assets, net of accumulated depreciation and depletion	\$ 130,616,901	\$ 133,989,346	\$ 3,591,256	\$ 3,544,055	\$ 134,208,157	\$ 137,533,401

Major capital asset transactions during the year include:

- Construction in progress for:
 - Airport improvement projects (AIP) #23 and #24 Terminal Plan and Terminal Apron Relocation and Expansion, \$15,760;
 - Bountyland and Village Creek emergency substations, \$174,771;
 - Golden Corner Commerce Center entrance road, \$137,435;
 - Heritage Farm Center turning lane and entrance road, \$291,719;
 - Oconee Industry and Technology Park utility upgrades, \$511,020; and Paving started on seven public roads, \$347,375.
- Asset additions for:
 - Airport improvement projects (AIP) #20 Stub Taxiway, \$320,636;
 - Whetstone emergency substation, \$190,919;
 - South Cove tennis courts, \$198,235;
 - One tractor and two trailers, \$137,477;
 - One fire engine, \$369,469;
 - Twenty-four vehicles, \$541,038; and
 - 5.5 acres for the Rock Quarry, \$401,060.

Additional information on the County's capital assets can be found in Note 6 on pages 50 - 52 of the basic financial statements.

Long-term Debt

As of June 30, 2018, the County had outstanding a total bonded debt of approximately \$14.2 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	
	2018	2017	2018	2017	2018	2017
General obligation (GO) bonds						
<u>Applicable to the debt margin:</u>						
GO bonds	\$ 13,363,000	\$ 14,350,000	\$ -	\$ -	\$ 13,363,000	\$ 14,350,000
Plus unamortized premium	401,491	456,581	-	-	401,491	456,581
GO refunding bonds	-	-	-	-	-	-
Plus unamortized premium	-	-	-	-	-	-
Total GO bonds applicable to the debt margin	13,764,491	14,806,581	-	-	13,764,491	14,806,581
<u>Not applicable to the debt margin:</u>						
GO bonds for special tax districts	409,586	505,000	-	-	409,586	505,000
Total GO bonds no applicable to the debt margin	409,586	505,000	-	-	409,586	505,000
Total GO bonds	14,174,077	15,311,581	-	-	14,174,077	15,311,581
Capital lease obligations	2,923,622	3,385,103	6,552,500	-	9,476,122	3,385,103
Special source refunding revenue bonds	2,011,000	2,267,000	-	-	2,011,000	2,267,000
Total outstanding debt	\$ 19,108,699	\$ 20,963,684	\$ 6,552,500	\$ -	\$ 25,661,199	\$ 20,963,684

At June 30, 2018, the County's total outstanding general obligation (GO) debt in the governmental funds was \$14,174,077. The outstanding balance consists of the series 2017 GO refunding bond for Keowee Fire Tax District, 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 \$32.8 million, which is an 8.1 percent increase 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 \$2,011,000. 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 governmental activities entered into a capital lease agreement with BB&T bank for a total of \$365,000 for the purchase of a heating and air conditioning system for the courthouse. This 2018 lease agreement's first payment will be in 2019 with the final one in 2024. The 2015 capital lease purchase's outstanding balance was \$2,558,622 at the end of fiscal year 2018.

For the first time in the business-type activities, the Rock Quarry entered into an equipment acquisition and use agreement in 2018 with Hancock Whitney Bank. This \$6,552,500 lease will be used to acquire various rock excavating and crushing equipment. Repayment begins in 2019 and ends in 2030.

Additionally, the County maintains one 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 2018, the estimated liability was decreased by \$564,019 with the current year's portion. The balance of the estimated liability for closure and post closure care costs at June 30, 2018 is \$2.9 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 \$1.4 million for the governmental activities and \$100,023 for the business-type activities.

The net pension liability, also a long-term liability, for the governmental activities was \$38.7 million at the end of 2017 and increased by \$2.9 million to a total of \$41.5 million for June 30, 2018. The business-type activities decreased \$233,610 to \$1,604,429 for the close of 2018.

Finally, the long-term liabilities include the total other postemployment benefits liability. Oconee County does not administer the OPEB plan through a trust. At fiscal year-end 2017, the net postemployment benefit obligation for the governmental activities was \$3,463,273 as measured under GASB Statement No. 45. Due to implementation of GASB Statement No. 75, the beginning balance for 2018 was restated with an increase of \$7,616,652. With the new recognition guidelines, the ending balance for June 30, 2018 was \$10,535,344. Furthermore, the new guidelines had an impact on the business-type activities total postemployment benefits liability. The beginning balance was increased \$564,584. The 2018 activity resulted in a decrease of \$36,305 for an ending balance of \$708,663.

Additional information regarding the County's long-term liabilities can be found in Note 7 on pages 52 - 56 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Oconee County's economic outlook continues to improve as indicated with lowest unemployment rate in 20 years. The County's unemployment rate, as of June 2018, was 3.7 percent. This was lower than the June 2017 rate of 4.7 percent. South Carolina's unemployment rates for the same periods were 3.8 percent and 4.2 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 2018-01 established the 2018-2019 adopted budget and provides for the levy of taxes for ordinary County purposes for fiscal year beginning July 1, 2018 and ending June 30, 2019. The 2018-2019 adopted budget provides appropriations for the following funds as indicated:

- **Governmental funds:**
 - General Fund, \$47,608,784
 - Special revenues funds for:
 - Emergency Services Protection, \$1,500,000
 - Victims Services – Sheriff's Office, \$148,884
 - Victims Services – Solicitor's Office, \$69,703
 - 911 Communications, \$1,303,000
 - Tri-County Technical College Operations, \$1,670,000
 - Road Maintenance, \$1,470,000
 - Capital projects funds for:
 - Economic Development, \$769,000
 - Bridge and Culvert, \$530,000
 - Debt service fund, \$2,083,544
- **Proprietary fund:**
 - Rock Quarry, \$12,255,500

The combined budget for these funds is \$69,408,415. The General Fund's adopted budget for fiscal year ending June 30, 2019, totals \$47.6 million, which is more than the prior year's budget by \$3.2 million, or 7.2 percent. Public safety initiatives for emergency services, the Sheriff's Office and the detention center account for \$2 million, or 62.6 percent, of the increase in the General Fund budget. The increase in the budgeted property tax revenues of \$2.5 million will be the primary offset of the increased expenditures. The deficiency of the General Fund's budgeted revenues over expenditures is \$782,488 and will be negated by other financing sources and a use of the unassigned fund balance as approved by County Council.

The total millage levied for fiscal year end 2019 is 74.3 mills, which is a 3.3 mill, or \$2.5 million, increase from 2018.

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, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Keowee Fire Tax District
ASSETS				
Cash and cash equivalents	\$ 17,426,614	\$ 12,990,106	\$ 30,416,720	\$ 715,476
Investments	8,016,971	233,512	8,250,483	-
Receivables:				
Taxes	1,153,023	-	1,153,023	4,756
Accounts	287,585	277,118	564,703	15,000
Due from other governments	2,810,154	-	2,810,154	-
Internal balances	6,173,939	(6,173,939)	-	-
Due from component unit	409,586	-	409,586	-
Inventories	165,793	501,823	667,616	-
Prepaid expenses	103,755	-	103,755	-
Seized assets	209,160	-	209,160	-
Lease receivable	-	6,100,001	6,100,001	-
Assets held for resale	80,015	-	80,015	-
Assets held for economic development	4,667,387	-	4,667,387	-
Capital assets:				
Nondepreciable	46,876,413	1,422,355	48,298,768	-
Depreciable, net	83,740,488	2,168,901	85,909,389	1,267,013
Total assets	<u>172,120,883</u>	<u>17,519,877</u>	<u>189,640,760</u>	<u>2,002,245</u>
DEFERRED OUTFLOWS OF RESOURCES				
Other postemployment benefits	408,522	27,501	436,023	-
Pension - South Carolina Retirement System	3,864,401	256,215	4,120,616	-
Pension - South Carolina Police Officers Retirement System	4,264,865	-	4,264,865	174,769
Total deferred outflows of resources	<u>8,537,788</u>	<u>283,716</u>	<u>8,821,504</u>	<u>174,769</u>
LIABILITIES				
Accounts payable	2,741,099	77,066	2,818,165	-
Accrued liabilities	1,359,375	70,249	1,429,624	3,925
Unearned revenues	231,926	-	231,926	-
Due to primary government	-	-	-	409,586
Noncurrent liabilities:				
Due within one year	2,947,584	472,054	3,419,638	18,990
Due in more than one year	20,460,850	6,180,469	26,641,319	75,765
Total other postemployment benefits liability	10,535,344	708,663	11,244,007	-
Net Pension Liability:				
South Carolina Retirement System	25,928,169	1,604,429	27,532,598	-
South Carolina Police Officers Retirement System	15,600,511	-	15,600,511	779,515
Total liabilities	<u>79,804,858</u>	<u>9,112,930</u>	<u>88,917,788</u>	<u>1,287,781</u>
DEFERRED INFLOWS OF RESOURCES				
Other postemployment benefits	505,163	33,678	538,841	-
Pension - South Carolina Retirement System	670,986	49,587	720,573	-
Pension - South Carolina Police Officers' Retirement System	6,733	-	6,733	30,211
Total deferred inflows of resources	<u>1,182,882</u>	<u>83,265</u>	<u>1,266,147</u>	<u>30,211</u>
NET POSITION				
Net investment in capital assets	111,858,197	3,527,427	115,385,624	784,767
Restricted for capital projects	4,811,817	-	4,811,817	-
Restricted for debt service	1,468,695	-	1,468,695	-
Restricted for judicial services	147,956	-	147,956	-
Restricted for education	726,669	-	726,669	-
Restricted for culture and recreation	382,781	-	382,781	-
Restricted for public safety	1,597,177	-	1,597,177	-
Restricted for health and welfare	2,156	-	2,156	-
Restricted for transportation	2,259,904	-	2,259,904	-
Unrestricted	(23,584,421)	5,079,971	(18,504,450)	74,255
Total net position	<u>\$ 99,670,931</u>	<u>\$ 8,607,398</u>	<u>\$ 108,278,329</u>	<u>\$ 859,022</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, 2018

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	\$ 13,350,317	\$ 1,309,495	\$ 199,390	\$ 800	\$ (11,840,632)	\$ -	\$ (11,840,632)	\$ -
Public safety	24,291,184	1,335,346	1,135,879	-	(21,819,959)	-	(21,819,959)	-
Transportation	6,693,782	1,085,477	4,217	1,157,729	(4,446,359)	-	(4,446,359)	-
Public works	4,350,823	1,652,254	167,602	-	(2,530,967)	-	(2,530,967)	-
Culture and recreation	3,597,829	571,045	347,708	-	(2,679,076)	-	(2,679,076)	-
Judicial services	3,214,237	796,027	238,382	-	(2,179,828)	-	(2,179,828)	-
Education	1,512,498	-	-	-	(1,512,498)	-	(1,512,498)	-
Health and welfare	510,848	-	203,952	-	(306,896)	-	(306,896)	-
Economic development	7,167,155	-	40,792	105,000	(7,021,363)	-	(7,021,363)	-
Interest on long-term debt	551,023	-	-	-	(551,023)	-	(551,023)	-
Total governmental activities	<u>65,239,696</u>	<u>6,749,644</u>	<u>2,337,922</u>	<u>1,263,529</u>	<u>(54,888,601)</u>	<u>-</u>	<u>(54,888,601)</u>	<u>-</u>
Business-type activities:								
FOCUS	-	235,430	-	-	-	235,430	235,430	-
Rock quarry	3,590,313	5,869,860	-	7,660	-	2,287,207	2,287,207	-
Total business-type activities	<u>3,590,313</u>	<u>6,105,290</u>	<u>-</u>	<u>7,660</u>	<u>-</u>	<u>2,522,637</u>	<u>2,522,637</u>	<u>-</u>
Total primary government	<u>\$ 68,830,009</u>	<u>\$ 12,854,934</u>	<u>\$ 2,337,922</u>	<u>\$ 1,271,189</u>	<u>(54,888,601)</u>	<u>2,522,637</u>	<u>(52,365,964)</u>	<u>-</u>
Component unit:								
Keowee Fire Tax District	<u>\$ 793,568</u>	<u>\$ 54,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(724,568)</u>
General revenues:								
Property taxes levied for:								
General purposes					36,301,007	-	36,301,007	-
Public safety					1,508,720	-	1,508,720	707,153
Debt service					2,474,035	-	2,474,035	-
Capital projects					576,819	-	576,819	-
Economic development					667,328	-	667,328	-
Education					1,691,104	-	1,691,104	-
Other taxes and licenses					1,017,648	-	1,017,648	-
Grants and contributions not restricted for a specific purpose					2,831,768	-	2,831,768	45,000
Unrestricted investment earnings					401,360	5,211	406,571	1,374
Insurance recovery					620,830	-	620,830	-
Miscellaneous					-	-	-	637
Transfers					(2,440,828)	2,440,828	-	-
Total general revenues and transfers					<u>45,649,791</u>	<u>2,446,039</u>	<u>48,095,830</u>	<u>754,164</u>
Change in net position					<u>(9,238,810)</u>	<u>4,968,676</u>	<u>(4,270,134)</u>	<u>29,596</u>
Net position, beginning of year, as restated					<u>108,909,741</u>	<u>3,638,722</u>	<u>112,548,463</u>	<u>829,426</u>
Net position, end of year					<u>\$ 99,670,931</u>	<u>\$ 8,607,398</u>	<u>\$ 108,278,329</u>	<u>\$ 859,022</u>

The accompanying notes are an integral part of these financial statements

OCONEE COUNTY, SOUTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2018

	General	Miscellaneous Special Revenue	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,889,611	\$ 186,664	\$ 684,848	\$ 10,665,491	\$ 17,426,614
Investments	7,566,971	-	-	450,000	8,016,971
Taxes receivable, net	949,438	-	22,619	180,966	1,153,023
Accounts receivable, net	221,716	-	-	65,869	287,585
Due from other governments	1,038,729	1,032,315	605,000	134,110	2,810,154
Due from component unit	-	-	-	409,586	409,586
Advances to other funds	6,173,939	-	-	-	6,173,939
Prepaid expenditures	48,595	-	-	55,160	103,755
Inventories	165,793	-	-	-	165,793
Seized assets	-	209,160	-	-	209,160
Assets held for resale	80,015	-	-	-	80,015
Assets held for economic development	2,254,220	-	2,413,167	-	4,667,387
Total assets	<u>\$ 24,389,027</u>	<u>\$ 1,428,139</u>	<u>\$ 3,725,634</u>	<u>\$ 11,961,182</u>	<u>\$ 41,503,982</u>
LIABILITIES					
Accounts payable	\$ 2,053,852	\$ 233,713	\$ 288,288	\$ 165,246	\$ 2,741,099
Accrued liabilities	1,187,519	3,042	-	9,349	1,199,910
Unearned revenue	-	2,472	-	229,454	231,926
Total liabilities	<u>3,241,371</u>	<u>239,227</u>	<u>288,288</u>	<u>404,049</u>	<u>4,172,935</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	826,389	-	20,304	156,336	1,003,029
Unavailable revenue - seized property	-	209,160	-	-	209,160
Unavailable revenue - intergovernmental	55,711	916,115	500,000	16,572	1,488,398
Unavailable revenue - forfeited land commission	80,015	-	-	-	80,015
Total deferred inflows of resources	<u>962,115</u>	<u>1,125,275</u>	<u>520,304</u>	<u>172,908</u>	<u>2,780,602</u>
FUND BALANCES					
Nonspendable:					
Prepaid expenditures	48,595	-	-	54,582	103,177
Inventories	165,793	-	-	-	165,793
Assets held for resale	80,015	-	-	-	80,015
Assets held for economic development	2,254,220	-	2,413,167	-	4,667,387
Advances to other funds	6,173,939	-	-	-	6,173,939
Restricted for:					
Public safety	-	4,986	-	1,592,191	1,597,177
Transportation	-	-	-	2,259,904	2,259,904
Culture and recreation	-	55,825	-	326,956	382,781
Judicial services	-	670	-	147,286	147,956
Education	-	-	-	726,669	726,669
Health and welfare	-	2,156	-	-	2,156
Capital projects	-	-	3,875	4,807,942	4,811,817
Debt service	-	-	-	1,468,695	1,468,695
Assigned:					
Solid waste reserve	1,017,942	-	-	-	1,017,942
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	525,181	-	-	-	525,181
Unassigned	6,412,141	-	-	-	6,412,141
Total fund balances	<u>20,185,541</u>	<u>63,637</u>	<u>2,917,042</u>	<u>11,384,225</u>	<u>34,550,445</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 24,389,027</u>	<u>\$ 1,428,139</u>	<u>\$ 3,725,634</u>	<u>\$ 11,961,182</u>	<u>\$ 41,503,982</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, 2018

Total fund balances for governmental funds:	\$ 34,550,445
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.	130,616,901
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	2,780,602
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	\$ (14,174,077)
Capital lease obligations	(2,923,622)
Special source revenue bonds	(2,011,000)
Other post-employment benefits	(10,631,985)
Post-closure care liabilities	(2,861,496)
Compensated absences payable	(1,438,239)
Net pension liability	(34,077,133)
Total long-term liabilities	(68,117,552)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(159,465)
Net position of governmental activities	<u>\$ 99,670,931</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, 2018

	General	Miscellaneous Special Revenue	Economic Development	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 34,662,698	\$ -	\$ 671,241	\$ 7,449,978	\$ 42,783,917
Other taxes	-	-	-	734,169	734,169
Intergovernmental	3,558,347	693,402	105,000	1,075,688	5,432,437
Licenses, permits and fees	4,440,449	9,505	-	-	4,449,954
Fines and forfeitures	234,550	18,053	-	79,175	331,778
Charges for services	2,051,240	-	-	-	2,051,240
Interest revenue	358,591	174	18,666	23,929	401,360
Contributions and donations	-	100,740	-	-	100,740
Other revenues	173,754	10,876	40,792	-	225,422
Total revenues	45,479,629	832,750	835,699	9,362,939	56,511,017
EXPENDITURES					
Current:					
General government	12,234,187	23,507	-	353,072	12,610,766
Public safety	18,652,461	403,668	-	2,276,493	21,332,622
Transportation	3,626,822	72,053	-	450,723	4,149,598
Public works	4,281,306	56,873	-	-	4,338,179
Culture and recreation	2,852,357	155,886	-	628,223	3,636,466
Judicial services	2,663,618	-	-	155,579	2,819,197
Education	-	-	-	1,512,498	1,512,498
Health and welfare	263,819	161,006	-	-	424,825
Economic development	1,108,986	122,243	5,488,200	-	6,719,429
Capital outlay	-	757,580	639,711	970,472	2,367,763
Debt service:					
Principal	826,481	-	-	1,852,009	2,678,490
Interest	53,485	-	-	553,106	606,591
Bond issuance costs	20,000	-	-	-	20,000
Total expenditures	46,583,522	1,752,816	6,127,911	8,752,175	63,216,424
Excess (deficiency) of revenues over (under) expenditures	(1,103,893)	(920,066)	(5,292,212)	610,764	(6,705,407)
OTHER FINANCING SOURCES (USES)					
Transfers in	533,753	-	-	192,250	726,003
Transfers out	(3,133,078)	-	-	(33,753)	(3,166,831)
Proceeds from the issuance of refunding bonds	-	-	-	513,595	513,595
Insurance recoveries	152,406	-	-	468,424	620,830
Proceeds from issuance of capital lease	-	-	-	365,000	365,000
Total other financing sources (uses)	(2,446,919)	-	-	1,505,516	(941,403)
Net change in fund balances	(3,550,812)	(920,066)	(5,292,212)	2,116,280	(7,646,810)
Fund balances, beginning of year	23,736,353	983,703	8,209,254	9,267,945	42,197,255
Fund balances, end of year	\$ 20,185,541	\$ 63,637	\$ 2,917,042	\$ 11,384,225	\$ 34,550,445

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, 2018

Net change in fund balances - total governmental funds	\$	(7,646,810)
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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	\$	3,283,503	
Depreciation expense		(6,652,916)	(3,369,413)

The net effect of various miscellaneous transactions (i.e., sales and donations) is to decrease net position.		(3,032)
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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.		1,309,867
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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	\$	2,678,490	
Issuance of long-term debt		(878,595)	
Amortization of premium on long-term debt		55,090	1,854,985

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	\$	(1,897,145)	
Landfill post-closure liability		564,019	
Compensated absences		(52,737)	
Accrued interest on long-term debt		20,478	
Other postemployment benefits liability		(19,022)	(1,384,407)
			\$ (9,238,810)

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, 2018

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES:				
Taxes	\$ 34,190,058	\$ 34,190,058	\$ 34,662,698	\$ 472,640
Intergovernmental	3,690,435	3,690,435	3,558,347	(132,088)
Licenses, permits and fees	3,190,850	3,190,850	4,440,449	1,249,599
Fines and forfeitures	252,100	252,100	234,550	(17,550)
Charges for services	1,836,000	1,836,000	2,051,240	215,240
Interest revenue	200,000	200,000	358,591	158,591
Other revenues	209,139	209,139	173,754	(35,385)
Total revenues	43,568,582	43,568,582	45,479,629	1,911,047
EXPENDITURES:				
Current:				
General government:				
County council	270,005	270,005	255,695	14,310
Legislative delegation	87,594	87,594	86,695	899
Finance department	533,833	560,198	554,566	5,632
Non-departmental expenditures	1,227,764	1,229,002	3,420,893	(2,191,891)
Human resources	319,154	289,990	287,484	2,506
Information technology	836,877	792,377	767,811	24,566
Procurement	160,996	160,996	158,463	2,533
Facilities maintenance	1,191,123	1,252,923	1,242,085	10,838
Registration and elections	196,541	244,541	243,093	1,448
Soil and water conservation	74,122	74,122	65,748	8,374
Administrator's office	572,207	718,815	715,280	3,535
Vehicle maintenance	866,498	864,498	849,423	15,075
Register of deeds	326,075	308,075	302,680	5,395
Assessor	1,054,458	988,580	920,646	67,934
Auditor	451,359	422,844	403,495	19,349
Board of assessment appeals	12,044	12,044	4,768	7,276
Tax collector	451,234	451,234	411,447	39,787
Treasurer	527,836	522,441	518,864	3,577
Direct aid	628,645	628,645	628,645	-
County attorney	423,150	435,650	396,406	39,244
Total general government	10,211,515	10,314,574	12,234,187	(1,919,613)
Public safety:				
Sheriff's department	7,993,636	8,134,916	8,063,941	70,975
Law enforcement center	3,929,833	3,856,255	3,803,603	52,652
Communications	1,593,484	1,575,484	1,548,970	26,514
Animal control	579,236	579,236	545,704	33,532
Coroner	175,940	191,940	188,221	3,719
Building codes	854,866	725,705	695,138	30,567
Emergency management	4,343,182	4,264,703	3,806,884	457,819
Total public safety	19,470,177	19,328,239	18,652,461	675,778
Transportation:				
County airport	944,375	962,250	968,098	(5,848)
Roads department	2,672,602	2,683,304	2,658,724	24,580
Total transportation	3,616,977	3,645,554	3,626,822	18,732
Public works:				
Solid waste	3,834,899	3,717,896	4,281,306	(563,410)

(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, 2018

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES: (CONTINUED)				
Culture and recreation:				
Library	\$ 1,354,774	\$ 1,354,774	\$ 1,287,870	\$ 66,904
Parks, recreation and tourism	634,408	517,311	490,167	27,144
High Falls Park	362,199	366,296	356,140	10,156
South Cove Park	446,548	479,042	478,984	58
Chau Ram Park	244,015	244,015	239,196	4,819
Total culture and recreation	<u>3,041,944</u>	<u>2,961,438</u>	<u>2,852,357</u>	<u>109,081</u>
Judicial services:				
Clerk of court	660,920	660,920	641,788	19,132
Probate judge	380,232	345,581	341,999	3,582
Solicitor	886,415	716,415	705,722	10,693
Public defender	200,000	200,000	200,000	-
Magistrate office	795,475	795,475	774,109	21,366
Total judicial	<u>2,923,042</u>	<u>2,718,391</u>	<u>2,663,618</u>	<u>54,773</u>
Health and welfare:				
Department of social services	21,200	22,200	22,108	92
Health department	41,134	41,134	35,581	5,553
Veteran's affairs	198,861	208,561	206,130	2,431
Total health and welfare	<u>261,195</u>	<u>271,895</u>	<u>263,819</u>	<u>8,076</u>
Economic development:				
Economic development	<u>577,354</u>	<u>597,354</u>	<u>1,108,986</u>	<u>(511,632)</u>
Debt service	<u>879,966</u>	<u>879,966</u>	<u>899,966</u>	<u>(20,000)</u>
Total expenditures	<u>44,817,069</u>	<u>44,435,307</u>	<u>46,583,522</u>	<u>(2,148,215)</u>
Deficiency of revenues under expenditures	<u>(1,248,487)</u>	<u>(866,725)</u>	<u>(1,103,893)</u>	<u>(237,168)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	698,919	698,919	533,753	(165,166)
Transfers out	(100,000)	(166,500)	(3,133,078)	(2,966,578)
Insurance recoveries	75,000	75,000	152,406	77,406
Proceeds from the sale of capital assets	30,000	30,000	-	(30,000)
Total other financing sources (uses), net	<u>703,919</u>	<u>637,419</u>	<u>(2,446,919)</u>	<u>(3,084,338)</u>
Net change in fund balances	(544,568)	(229,306)	(3,550,812)	(3,321,506)
Fund balances, beginning of year	<u>23,736,353</u>	<u>23,736,353</u>	<u>23,736,353</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,191,785</u>	<u>\$ 23,507,047</u>	<u>\$ 20,185,541</u>	<u>\$ (3,321,506)</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 MISCELLANEOUS SPECIAL REVENUE FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 319,968	\$ 319,968	\$ 693,402	\$ 373,434
Licenses and permits	-	-	9,505	9,505
Fines and forfeitures	-	-	18,053	18,053
Contributions and donations	20,542	20,542	100,740	80,198
Other revenue	-	-	10,876	10,876
Interest revenue	-	-	174	174
	<u>340,510</u>	<u>340,510</u>	<u>832,750</u>	<u>492,240</u>
EXPENDITURES				
General government	2,400	2,400	23,507	(21,107)
Public safety	76,171	76,171	403,668	(327,497)
Public works	67,350	67,350	56,873	10,477
Transportation	13,286	13,286	72,053	(58,767)
Health and welfare	-	-	161,006	(161,006)
Culture and recreation	49,303	48,183	155,886	(107,703)
Economic development	-	-	122,243	(122,243)
Capital outlay	132,000	533,119	757,580	(224,461)
Total expenditures	<u>340,510</u>	<u>740,509</u>	<u>1,752,816</u>	<u>(1,012,307)</u>
Net change in fund balance	-	(399,999)	(920,066)	(520,067)
FUND BALANCES, beginning of year	<u>983,703</u>	<u>983,703</u>	<u>983,703</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 983,703</u>	<u>\$ 583,704</u>	<u>\$ 63,637</u>	<u>\$ (520,067)</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
ECONOMIC DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property Taxes	\$ 615,000	\$ 615,000	\$ 671,241	\$ 56,241
Intergovernmental	756,415	756,415	105,000	(651,415)
Interest revenue	-	-	18,666	18,666
Other revenues	-	-	40,792	40,792
	<u>1,371,415</u>	<u>1,371,415</u>	<u>835,699</u>	<u>(535,716)</u>
EXPENDITURES				
Economic development	600,000	2,480,120	5,488,200	(3,008,080)
Capital outlay	<u>756,415</u>	<u>756,415</u>	<u>639,711</u>	<u>116,704</u>
Total expenditures	<u>1,356,415</u>	<u>3,236,535</u>	<u>6,127,911</u>	<u>(2,891,376)</u>
Net change in fund balance	15,000	(1,865,120)	(5,292,212)	(3,427,092)
FUND BALANCES, beginning of year	<u>8,209,254</u>	<u>8,209,254</u>	<u>8,209,254</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 8,224,254</u>	<u>\$ 6,344,134</u>	<u>\$ 2,917,042</u>	<u>\$ (3,427,092)</u>

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

OCONEE COUNTY, SOUTH CAROLINA

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2018

	Rock Quarry	FOCUS	Totals
ASSETS			
CURRENT ASSETS			
Cash	\$ 12,990,106	\$ -	\$ 12,990,106
Investments	233,512	-	233,512
Accounts receivable, net of allowance	203,180	73,938	277,118
Inventories	501,823	-	501,823
Total current assets	<u>13,928,621</u>	<u>73,938</u>	<u>14,002,559</u>
NONCURRENT ASSETS			
Lease receivable	-	6,100,001	6,100,001
Capital assets:			
Nondepreciable	1,422,355	-	1,422,355
Depreciable, net of accumulated depreciation	2,168,901	-	2,168,901
Total noncurrent assets	<u>3,591,256</u>	<u>6,100,001</u>	<u>9,691,257</u>
Total assets	<u>17,519,877</u>	<u>6,173,939</u>	<u>23,693,816</u>
DEFERRED OUTFLOWS OF RESOURCES			
Other postemployment benefits	27,501	-	27,501
Pension - South Carolina Retirement System	256,215	-	256,215
Total deferred outflows of resources	<u>283,716</u>	<u>-</u>	<u>283,716</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	77,066	-	77,066
Accrued liabilities	70,249	-	70,249
Current portion - compensated absences	30,448	-	30,448
Current portion - capital lease payable	441,606	-	441,606
Total current liabilities	<u>619,369</u>	<u>-</u>	<u>619,369</u>
NONCURRENT LIABILITIES			
Compensated absences, net of current portion	69,575	-	69,575
Advances from other funds	-	6,173,939	6,173,939
Capital lease payable, net of current portion	6,110,894	-	6,110,894
Total other postemployment benefits liability	708,663	-	708,663
Net pension liability - South Carolina Retirement System	1,604,429	-	1,604,429
Total noncurrent liabilities	<u>8,493,561</u>	<u>6,173,939</u>	<u>14,667,500</u>
Total liabilities	<u>9,112,930</u>	<u>6,173,939</u>	<u>15,286,869</u>
DEFERRED INFLOWS OF RESOURCES			
Other postemployment benefits	33,678	-	33,678
Pension - South Carolina Retirement System	49,587	-	49,587
Total deferred inflows of resources	<u>83,265</u>	<u>-</u>	<u>83,265</u>
NET POSITION			
Investment in capital assets	3,527,427	-	3,527,427
Unrestricted	5,079,971	-	5,079,971
Total net position	<u>\$ 8,607,398</u>	<u>\$ -</u>	<u>\$ 8,607,398</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, 2018

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services:			
Outside customer sales	\$ 5,868,823	\$ -	\$ 5,868,823
Miscellaneous operating revenues	1,037	235,430	236,467
Total operating revenues	<u>5,869,860</u>	<u>235,430</u>	<u>6,105,290</u>
OPERATING EXPENSES			
Salaries and fringe benefits	1,470,026	-	1,470,026
Supplies	46,324	-	46,324
Electricity and natural gas	128,604	-	128,604
Petroleum, oil and lubricants	234,255	-	234,255
Machinery, equipment repairs and maintenance	541,730	-	541,730
Professional services	673,349	-	673,349
Miscellaneous	59,808	-	59,808
Depreciation and depletion	361,519	-	361,519
Total operating expenses	<u>3,515,615</u>	<u>-</u>	<u>3,515,615</u>
Operating income	<u>2,354,245</u>	<u>235,430</u>	<u>2,589,675</u>
NON-OPERATING INCOME (EXPENSE)			
Interest income	5,211	-	5,211
Interest expense	(10,869)	-	(10,869)
Capital lease issuance costs	(63,829)	-	(63,829)
Total non-operating expense, net	<u>(69,487)</u>	<u>-</u>	<u>(69,487)</u>
Income before capital contributions and transfers	<u>2,284,758</u>	<u>235,430</u>	<u>2,520,188</u>
CAPITAL CONTRIBUTIONS	<u>7,660</u>	<u>-</u>	<u>7,660</u>
TRANSFERS			
Transfers in	-	2,940,828	2,940,828
Transfers out	(500,000)	-	(500,000)
Total transfers	<u>(500,000)</u>	<u>2,940,828</u>	<u>2,440,828</u>
Change in net position	1,792,418	3,176,258	4,968,676
Net position, beginning of year, as restated	<u>6,814,980</u>	<u>(3,176,258)</u>	<u>3,638,722</u>
Net position, end of year	<u><u>\$ 8,607,398</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,607,398</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 5,758,547	\$ 237,527	\$ 5,996,074
Payments to suppliers	(1,750,414)	(2,934,705)	(4,685,119)
Payments to employees	(1,450,531)	(243,650)	(1,694,181)
Net cash provided by (used in) operating activities	<u>2,557,602</u>	<u>(2,940,828)</u>	<u>(383,226)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out	(500,000)	-	(500,000)
Transfers in	<u>-</u>	<u>2,940,828</u>	<u>2,940,828</u>
Net cash provided by (used in) noncapital financing activities	<u>(500,000)</u>	<u>2,940,828</u>	<u>2,440,828</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(401,060)	-	(401,060)
Proceeds from capital leases payable	6,552,500	-	6,552,500
Capital lease issuance costs paid	(63,829)	-	(63,829)
Net cash provided by capital and related financing activities	<u>6,087,611</u>	<u>-</u>	<u>6,087,611</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale and maturity of investments	7,046	-	7,046
Interest received	5,211	-	5,211
Net cash provided by investing activities	<u>12,257</u>	<u>-</u>	<u>12,257</u>
Net change in cash and cash equivalents	8,157,470	-	8,157,470
Cash and cash equivalents:			
Beginning of year	<u>4,832,636</u>	<u>-</u>	<u>4,832,636</u>
End of year	<u>\$ 12,990,106</u>	<u>\$ -</u>	<u>\$ 12,990,106</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Rock Quarry</u>	<u>FOCUS</u>	<u>Totals</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 2,354,245	\$ 235,430	\$ 2,589,675
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation and depletion	361,519	-	361,519
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(111,313)	2,097	(109,216)
Increase in inventories	(171,244)	-	(171,244)
Increase (decrease) in deferred outflows of resources	(8,733)	81,781	73,048
Increase (decrease) in accounts payable	43,197	(108,772)	(65,575)
Increase (decrease) in accrued liabilities	11,272	(7,695)	3,577
Decrease in advance from other funds	-	(2,825,933)	(2,825,933)
Decrease in total other postemployment benefits liability	(36,305)	-	(36,305)
Increase (decrease) in compensated absences	8,223	(19,813)	(11,590)
Increase (decrease) in net pension liability	59,623	(293,233)	(233,610)
Increase (decrease) in deferred inflows of resources	47,118	(4,690)	42,428
Net cash provided by (used in) operating activities	<u>\$ 2,557,602</u>	<u>\$ (2,940,828)</u>	<u>\$ (383,226)</u>
Noncash investing, capital, and financing activities			
Contributions of capital assets	\$ 7,660	\$ -	\$ 7,660
Net noncash investing, capital, and financing activities	<u>\$ 7,660</u>	<u>\$ -</u>	<u>\$ 7,660</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, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 11,463,632
Taxes receivable	<u>2,391,767</u>
Total assets	<u><u>\$ 13,855,399</u></u>
LIABILITIES	
Due to other taxing districts and agencies	<u>\$ 13,855,399</u>
Total liabilities	<u><u>\$ 13,855,399</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

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.

The County has the following major special revenue fund:

Miscellaneous Special Revenue Fund – is used to account for monies collected from various sources. Such monies are restricted for their specific purpose.

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 fund:

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 total net 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 of 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 \$525,181 for the year ended June 30, 2018.

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 reports a separate section for *deferred outflows of resources*. This separate financial statement element 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 six (6) items that qualify for reporting in this category. These six (6) items relate to the County's pension and other postemployment benefits (OPEB) plans and are reported in the government-wide and proprietary fund Statements of Net Position. (1) Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. (2) Changes in actuarial assumptions adjust the net pension liabilities and are amortized into pension expense over the expected remaining service lives of plan members. (3) 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.

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)

(4) 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 outflows. (5) 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. (6) Any contributions made by the County to the OPEB plan before year-end but subsequent to the measurement date of the County's total OPEB liability are reported as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and the Governmental Funds Balance Sheet reports a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of fund balance or net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has seven (7) types of items that qualify for reporting in this category, four of which arise 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 (1) property taxes, (2) seized property, (3) intergovernmental grant revenues, and (4) 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 pension and OPEB plans and are reported in the government-wide and proprietary fund Statements of Net Position. (5) Certain experience losses (discussed on the previous page) are deferred and amortized against expense over a five-year period, resulting in recognition as deferred inflows of resources. (6) 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 (discussed in the previous paragraph) are specific to cost-sharing multiple employer defined benefit pension plans and represent the current period amortized portions of these deferred inflows. (7) Finally, changes in actuarial assumptions (discussed in the previous paragraph) adjust the total OPEB liability and are amortized against pension expense over the expected remaining service lives of plan members.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Interfund Transactions (Continued)

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

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

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

Noncurrent portions of long-term interfund loan receivables are reported as advances within the governmental 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:

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Liabilities and Net Position or Equity (Continued)

Fund Equity (Continued)

County Council has established a policy to maintain a General Fund unassigned fund balance between 25% and 30% of regular budgeted General Fund expenditures for the subsequent year. At June 30, 2018, the County did not attain the minimum fund balance due to the fiscal years 2012 through 2017 shortfall attributable to the long-term advances to the FOCUS fund and amounts assigned for the subsequent year's budget.

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

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, and then unrestricted resources as needed, but Council reserves the right to selectively spend unrestricted resources first and to defer the use of the restricted funds.

Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

Excess of Expenditures Over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations as follows:

Fund	Excess
General Fund	
Non-departmental expenditures	\$ 2,191,891
County airport	5,848
Solid waste	563,410
Economic development	511,632
Debt service	20,000
Miscellaneous Special Revenue Fund	
General government	21,107
Public safety	327,497
Transportation	58,767
Health and welfare	161,006
Culture and recreation	107,703
Economic development	122,243
Capital outlay	224,461
Economic Development Fund	
Economic development	3,008,080
Sheriff's Victims' Assistance Fund	
Public safety	14,450
Solicitor's Victims' Assistance Fund	
Public safety	4,327
Tri County Tech Fund	
Education	426,498
Debt Service Fund	
Principal	514,009
Interest	20,270

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. CASH AND INVESTMENTS

Total deposits and investments at June 30, 2018, are summarized below:

As reported in the *Statement of Net Position*:

Primary government	
Cash and cash equivalents	\$ 30,416,720
Investments	8,250,483
Agency Fund - cash and cash equivalents	11,463,632
	<u>\$ 50,130,835</u>
 Cash deposited with financial institutions	 \$ 20,318,605
SC State Investment Pool	21,561,747
Certificates of deposit	5,910,929
U.S. Agency securities	2,339,554
	<u>\$ 50,130,835</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, 2018, the carrying amount of the County's deposits was \$50,120,839 and the bank balance was \$50,976,506. 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 \$9,996 are reflected as cash.

As of June 30, 2018, 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	\$ 21,561,747	\$ 21,561,747	\$ -	\$ -	\$ -
Certificates of deposit	5,910,929	735,629	4,045,760	960,268	169,272
U.S. Agency securities	2,339,554	-	2,000,000	-	339,554
	<u>\$ 29,812,230</u>	<u>\$ 22,297,376</u>	<u>\$ 6,045,760</u>	<u>\$ 960,268</u>	<u>\$ 508,826</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, 2018.

Investment	Level 1	Level 2	Level 3	Fair Value
Investments by Fair Value Level				
U.S. Agency securities	\$2,000,000	\$ 339,554	\$ -	\$2,339,554
Total investments by fair value level	<u>\$2,000,000</u>	<u>\$ 339,554</u>	<u>\$ -</u>	<u>\$2,339,554</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, 2018, the County owned \$2,339,554 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 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, 2018, including the applicable allowances for uncollectible accounts, are as follows:

	General	Miscellaneous Special Revenue	Economic Development	Nonmajor Governmental
Taxes receivable	\$ 968,815	\$ -	\$ 23,081	\$ 184,637
Accounts receivable	310,215	-	-	65,869
Due from other governments	1,038,729	1,032,315	605,000	134,110
Less: Allowance	(107,876)	-	(462)	(3,671)
Net receivables	<u>\$ 2,209,883</u>	<u>\$ 1,032,315</u>	<u>\$ 627,619</u>	<u>\$ 380,945</u>

	Rock Quarry	FOCUS	Total
Taxes receivable	\$ -	\$ -	\$ 1,176,533
Accounts receivable	209,563	73,938	659,585
Due from other governments	-	-	2,810,154
Less: Allowance	(6,383)	-	(118,392)
Net receivables	<u>\$ 203,180</u>	<u>\$ 73,938</u>	<u>\$ 4,527,880</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 2036. 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, 2018.

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, 2018.

Year Ending June 30,	Total Minimum Lease Payments
2019	\$ -
2020	316,000
2021	316,000
2022	316,000
2023	316,000
2024 - 2028	4,756,000
2029 - 2033	50,000
2034 - 2036	30,001
	<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, 2018, was as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Governmental activities					
Capital assets not being depreciated					
Land	\$ 4,493,756	\$ -	\$ -	\$ -	\$ 4,493,756
Other costs	36,942,306	-	-	-	36,942,306
Construction in progress	4,632,174	1,689,201	-	(881,024)	5,440,351
Total capital assets not being depreciated	46,068,236	1,689,201	-	(881,024)	46,876,413
Capital assets being depreciated					
Buildings and improvements	73,721,230	198,235	(89,788)	511,555	74,341,232
Equipment and vehicles	46,866,893	1,396,067	(254,705)	289,485	48,297,740
Infrastructure	83,338,453	-	-	-	83,338,453
Other	93,595	-	-	-	93,595
Total capital assets being depreciated	204,020,171	1,594,302	(344,493)	801,040	206,071,020
Less accumulated depreciation					
Buildings and improvements	(23,544,114)	(1,990,045)	89,788	-	(25,444,371)
Equipment and vehicles	(35,691,189)	(2,445,098)	251,673	79,984	(37,804,630)
Infrastructure	(56,809,669)	(2,215,302)	-	-	(59,024,971)
Other	(54,089)	(2,471)	-	-	(56,560)
Total accumulated depreciation	(116,099,061)	(6,652,916)	341,461	79,984	(122,330,532)
Total capital assets being depreciated, net	87,921,110	(5,058,614)	(3,032)	881,024	83,740,488
Governmental activities capital assets, net	<u>\$ 133,989,346</u>	<u>\$ (3,369,413)</u>	<u>\$ (3,032)</u>	<u>\$ -</u>	<u>\$ 130,616,901</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

General Government	\$ 160,255
Public Safety	2,292,352
Transportation	2,572,943
Public Works	546,644
Culture and Recreation	244,809
Judicial Services	303,461
Health and Welfare	95,000
Economic Development	437,452
Total Governmental Activities Depreciation Expense	<u>\$ 6,652,916</u>

Capital asset activity for the County's business-type activities for the year ended June 30, 2018, was as follows:

	Balance June 30, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
Business-type activities					
Capital assets not being depreciated					
Land	\$ 1,021,295	\$ 401,060	\$ -	\$ -	\$ 1,422,355
Total capital assets not being depreciated	1,021,295	401,060	-	-	1,422,355
Capital assets being depreciated					
Buildings and improvements	544,786	-	-	-	544,786
Equipment and vehicles	7,112,457	7,660	-	79,984	7,200,101
Mineral interests	529,934	-	-	-	529,934
Total capital assets being depreciated	8,187,177	7,660	-	79,984	8,274,821
Less accumulated depreciation					
Buildings and improvements	(371,253)	(26,315)	-	-	(397,568)
Equipment and vehicles	(5,031,584)	(328,322)	-	(79,984)	(5,439,890)
Mineral interests	(261,580)	(6,882)	-	-	(268,462)
Total accumulated depreciation	(5,664,417)	(361,519)	-	(79,984)	(6,105,920)
Total capital assets being depreciated, net	2,522,760	(353,859)	-	-	2,168,901
Business-type activities capital assets, net	<u>\$ 3,544,055</u>	<u>\$ 47,201</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,591,256</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	\$ 361,519
Total Business-type Activities Depreciation Expense	<u>\$ 361,519</u>

NOTE 7. LONG-TERM LIABILITIES

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
Governmental activities					
General obligation bonds	\$ 14,855,000	\$ 513,595	\$ (1,596,009)	\$ 13,772,586	\$ 1,122,554
General obligation bond premiums	456,581	-	(55,090)	401,491	-
Total general obligation bonds	15,311,581	513,595	(1,651,099)	14,174,077	1,122,554
Capital lease obligations	3,385,103	365,000	(826,481)	2,923,622	896,161
Special source refunding revenue bonds	2,267,000	-	(256,000)	2,011,000	262,000
Post-closure care costs	3,425,515	-	(564,019)	2,861,496	143,075
Annual leave	1,385,502	483,968	(431,231)	1,438,239	523,794
Net pension liability	38,655,342	8,087,566	(5,214,228)	41,528,680	-
Total other postemployment benefit liability	11,079,925	552,801	(1,097,382)	10,535,344	-
	<u>\$ 75,509,968</u>	<u>\$ 10,002,930</u>	<u>\$ (10,040,440)</u>	<u>\$ 75,472,458</u>	<u>\$ 2,947,584</u>
Business-type activities					
Annual leave	\$ 111,613	\$ 11,277	\$ (22,867)	\$ 100,023	\$ 30,448
Capital lease obligations	-	6,552,500	-	6,552,500	441,606
Net pension liability	1,838,039	95,226	(328,836)	1,604,429	-
Total other postemployment benefit liability	744,968	36,853	(73,158)	708,663	-
	<u>\$ 2,694,620</u>	<u>\$ 6,695,856</u>	<u>\$ (424,861)</u>	<u>\$ 8,965,615</u>	<u>\$ 472,054</u>

The General Fund has typically been used in prior years to liquidate the liability for compensated absences and the total other postemployment benefit liability for all governmental funds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

General Obligation Bonds: During the year ended June 30, 2018, the County issued series 2017 general obligation-refunding bonds in the amount of \$513,595. The bond proceeds were used to: (1) refund outstanding principal of the series 2007 Keowee Fire bonds and (2) pay the costs of issuance of the 2017 bonds. The refunding transaction resulted in a decrease in total debt service payments over the next 5 years by approximately \$20,000 and resulted in an economic gain of approximately \$19,000. General obligation refunding bonds outstanding at June 30, 2018, 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>
2017 General Obligation Refunding Bonds	1.88%	5 years	2022	<u>\$ 513,595</u>	<u>\$ 409,586</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, 2018, 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>\$ 8,545,000</u>
		Plus unamortized premium			<u>382,676</u>
					<u>\$ 8,927,676</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, 2018, 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>\$ 1,860,000</u>
		Plus unamortized premium			<u>18,815</u>
					<u>\$ 1,878,815</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 storm water facilities, intersection improvements, and internal utilities), civil design, and site work relating to the Oconee County Workforce Development Center. General obligation bonds outstanding at June 30, 2018, 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>\$ 2,958,000</u>

The annual requirements to amortize all general obligation bonds as of June 30, 2018, 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>
2019	\$ 1,122,554	\$ 456,266	\$ 1,578,820
2020	1,150,425	428,229	1,578,654
2021	1,178,332	399,454	1,577,786
2022	1,216,275	369,941	1,586,216
2023	1,153,000	327,990	1,480,990
2024-2028	5,562,000	1,045,059	6,607,059
2029-2031	2,390,000	193,800	2,583,800
	<u>\$ 13,772,586</u>	<u>\$ 3,220,739</u>	<u>\$ 16,993,325</u>

Debt service funds of \$1,051,918 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.

Governmental Activities

The following is an analysis of equipment leased under capital leases as of June 30, 2018:

Machinery and Equipment and Construction in Progress	\$ 4,262,671
Less: Accumulated Depreciation	(1,393,131)
	<u>\$ 2,869,540</u>

The County recognized depreciation expense on assets under capital lease in the amount of \$656,953 for the year ended June 30, 2018.

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, 2018:

Fiscal Year Ending June 30,	Governmental Funds
2019	\$ 947,494
2020	947,494
2021	947,494
2022	67,528
2023	67,528
Thereafter	67,528
Total Minimum Lease Payments	<u>3,045,066</u>
Less: Amount Representing Interest	<u>(121,444)</u>
	<u>\$ 2,923,622</u>

Business-type Activities

During the fiscal year ended June 30, 2018, the County entered into a capital lease with a financial institution to acquire certain equipment for the Rock Quarry Fund. As of June 30, 2018, no equipment had been purchased with the capital lease proceeds.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7. LONG-TERM LIABILITIES (CONTINUED)

Capital Leases (Continued)

Business-type Activities (Continued)

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2018:

Fiscal Year Ending June 30,	Business-type Activities
2019	\$ 702,452
2020	702,452
2021	702,452
2022	702,452
2023	702,452
2024-2028	3,512,260
2029 and 2030	1,404,905
Total Minimum Lease Payments	8,429,425
Less: Amount Representing Interest	(1,876,925)
	<u>\$ 6,552,500</u>

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
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	294,000	25,907	319,907
2024 and 2025	615,000	26,420	641,420
	<u>\$ 2,011,000</u>	<u>\$ 235,697</u>	<u>\$ 2,246,697</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. 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, 2018, calculated as follows:

	<u>MSW</u>	<u>C&D I</u>	<u>C&D II</u>	<u>Total</u>
Total estimated current closure and post-closure care cost	\$ 1,921,233	\$ 608,630	\$ 687,611	
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>\$ 1,921,233</u>	<u>\$ 596,457</u>	<u>\$ 343,806</u>	<u>\$ 2,861,496</u>
Total estimated current closure and post-closure care cost remaining to be recognized	<u>\$ -</u>	<u>\$ 12,173</u>	<u>\$ 343,805</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, 2018. 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 9. 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. Effective July 1, 2017, the Retirement System Funding and Administration Act of 2017 assigned the PEBA Board of Directors as the Custodian of the Retirement Trust Funds and assigned SC PEBA and the Retirement Systems Investment Commission (RSIC) as co-trustees of the Retirement Trust Funds. PEBA issues a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the South Carolina Retirement Systems' Pension Trust Funds. The CAFR is publicly available on the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, PO Box 11960, Columbia, SC 29211-1960. PEBA is considered a division of the primary government of the State of South Carolina, and, therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

Plan Description:

The County contributes to the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan that 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 that 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 9. 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 8 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 9. RETIREMENT PLAN (CONTINUED)

Benefits (Continued):

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

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

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

Contributions:

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Contributions (Continued):

If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than ninety percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than ninety percent. Any decrease in contribution rates must maintain the 2.9 percent and 5 percent differentials between the SCRS and PORS employer and employee contribution rates, respectively.

If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than ninety percent, then effective on the following July first, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 90 percent.

The Retirement System Funding and Administration Act increases employer contribution rates to 13.56 percent for SCRS and 16.24 percent for PORS, effective July 1, 2017. It also removes the 2.9 percent and 5 percent differential and increases and establishes a ceiling on employee contribution rates at 9 percent and 9.75 percent for SCRS and PORS respectively. The employer contribution rates will continue to increase annually by 1 percent through July 1, 2022. The legislation's ultimate scheduled employer rate is 18.56 percent for SCRS and 21.24 percent for PORS. The amortization period is scheduled to be reduced one year for each of the next 10 years to a twenty-year amortization schedule. The recent pension reform legislation also changes the long-term funded ratio requirement from ninety to eight-five. For the year ended June 30, 2018, the County contributed \$1,881,203 to the SCRS plan and \$1,472,281 to the PORS plan.

Required employee contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Contributions (Continued):

Required employer contribution rates for the year ended June 30, 2018, are as follows:

South Carolina Retirement System

Employee Class Two	13.41% of earnable compensation
Employee Class Three	13.41% of earnable compensation
Employer incidental death benefit	0.20% of earnable compensation

South Carolina Police Officers Retirement System

Employee Class Two	15.84% of earnable compensation
Employee Class Three	15.84% 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 June 30, 2017 (the measurement date) total pension liability, net pension liability, and sensitivity information were determined by the consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on the July 1, 2016, actuarial valuations, as adopted by the PEBA Board and Budget and Control Board, which utilized membership data as of July 1, 2016. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year ended June 30, 2017, using generally accepted actuarial principles. Information included in the following schedules is based on the certification provided by GRS.

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, 2018 (measurement date of June 30, 2017), the net pension liability amounts for the County's proportionate share of the collective net pension liabilities associated with the SCRS and PORS plans are as follows:

System	Total Pension Liability	Plan Fiduciary Net Position	Employer's Net Pension Liability	Plan Fiduciary Net Position as a percentage of the Total Pension Liability	County's Proportionate Share of the Collective Net Pension Liability
SCRS	\$ 59,004,878	\$ 31,472,281	\$ 27,532,598	53.3%	0.122304%
PORS	\$ 39,939,424	\$ 24,338,913	\$ 15,600,511	60.9%	0.56945%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. 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, and the next experience study is scheduled to be conducted after the June 30, 2020, annual valuation is complete.

The Retirement System Funding and Administration Act of 2017 was signed into law April 25, 2017, and included a provision to reduce the assumed rate of return from 7.50% to 7.25% effective July 1, 2017. As a result of this legislation, GRS made an adjustment to the calculation of the roll-forward total pension liability for this assumption change as of the measurement date of June 30, 2017.

The following table provides a summary of the actuarial assumptions and methods used in the July 1, 2016 valuations for SCRS and PORS.

	SCRS	PORS
Actuarial cost method	Entry Age Normal	Entry Age Normal
Actuarial assumptions:		
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	4.0% to 9.5% (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. The base mortality assumption, the 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Former Job Class	Males	Females
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Males multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Males multiplied by 111%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions and Methods (Continued):

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30-year capital market assumptions. The actuarial long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2017 fiscal year of the Systems. 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 below.

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	45.0%		
Global Public Equity	31.0%	6.72%	2.08%
Private Equity	9.0%	9.60%	0.86%
Equity Options Strategies	5.0%	5.91%	0.30%
Real Assets	8.0%		
Real Estate	5.0%	4.32%	0.22%
Commodities	2.0%	6.33%	0.13%
Infrastructure	1.0%	6.26%	0.06%
Opportunistic	17.0%		
GTAA/Risk Parity	10.0%	4.16%	0.42%
HF (Low Beta)	4.0%	3.82%	0.15%
Other Opportunistic Strategies	3.0%	4.16%	0.12%
Diversified Credit	18.0%		
Mixed Credit	6.0%	392.00%	0.24%
Emerging Markets Debt	5.0%	5.01%	0.25%
Private Debt	7.0%	4.37%	0.31%
Conservative Fixed Income	12.0%		
Core Fixed Income	10.0%	1.60%	0.16%
Cash and Short Duration (Net)	2.0%	0.92%	0.01%
Total expected real return			5.31%
Inflation for actuarial purposes			2.25%
Total expected nominal return			7.56%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

Discount Rate:

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina State Code of Laws. Based on those assumptions, the County'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 liabilities to changes in the discount rate.

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
	(6.25%)	Discount Rate	(8.25%)
		(7.25%)	
County's portion - SCRS	\$ 35,485,736	\$ 27,532,598	\$ 22,706,911
County's portion - PORS	\$ 21,063,547	\$ 15,600,511	\$ 11,297,204

Pension Expense:

For the year ended June 30, 2018, the County recognized its proportionate share of collective pension expense of \$2,790,690 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of (\$366,406) for a total of \$2,484,284 for the SCRS plan. Additionally, for the year ended June 30, 2018, the County recognized its proportionate share of collective pension expense of \$1,926,356 and recognition of deferred amounts from changes in proportionate share and differences between employer contributions and the proportionate share of total plan employer contributions of \$264,829 for a total of \$2,191,185 for the PORS plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

At June 30, 2018, 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	\$ 122,740	\$ 15,260
Changes of assumptions	1,611,738	-
Net difference between projected and actual earnings on pension plan investments	768,581	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	705,313
Employer contributions subsequent to the measurement date	1,617,557	-
Total	<u>\$ 4,120,616</u>	<u>\$ 720,573</u>
PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 139,112	\$ -
Changes of assumptions	1,480,632	-
Net difference between projected and actual earnings on pension plan investments	555,911	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	832,519	6,733
Employer contributions subsequent to the measurement date	1,256,691	-
Total	<u>\$ 4,264,865</u>	<u>\$ 6,733</u>

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. RETIREMENT PLAN (CONTINUED)

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

County contributions subsequent to the measurement date of \$1,617,557 and \$1,256,691 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, 2019. 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
2019	\$ 386,518	\$ 903,390
2020	975,176	1,153,287
2021	643,535	828,744
2022	(222,743)	116,020

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, P.O. Box 11960, Columbia, SC 29211-1960.

Deferred Compensation Plan

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

Great-West Retirement Services, 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. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. In addition to providing pension benefits through the South Carolina Retirement System, the County, authorized by its County Council, provides certain healthcare benefits for employees hired before July 1, 2005 who retire from service or who terminate with at least 20 consecutive years of service who meet one or more of the eligibility requirements for retirement with the SCRS or PORS plans. Employees hired after June 30, 2005 are not eligible to participate in the Oconee County Retiree Health Care Plan upon their retirement. Benefits are effective at date of retirement or when the employee is eligible for retirement benefits.

SCRS and PORS retirement eligibility requirements are described in the following tables.

Normal (unreduced) Retirement Requirements

	Class Two Employees
SCRS	Any age with 28 years of service; or at age 65 with at least 5 years of service
PORS	Any age with 25 years of service; or at age 55 with at least 5 years of service

Early (reduced) Retirement Requirements

	Class Two Employees
SCRS	Age 60 with at least 5 years of service; or at age 55 with at least 25 years of service

Class Two employees are those employees hired prior to July 1, 2012.

Employees terminating before meeting the retirement eligibility conditions are not eligible for retiree health care benefits. Grandfathered employees are defined as employees of Oconee County who had at least twenty consecutive years of full-time employment for Oconee County as of December 31, 2013. Eligible non-Medicare retirees may elect health insurance coverage through the Oconee County Employee Health Plan at a reduced cost to the retiree. County health insurance coverage for retirees shall cease when the covered retiree or spouse, respectively, becomes Medicare eligible.

For Grandfathered Employees, the County will provide a subsidy towards the purchase of a Medicare Supplement insurance plan through the County. Non-grandfathered employees will not receive this subsidy when they become Medicare eligible.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description (Continued). Dental and vision coverage are provided to retirees. The premiums for non-Medicare retirees include dental and vision coverage. Medicare retirees are required to pay separate dental and vision premiums. Life insurance coverage is not provided.

Surviving dependents of deceased active employees are not eligible for retiree health care benefits. Spouses of Grandfathered retirees are eligible for the same retiree health care benefits as the retiree provided the spouse is on the employee's plan at retirement. Spouses of deceased grandfathered retirees may continue to receive retiree health care benefits, including the County's Medicare subsidy.

Should coverage on the spouse be terminated at any time after the date of retirement of the retired employee, the spouse will not be eligible for re-enrollment; however, COBRA continuation coverage may be available. Spouses of non-grandfathered retirees are not eligible for retiree health coverage.

Retirees may choose to decline coverage under the Plan at any time, but they will not be allowed to re-enroll in the Plan in the future (with the exception of two prior Grandfathered employees with special circumstances).

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 and the Rock Quarry 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.

The subsidy the County provides to grandfathered employees toward the purchase of a Medicare Supplement insurance plan will increase annually by the lower of the CPI-U (Consumer Price Index All Urban Consumers) on a September over September comparison basis or 3.0% per year.

Plan Membership. The Plan has 223 covered members for the year ended June 30, 2018; 84 members are retirees receiving benefits and 139 are active participants and dependents.

Funding Policy and Contributions. The County currently pays for other post-employment benefits on a pay-as-you-go basis. For the year ended June 30, 2018, the County paid \$498,359 toward the cost of retiree health insurance for eligible retired employees. The County's obligation to contribute to the Plan was established and may be amended by the Oconee County Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the plan.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability. Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which significantly changed the County's accounting for OPEB amounts. The information disclosed below and on the following page is presented in accordance with this new standard.

The County's total OPEB liability was measured as of June 30, 2017 and was determined by an actuarial valuation as of July 1, 2017 with the actuary using standard techniques to roll forward the liability to the measurement date.

Actuarial assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate:	3.56% as of June 30, 2017
Healthcare cost trend rate:	7.50% - 5.25%, Ultimate Trend after 11 years
Inflation rate:	2.25%
Salary increase:	3.50% - 9.50% for PORS eligible employees and 3.00% - 7.00% for SCRS eligible employees per annum
Participation rate:	85.00% of all eligible employees

For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. The following multipliers are applied to the base tables: 100% for male SCRS members, 111% for female SCRS members, 125% for male PORS members, and 111% for female PORS members.

Discount rate. The discount rate used to measure the total OPEB liability was 3.56% as of June 30, 2017. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.56% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2017.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the County for the years ended June 30, 2018 were as follows:

	<u>Total OPEB Liability</u>
Balances beginning of year	\$ 11,824,893
Changes for the year:	
Service cost	248,022
Interest	341,632
Assumption changes	(672,181)
Benefit payments and implicit subsidy	(498,359)
Net changes	<u>(580,886)</u>
Balances end of year	<u>\$ 11,244,007</u>

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about the total OPEB liability.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County as of June 30, 2018 (June 30, 2017 measurement date), as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.56%) or 1-percentage-point higher (4.56%) than the current discount rate:

<u>Oconee County Health Care Plan</u>		
<u>Sensitivity of the Total OPEB Liability to Changes in the Discount Rate</u>		
1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
\$ 12,317,383	11,244,007	\$ 10,289,583

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County as of June 30, 2018 (June 30, 2017 measurement date), as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50% decreasing to 4.25%) or 1-percentage-point higher (8.50% decreasing to 4.25%) than the current healthcare cost trend rates:

<u>Oconee County Health Care Plan</u>		
<u>Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate</u>		
	Current Healthcare Cost Trend Rates	
1% Decrease (6.50% decreasing to 4.25%)	(7.50% decreasing to 5.25%)	1% Increase (8.50% decreasing to 4.25%)
\$ 10,147,806	\$ 11,244,007	\$ 12,513,173

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2018 the County recognized OPEB expense as follows:

<u>Description</u>	
Service cost	\$ 248,022
Interest on the total OPEB liability	341,632
Recognition of outflow (inflow) of resources due to liabilities	(133,340)
Total collective pension expense	456,314
Total aggregate OPEB expense	\$ 456,314

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued). At June 30, 2018, the County reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 538,841
Employer contributions subsequent to the measurement date	436,023	-
Total	<u>\$ 436,023</u>	<u>\$ 538,841</u>

County contributions subsequent to the measurement date of \$436,023 are deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Oconee County Health Care Plan

Year ended June 30:	2018
2019	\$ (133,340)
2020	(133,340)
2021	(133,340)
2022	(133,340)
2023	(5,481)

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 through April 30, 2018. Beginning May 1, 2018 the stop loss was increased to \$85,000 per person per contract year. Also, beginning on May 1, 2018, one employee was given a specific deductible of \$190,000. The estimated maximum annual cost to the County is \$6,119,142. At June 30, 2018, claims due and payable total approximately \$547,644 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, 2018: General Fund –\$528,243; and Proprietary Fund – Rock Quarry \$19,401.

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, 2018, approximately 198 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
2018	\$ 439,202	\$ 6,717,547	\$ 6,609,105	\$ 547,644
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

NOTE 12. INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2018, were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	FOCUS Fund	\$ 6,173,939

Advances are used for long-term interfund loans. The General Fund had one outstanding advance at June 30, 2018. The advance to the FOCUS Fund was 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.

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, 2018, consisted of the following individual amounts:

<u>Transfer in Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Rock Quarry Fund	\$ 500,000
General Fund	Nonmajor Governmental Funds	33,753
FOCUS Fund	General Fund	2,940,828
Nonmajor Governmental Funds	General Fund	192,250
		<u>\$ 3,666,831</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 Fiscal Accountability Authority Office - 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
2019	\$ 101,375
2020	90,869
2021	58,363
2022	56,363
2023	36,048
Thereafter	11,909
	<u>\$ 354,927</u>

Construction commitments at June 30, 2018, totaled approximately \$953,883.

NOTE 15. ECONOMIC DEPENDENCY

Duke Energy Corporation provides a major source of property tax revenues. During the year ended June 30, 2018, the company paid property taxes in the amount of \$33.2 million based on assessed property values of \$158.8 million. This represents approximately 29.0% of the 2017 levy. Approximately \$23.7 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, 2018, 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, 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, 2018, the County abated taxes totaling \$5,655,236 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 44% property tax abatement to a manufacturing company for expanding its manufacturing facilities for which the abated amount was \$1,042,558.
- An approximate 66% property tax abatement to a manufacturing company for expanding its operations and facilities for which the abated amount was \$977,082.
- An approximate 65% property tax abatement to a manufacturing company for expanding its operations and facilities for which the abated amount was \$675,270.

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 three individual agreements noted above.

NOTE 19. CHANGE IN ACCOUNTING PRINCIPLE

The County has determined that a restatement to its July 1, 2017 beginning net position of the governmental activities, the business-type activities, the Rock Quarry Fund, and the FOCUS Fund was required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, through which the accounting for OPEB plans and the related disclosure requirements were modified. The implementation of GASB Statement No. 75 requires retroactive implementation to the earliest period presented during the year of implementation.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 19. CHANGE IN ACCOUNTING PRINCIPLE

The County has determined the following restatements as of July 1, 2017:

<i>Governmental Activities</i> net position, as previously reported	\$ 116,059,431
Change in accounting principle due to the implementation of GASB Statement No. 75:	
Net OPEB obligation, as previously reported	3,463,273
Total OPEB liability	(11,079,925)
Deferred outflows of resources for contributions subsequent to the measurement date	466,962
<i>Governmental Activities</i> net position, as restated	<u><u>\$ 108,909,741</u></u>
 <i>Business-type Activities</i> net position, as previously reported	 \$ 4,171,909
Change in accounting principle due to the implementation of GASB Statement No. 75:	
Net OPEB obligation, as previously reported	180,384
Total OPEB liability	(744,968)
Deferred outflows of resources for contributions subsequent to the measurement date	31,397
<i>Business-type Activities</i> net position, as restated	<u><u>\$ 3,638,722</u></u>
 Rock Quarry Fund net position, as previously reported	 \$ 7,381,857
Change in accounting principle due to the implementation of GASB Statement No. 75:	
Net OPEB obligation, as previously reported	146,694
Total OPEB liability	(744,968)
Deferred outflows of resources for contributions subsequent to the measurement date	31,397
Rock Quarry Fund net position, as restated	<u><u>\$ 6,814,980</u></u>
 FOCUS Fund net position, as previously reported	 \$ (3,209,948)
Change in accounting principle due to the implementation of GASB Statement No. 75:	
Net OPEB obligation, as previously reported	33,690
FOCUS Fund net position, as restated	<u><u>\$ (3,176,258)</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.122304%	\$ 27,532,598	\$ 12,331,937	223.3%	53.3%
2016	0.125177%	26,737,622	11,666,400	229.2%	52.9%
2015	0.125554%	23,811,921	11,703,378	203.5%	57.0%
2014	0.130397%	22,450,040	9,694,783	231.6%	59.9%

South Carolina Police Officers Retirement System

Plan Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.56945%	\$ 15,600,511	\$ 7,676,731	203.2%	60.9%
2016	0.54232%	13,755,759	6,334,764	217.1%	60.4%
2015	0.51203%	11,159,654	6,207,981	179.8%	64.6%
2014	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 9 to the financial statements.

OCONEE COUNTY, SOUTH CAROLINA

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

South Carolina Retirement System					
Fiscal Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 1,617,557	\$ 1,617,557		\$ 12,062,316	13.41%
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,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percentage of covered payroll
2018	\$ 1,256,691	\$ 1,256,691		\$ 8,134,393	15.45%
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.

System	SCRS	PORS
Calculation date	July 1, 2015	July 1, 2015
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	20% difference recognition	20% difference recognition
Amortization method	Level % of pay	Level % of pay
Amortization period	30 years variable, but not to exceed 30 years	27 years variable, but not to exceed 30 years
Investment return	7.50%	7.50%
Inflation	2.75%	2.75%
Salary increases	3.50% plus step-rate increases for members with less than 25 years of service	4.00% plus step-rate increases for members with less than 12 years of service
Mortality	RP-2000 Mortality Table (White Collar Adjustment for Educators), projected at Scale AA from year 2000. Male rates multiplied by 100% for non-educators and 110% for educators. Female rates multiplied by 90% for non-educators and 95% for educators	RP-2000 Mortality Table with Blue Collar Adjustment, projected at Scale AA from year 2000. Male and female rates are multiplied by 115%

OCONEE COUNTY, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY

AND RELATED RATIOS

FOR THE FISCAL YEARS ENDED JUNE 30,

Total OPEB liability	2018
Service cost	\$ 248,022
Interest on the total OPEB liability	341,632
Assumption changes	(672,181)
Benefit payments	(498,359)
Net change in total OPEB liability	(580,886)
Total OPEB liability - beginning	11,824,893
Total OPEB liability - ending	<u>\$ 11,244,007</u>
 Covered-employee payroll	 \$ 6,579,189
 Total OPEB liability as a percentage of covered-employee payroll	 170.90%

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

The County is not accumulating assets in a trust funds that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

The discount rate changed from 2.92% as of June 30, 2017 to 3.56% as of June 30, 2018.

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 **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.

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

OCONEE COUNTY, SOUTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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 **Capital Projects Fund** is used to account for funds to be used for the acquisition of capital equipment or construction of major capital facilities.

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, 2018

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	911 Communications	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance
ASSETS						
Cash and cash equivalents	\$ 280,328	\$ 2,289,050	\$ 863,165	\$ 18,928	\$ 240,223	\$ 68,034
Investments	-	-	450,000	-	-	-
Taxes receivable	36,137	23,376	-	-	-	-
Accounts receivable, net	-	-	-	-	32,496	-
Due from other governments	-	-	-	51,799	8,915	-
Due from component unit	-	-	-	-	-	-
Prepaid expenditures	-	-	49,160	-	-	-
Total assets	<u>316,465</u>	<u>2,312,426</u>	<u>1,362,325</u>	<u>70,727</u>	<u>281,634</u>	<u>68,034</u>
LIABILITIES						
Accounts payable	8,285	30,276	70,090	15,540	9,865	-
Accrued liabilities	-	-	-	-	-	3,938
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>8,285</u>	<u>30,276</u>	<u>70,090</u>	<u>15,540</u>	<u>9,865</u>	<u>3,938</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	31,090	22,246	-	-	-	-
Unavailable revenue - intergovernmental	-	-	-	-	-	-
Total deferred inflows of resources	<u>31,090</u>	<u>22,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable:						
Prepaid expenditures	-	-	49,160	-	-	-
Restricted for:						
Public safety	277,090	-	1,243,075	-	-	64,096
Transportation	-	2,259,904	-	-	-	-
Debt service	-	-	-	-	-	-
Culture and recreation	-	-	-	55,187	271,769	-
Judicial services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total fund balances	<u>277,090</u>	<u>2,259,904</u>	<u>1,292,235</u>	<u>55,187</u>	<u>271,769</u>	<u>64,096</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 316,465</u>	<u>\$ 2,312,426</u>	<u>\$ 1,362,325</u>	<u>\$ 70,727</u>	<u>\$ 281,634</u>	<u>\$ 68,034</u>

Special Revenue Funds					Debt Service Fund	Capital Projects Funds		
Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Capital Projects	Bridge and Culvert Capital Projects	Totals
\$ 9,756	\$ 236,355	\$ 93,437	\$ -	\$ 720,604	\$ 1,051,918	\$ 963,646	\$ 3,830,047	\$ 10,665,491
-	-	-	-	-	-	-	-	450,000
-	-	-	-	38,677	66,986	-	15,790	180,966
-	-	-	-	-	-	33,373	-	65,869
-	-	56,824	-	-	-	16,572	-	134,110
-	-	-	-	-	409,586	-	-	409,586
-	-	-	6,000	-	-	-	-	55,160
9,756	236,355	150,261	6,000	759,281	1,528,490	1,013,591	3,845,837	11,961,182
-	6,291	-	578	-	-	21,763	2,558	165,246
1,826	610	2,975	-	-	-	-	-	9,349
-	229,454	-	-	-	-	-	-	229,454
1,826	236,355	2,975	578	-	-	21,763	2,558	404,049
-	-	-	-	32,612	59,795	-	10,593	156,336
-	-	-	-	-	-	16,572	-	16,572
-	-	-	-	32,612	59,795	16,572	10,593	172,908
-	-	-	5,422	-	-	-	-	54,582
7,930	-	-	-	-	-	-	-	1,592,191
-	-	-	-	-	-	-	-	2,259,904
-	-	-	-	-	1,468,695	-	-	1,468,695
-	-	-	-	-	-	-	-	326,956
-	-	147,286	-	-	-	-	-	147,286
-	-	-	-	726,669	-	-	-	726,669
-	-	-	-	-	-	975,256	3,832,686	4,807,942
7,930	-	147,286	5,422	726,669	1,468,695	975,256	3,832,686	11,384,225
\$ 9,756	\$ 236,355	\$ 150,261	\$ 6,000	\$ 759,281	\$ 1,528,490	\$ 1,013,591	\$ 3,845,837	\$ 11,961,182

OCONEE COUNTY, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds					
	Emergency Services Protection District	Road Maintenance	911 Communications	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance
Revenues:						
Property taxes	\$ 1,509,945	\$ 1,200,185	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	187,545	200,069	346,555	-
Intergovernmental	-	177,812	259,121	-	-	-
Fines and forfeitures	-	-	-	-	-	55,651
Interest revenue	-	-	-	-	-	-
Total revenues	<u>1,509,945</u>	<u>1,377,997</u>	<u>446,666</u>	<u>200,069</u>	<u>346,555</u>	<u>55,651</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	1,525,341	-	449,555	-	-	159,091
Transportation	-	394,325	-	-	-	-
Culture and recreation	-	-	-	252,521	303,687	-
Judicial services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	190,107	-	48,530	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>1,715,448</u>	<u>394,325</u>	<u>498,085</u>	<u>252,521</u>	<u>303,687</u>	<u>159,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(205,503)</u>	<u>983,672</u>	<u>(51,419)</u>	<u>(52,452)</u>	<u>42,868</u>	<u>(103,440)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	95,000
Transfers out	-	-	-	(33,753)	-	-
Insurance recoveries	-	-	-	-	-	-
Proceeds from the issuance of capital lease	-	-	-	-	-	-
Proceeds from the issuance of refunding bonds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,753)</u>	<u>-</u>	<u>95,000</u>
Net change in fund balances	(205,503)	983,672	(51,419)	(86,205)	42,868	(8,440)
Fund balances, beginning of year	<u>482,593</u>	<u>1,276,232</u>	<u>1,343,654</u>	<u>141,392</u>	<u>228,901</u>	<u>72,536</u>
Fund balances, end of year	<u>\$ 277,090</u>	<u>\$ 2,259,904</u>	<u>\$ 1,292,235</u>	<u>\$ 55,187</u>	<u>\$ 271,769</u>	<u>\$ 64,096</u>

Special Revenue Funds					Debt Service Fund	Capital Projects Funds		
Solicitor's Victims' Assistance	Duke Energy Fixed Nuclear Facility	Clerk of Court Federal Child Support	Library State Aid	Tri-County Tech	Debt Service	Capital Projects	Bridge and Culvert Capital Projects	Totals
\$ -	\$ -	\$ -	\$ -	\$ 1,689,570	\$ 2,474,035	\$ -	\$ 576,243	\$ 7,449,978
-	-	-	-	-	-	-	-	734,169
-	78,513	204,878	129,978	-	-	225,386	-	1,075,688
23,524	-	-	-	-	-	-	-	79,175
-	-	-	-	-	21,621	2,308	-	23,929
<u>23,524</u>	<u>78,513</u>	<u>204,878</u>	<u>129,978</u>	<u>1,689,570</u>	<u>2,495,656</u>	<u>227,694</u>	<u>576,243</u>	<u>9,362,939</u>
-	-	-	-	-	-	353,072	-	353,072
71,349	71,157	-	-	-	-	-	-	2,276,493
-	-	-	-	-	-	-	56,398	450,723
-	-	-	72,015	-	-	-	-	628,223
-	-	155,579	-	-	-	-	-	155,579
-	-	-	-	1,512,498	-	-	-	1,512,498
-	8,106	-	53,800	-	-	669,449	480	970,472
-	-	-	-	-	1,852,009	-	-	1,852,009
-	-	-	-	-	553,106	-	-	553,106
<u>71,349</u>	<u>79,263</u>	<u>155,579</u>	<u>125,815</u>	<u>1,512,498</u>	<u>2,405,115</u>	<u>1,022,521</u>	<u>56,878</u>	<u>8,752,175</u>
(47,825)	(750)	49,299	4,163	177,072	90,541	(794,827)	519,365	610,764
30,000	750	-	-	-	-	66,500	-	192,250
-	-	-	-	-	-	-	-	(33,753)
-	-	-	-	-	-	468,424	-	468,424
-	-	-	-	-	-	365,000	-	365,000
-	-	-	-	-	513,595	-	-	513,595
<u>30,000</u>	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>513,595</u>	<u>899,924</u>	<u>-</u>	<u>1,505,516</u>
(17,825)	-	49,299	4,163	177,072	604,136	105,097	519,365	2,116,280
25,755	-	97,987	1,259	549,597	864,559	870,159	3,313,321	9,267,945
<u>\$ 7,930</u>	<u>\$ -</u>	<u>\$ 147,286</u>	<u>\$ 5,422</u>	<u>\$ 726,669</u>	<u>\$ 1,468,695</u>	<u>\$ 975,256</u>	<u>\$ 3,832,686</u>	<u>\$ 11,384,225</u>

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, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,460,000	\$ 1,460,000	\$ 1,509,945	\$ 49,945
Total revenues	<u>1,460,000</u>	<u>1,460,000</u>	<u>1,509,945</u>	<u>49,945</u>
EXPENDITURES				
Public safety	1,438,000	1,547,959	1,525,341	22,618
Capital outlay	-	297,674	190,107	107,567
Total expenditures	<u>1,438,000</u>	<u>1,845,633</u>	<u>1,715,448</u>	<u>130,185</u>
Net change in fund balance	22,000	(385,633)	(205,503)	(80,240)
FUND BALANCES, beginning of year	<u>482,593</u>	<u>482,593</u>	<u>482,593</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 504,593</u>	<u>\$ 96,960</u>	<u>\$ 277,090</u>	<u>\$ (80,240)</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, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,171,920	\$ 1,171,920	\$ 1,200,185	\$ 28,265
Intergovernmental	220,000	220,000	177,812	(42,188)
Total revenues	<u>1,391,920</u>	<u>1,391,920</u>	<u>1,377,997</u>	<u>(13,923)</u>
EXPENDITURES				
Transportation	450,000	450,000	394,325	55,675
Capital outlay	1,020,000	2,327,492	-	2,327,492
Total expenditures	<u>1,470,000</u>	<u>2,777,492</u>	<u>394,325</u>	<u>2,383,167</u>
Net change in fund balance	(78,080)	(1,385,572)	983,672	2,369,244
FUND BALANCES, beginning of year	<u>1,276,232</u>	<u>1,276,232</u>	<u>1,276,232</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,198,152</u>	<u>\$ (109,340)</u>	<u>\$ 2,259,904</u>	<u>\$ 2,369,244</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, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Other taxes	\$ 300,000	\$ 300,000	\$ 187,545	\$ (112,455)
Intergovernmental	240,000	240,000	259,121	19,121
Total revenues	<u>540,000</u>	<u>540,000</u>	<u>446,666</u>	<u>(93,334)</u>
EXPENDITURES				
Public safety	784,000	859,271	449,555	409,716
Capital outlay	250,000	298,530	48,530	250,000
Total expenditures	<u>1,034,000</u>	<u>1,157,801</u>	<u>498,085</u>	<u>659,716</u>
Net change in fund balance	(494,000)	(617,801)	(51,419)	566,382
FUND BALANCES, beginning of year	<u>1,343,654</u>	<u>1,343,654</u>	<u>1,343,654</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 849,654</u>	<u>\$ 725,853</u>	<u>\$ 1,292,235</u>	<u>\$ 566,382</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, 2018

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 57,000	\$ 57,000	\$ 55,651	\$ (1,349)
Total revenues	57,000	57,000	55,651	(1,349)
EXPENDITURES				
Public safety	144,641	144,641	159,091	(14,450)
Total expenditures	144,641	144,641	159,091	(14,450)
Deficiency of revenues under expenditures	(87,641)	(87,641)	(103,440)	(15,799)
Other financing sources				
Transfers in	95,000	95,000	95,000	-
Total other financing sources	95,000	95,000	95,000	-
Net change in fund balance	7,359	7,359	(8,440)	(15,799)
FUND BALANCES, beginning of year	72,536	72,536	72,536	-
FUND BALANCES, end of year	<u>\$ 79,895</u>	<u>\$ 79,895</u>	<u>\$ 64,096</u>	<u>\$ (15,799)</u>

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Fines and forfeitures	\$ 28,000	\$ 28,000	\$ 23,524	\$ (4,476)
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>23,524</u>	<u>(4,476)</u>
EXPENDITURES				
Public safety	67,022	67,022	71,349	(4,327)
Total expenditures	<u>67,022</u>	<u>67,022</u>	<u>71,349</u>	<u>(4,327)</u>
Deficiency of revenues under expenditures	(39,022)	(39,022)	(47,825)	(8,803)
Other financing sources				
Transfers in	30,000	30,000	30,000	-
Total other financing sources	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net change in fund balance	(9,022)	(9,022)	(17,825)	(8,803)
FUND BALANCES, beginning of year	<u>25,755</u>	<u>25,755</u>	<u>25,755</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 16,733</u>	<u>\$ 16,733</u>	<u>\$ 7,930</u>	<u>\$ (8,803)</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, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Intergovernmental	\$ 129,978	\$ 129,978	\$ 129,978	\$ -
Total revenues	<u>129,978</u>	<u>129,978</u>	<u>129,978</u>	<u>-</u>
EXPENDITURES				
Culture and recreation	77,478	76,178	72,015	4,163
Capital outlay	52,500	53,800	53,800	-
Total expenditures	<u>129,978</u>	<u>129,978</u>	<u>125,815</u>	<u>4,163</u>
Net change in fund balance	-	-	4,163	4,163
FUND BALANCES, beginning of year	<u>1,259</u>	<u>1,259</u>	<u>1,259</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 1,259</u></u>	<u><u>\$ 1,259</u></u>	<u><u>\$ 5,422</u></u>	<u><u>\$ 4,163</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, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,670,000	\$ 1,670,000	\$ 1,689,570	\$ 19,570
Total revenues	<u>1,670,000</u>	<u>1,670,000</u>	<u>1,689,570</u>	<u>19,570</u>
EXPENDITURES				
Education	1,086,000	1,086,000	1,512,498	(426,498)
Total expenditures	<u>1,086,000</u>	<u>1,086,000</u>	<u>1,512,498</u>	<u>(426,498)</u>
Net change in fund balance	584,000	584,000	177,072	(406,928)
FUND BALANCES, beginning of year	<u>549,597</u>	<u>549,597</u>	<u>549,597</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 1,133,597</u>	<u>\$ 1,133,597</u>	<u>\$ 726,669</u>	<u>\$ (406,928)</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, 2018**

	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance
REVENUES				
Property taxes	\$ 1,958,544	\$ 1,958,544	\$ 2,474,035	\$ 515,491
Interest revenue	-	-	21,621	21,621
Total revenues	<u>1,958,544</u>	<u>1,958,544</u>	<u>2,495,656</u>	<u>537,112</u>
EXPENDITURES				
Debt service				
Principal	1,338,000	1,338,000	1,852,009	(514,009)
Interest	532,836	532,836	553,106	(20,270)
Total expenditures	<u>1,870,836</u>	<u>1,870,836</u>	<u>2,405,115</u>	<u>(534,279)</u>
Excess of revenues over expenditures	<u>87,708</u>	<u>87,708</u>	<u>90,541</u>	<u>2,833</u>
Other financing sources				
Proceeds from the issuance of refunding bonds	-	-	513,595	513,595
Total other financing sources	<u>-</u>	<u>-</u>	<u>513,595</u>	<u>513,595</u>
Net change in fund balance	<u>87,708</u>	<u>87,708</u>	<u>604,136</u>	<u>516,428</u>
FUND BALANCES, beginning of year	<u>864,559</u>	<u>864,559</u>	<u>864,559</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 952,267</u>	<u>\$ 952,267</u>	<u>\$ 1,468,695</u>	<u>\$ 516,428</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, 2018**

	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 525,000	\$ 525,000	\$ 576,243	\$ 51,243
Total revenues	<u>525,000</u>	<u>525,000</u>	<u>576,243</u>	<u>51,243</u>
EXPENDITURES				
Transportation	450,000	450,000	56,398	393,602
Capital outlay	-	88,628	480	88,148
Total expenditures	<u>450,000</u>	<u>538,628</u>	<u>56,878</u>	<u>481,750</u>
Net change in fund balance	75,000	(13,628)	519,365	532,993
FUND BALANCES, beginning of year	<u>3,313,321</u>	<u>3,313,321</u>	<u>3,313,321</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 3,388,321</u>	<u>\$ 3,299,693</u>	<u>\$ 3,832,686</u>	<u>\$ 532,993</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
SDOC General Fund				
ASSETS				
Cash and cash equivalents	\$ 418,485	\$ 50,434,661	\$ (50,420,446)	\$ 432,700
Taxes receivable	1,770,216	28,443	(118,977)	1,679,682
Total assets	<u>\$ 2,188,701</u>	<u>\$ 50,463,104</u>	<u>\$ (50,539,423)</u>	<u>\$ 2,112,382</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 2,188,701	\$ 50,463,104	(50,539,423)	\$ 2,112,382
Total liabilities	<u>\$ 2,188,701</u>	<u>\$ 50,463,104</u>	<u>\$ (50,539,423)</u>	<u>\$ 2,112,382</u>
SDOC Debt Retirement				
ASSETS				
Cash and cash equivalents	\$ 7,380,012	\$ 63,542,965	\$ (61,955,025)	\$ 8,967,952
Taxes receivable	522,212	1,476	(24,515)	499,173
Total assets	<u>\$ 7,902,224</u>	<u>\$ 63,544,441</u>	<u>\$ (61,979,540)</u>	<u>\$ 9,467,125</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 7,902,224	\$ 63,544,441	\$ (61,979,540)	\$ 9,467,125
Total liabilities	<u>\$ 7,902,224</u>	<u>\$ 63,544,441</u>	<u>\$ (61,979,540)</u>	<u>\$ 9,467,125</u>
Family Court				
ASSETS				
Cash and cash equivalents	\$ 19,027	\$ 4,703,564	\$ (4,702,469)	\$ 20,122
Total assets	<u>\$ 19,027</u>	<u>\$ 4,703,564</u>	<u>\$ (4,702,469)</u>	<u>\$ 20,122</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 19,027	\$ 4,703,564	\$ (4,702,469)	\$ 20,122
Total liabilities	<u>\$ 19,027</u>	<u>\$ 4,703,564</u>	<u>\$ (4,702,469)</u>	<u>\$ 20,122</u>
Clerk of Court				
ASSETS				
Cash and cash equivalents	\$ 185,176	\$ 1,206,497	\$ (1,017,178)	\$ 374,495
Total assets	<u>\$ 185,176</u>	<u>\$ 1,206,497</u>	<u>\$ (1,017,178)</u>	<u>\$ 374,495</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 185,176	\$ 1,206,497	\$ (1,017,178)	\$ 374,495
Total liabilities	<u>\$ 185,176</u>	<u>\$ 1,206,497</u>	<u>\$ (1,017,178)</u>	<u>\$ 374,495</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
Municipal Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 68,064	\$ 3,454,010	\$ (3,429,775)	\$ 92,299
Taxes receivable	207,478	3,563	(3,001)	208,040
Total assets	<u>\$ 275,542</u>	<u>\$ 3,457,573</u>	<u>\$ (3,432,776)</u>	<u>\$ 300,339</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 275,542	\$ 3,457,573	\$ (3,432,776)	\$ 300,339
Total liabilities	<u>\$ 275,542</u>	<u>\$ 3,457,573</u>	<u>\$ (3,432,776)</u>	<u>\$ 300,339</u>
Keowee Fire Tax District				
ASSETS				
Cash and cash equivalents	\$ 7,822	\$ 748,816	\$ (748,209)	\$ 8,429
Taxes receivable	4,802	137	(67)	4,872
Total assets	<u>\$ 12,624</u>	<u>\$ 748,953</u>	<u>\$ (748,276)</u>	<u>\$ 13,301</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 12,624	\$ 748,953	\$ (748,276)	\$ 13,301
Total liabilities	<u>\$ 12,624</u>	<u>\$ 748,953</u>	<u>\$ (748,276)</u>	<u>\$ 13,301</u>
Magistrate Cash Bond/Juror Fund				
ASSETS				
Cash and cash equivalents	\$ 15,231	\$ 1,047,172	\$ (990,753)	\$ 71,650
Total assets	<u>\$ 15,231</u>	<u>\$ 1,047,172</u>	<u>\$ (990,753)</u>	<u>\$ 71,650</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 15,231	\$ 1,047,172	\$ (990,753)	\$ 71,650
Total liabilities	<u>\$ 15,231</u>	<u>\$ 1,047,172</u>	<u>\$ (990,753)</u>	<u>\$ 71,650</u>
Delinquent Tax Fund				
ASSETS				
Cash and cash equivalents	\$ 964,882	\$ 4,663,457	\$ (4,698,676)	\$ 929,663
Total assets	<u>\$ 964,882</u>	<u>\$ 4,663,457</u>	<u>\$ (4,698,676)</u>	<u>\$ 929,663</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 964,882	\$ 4,663,457	\$ (4,698,676)	\$ 929,663
Total liabilities	<u>\$ 964,882</u>	<u>\$ 4,663,457</u>	<u>\$ (4,698,676)</u>	<u>\$ 929,663</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
Sheriff's Office				
ASSETS				
Cash and cash equivalents	\$ 187,966	\$ 284,349	\$ (249,318)	\$ 222,997
Total assets	<u>\$ 187,966</u>	<u>\$ 284,349</u>	<u>\$ (249,318)</u>	<u>\$ 222,997</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 187,966	\$ 284,349	\$ (249,318)	\$ 222,997
Total liabilities	<u>\$ 187,966</u>	<u>\$ 284,349</u>	<u>\$ (249,318)</u>	<u>\$ 222,997</u>
Fireman's Insurance and Inspection Fund				
ASSETS				
Cash and cash equivalents	\$ 189	\$ 186,216	\$ (186,216)	\$ 189
Total assets	<u>\$ 189</u>	<u>\$ 186,216</u>	<u>\$ (186,216)</u>	<u>\$ 189</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 189	\$ 186,216	\$ (186,216)	\$ 189
Total liabilities	<u>\$ 189</u>	<u>\$ 186,216</u>	<u>\$ (186,216)</u>	<u>\$ 189</u>
Probate Judge				
ASSETS				
Cash and cash equivalents	\$ 13,946	\$ 44,670	\$ (44,408)	\$ 14,208
Total assets	<u>\$ 13,946</u>	<u>\$ 44,670</u>	<u>\$ (44,408)</u>	<u>\$ 14,208</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 13,946	\$ 44,670	\$ (44,408)	\$ 14,208
Total liabilities	<u>\$ 13,946</u>	<u>\$ 44,670</u>	<u>\$ (44,408)</u>	<u>\$ 14,208</u>
Solicitor's Worthless Check Program				
ASSETS				
Cash and cash equivalents	\$ -	\$ 14,696	\$ (14,696)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 14,696</u>	<u>\$ (14,696)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 14,696	\$ (14,696)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 14,696</u>	<u>\$ (14,696)</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
Retiree Health Reimbursement				
ASSETS				
Cash and cash equivalents	\$ -	\$ 165,956	\$ (165,956)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 165,956</u>	<u>\$ (165,956)</u>	<u>\$ -</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 165,956	\$ (165,956)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 165,956</u>	<u>\$ (165,956)</u>	<u>\$ -</u>
Employee Health Flex Spending				
ASSETS				
Cash and cash equivalents	\$ 152	\$ 126,651	\$ (126,729)	\$ 74
Total assets	<u>\$ 152</u>	<u>\$ 126,651</u>	<u>\$ (126,729)</u>	<u>\$ 74</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 152	\$ 126,651	\$ (126,729)	\$ 74
Total liabilities	<u>\$ 152</u>	<u>\$ 126,651</u>	<u>\$ (126,729)</u>	<u>\$ 74</u>
Pickens County				
ASSETS				
Cash and cash equivalents	\$ 58,973	\$ 123,488	\$ (126,984)	\$ 55,477
Total assets	<u>\$ 58,973</u>	<u>\$ 123,488</u>	<u>\$ (126,984)</u>	<u>\$ 55,477</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 58,973	\$ 123,488	\$ (126,984)	\$ 55,477
Total liabilities	<u>\$ 58,973</u>	<u>\$ 123,488</u>	<u>\$ (126,984)</u>	<u>\$ 55,477</u>
Anderson County				
ASSETS				
Cash and cash equivalents	\$ -	\$ 3,930	\$ -	\$ 3,930
Total assets	<u>\$ -</u>	<u>\$ 3,930</u>	<u>\$ -</u>	<u>\$ 3,930</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ -	\$ 3,930	\$ -	\$ 3,930
Total liabilities	<u>\$ -</u>	<u>\$ 3,930</u>	<u>\$ -</u>	<u>\$ 3,930</u>

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	June 30, 2017	Increases	Decreases	June 30, 2018
Community Development				
ASSETS				
Cash and cash equivalents	\$ 269,447	\$ -	\$ -	\$ 269,447
Total assets	<u>\$ 269,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,447</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 269,447	\$ -	\$ -	\$ 269,447
Total liabilities	<u>\$ 269,447</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269,447</u>
Totals				
ASSETS				
Cash and cash equivalents	\$ 9,589,372	\$ 130,751,098	\$ (128,876,838)	\$ 11,463,632
Taxes receivable	2,504,708	33,619	(146,560)	2,391,767
Total assets	<u>\$ 12,094,080</u>	<u>\$ 130,784,717</u>	<u>\$ (129,023,398)</u>	<u>\$ 13,855,399</u>
LIABILITIES				
Due to other taxing districts and agencies	\$ 12,094,080	\$ 130,784,717	\$ (129,023,398)	\$ 13,855,399
Total liabilities	<u>\$ 12,094,080</u>	<u>\$ 130,784,717</u>	<u>\$ (129,023,398)</u>	<u>\$ 13,855,399</u>

OCONEE COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	<u>General Sessions</u>	<u>Magistrate Court</u>	<u>Municipal Court</u>	<u>Total</u>
Court Fines and Assessments:				
Court fines and assessments collected	\$ 58,448	\$ 646,209	N/A	\$ 704,657
Court fines and assessments remitted to State Treasurer	34,824	366,427	N/A	\$ 401,251
Total Court Fines and Assessments retained	\$ 23,624	\$ 279,782	N/A	\$ 303,406
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained	\$ 18,806	\$ 19,789	N/A	38,595
Assessments retained	4,718	27,965	N/A	32,683
Total Surcharges and Assessments retained for victim services	\$ 23,524	\$ 47,754	N/A	71,278

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

<u>VICTIM SERVICE FUNDS COLLECTED</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Carryforward from Previous Year – Beginning Balance	N/A	\$ 98,291	\$ 98,291
<u>Victim Service Revenue:</u>			
Victim Service Fines Retained by City/County Treasurer	N/A	-	-
Victim Service Assessments Retained by City/County Treasurer	N/A	32,683	32,683
Victim Service Surcharges Retained by City/County Treasurer	N/A	38,595	38,595
Interest Earned	N/A	-	-
Grant Funds Received			
Grant from:	N/A	-	-
General Funds Transferred to Victim Service Fund	N/A	125,000	125,000
Contribution Received from Victim Service Contracts:			
(1) City of Westminster	N/A	7,885	7,885
(2) Town of West Union	N/A	12	12
(3) City of	N/A	-	-
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	N/A	\$ 302,466	\$ 302,466

OCONEE COUNTY, SOUTH CAROLINA
UNIFORM SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES (per ACT 96)
For The Year Ended June 30, 2018

<u>Expenditures for Victim Service Program:</u>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	N/A	230,440	\$ 230,440
Operating Expenditures	N/A	-	-
Victim Service Contract(s):			
(1) Entity's Name:	N/A	-	-
(2) Entity's Name	N/A	-	-
Victim Service Donation(s):			
(1) Domestic Violence Shelter:	N/A	-	-
(2) Rape Crisis Center:	N/A	-	-
(3) Other local direct crime victims service agency:	N/A	-	-
Transferred to General Fund	N/A	-	-
Total Expenditures from Victim Service Fund/Program (B)	N/A	230,440	230,440
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	N/A	72,026	72,026
Less: Prior Year Fund Deficit Repayment	N/A	-	-
Carryforward Funds – End of Year	N/A	\$ 72,026	\$ 72,026

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	106 - 111
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	112 - 115
<i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	
Debt Capacity.....	116 - 120
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	121 and 124
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information.....	125 - 130
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

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

OCONEE COUNTY, SOUTH CAROLINA

NET POSITION BY ACTIVITY LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 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	\$ 111,858,197
Restricted	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	11,397,155
Unrestricted	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)	(23,584,421)
Total Governmental Activities Net Position	142,618,804	141,373,510	145,115,966	143,603,705	143,587,039	144,489,278	117,493,608	119,769,670	116,059,431	99,670,931
Business-type Activities										
Net investment in capital assets	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	3,527,427
Unrestricted	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	5,079,971
Total Business-type Activities Net Position	5,916,810	5,899,000	6,040,160	12,475,492	16,151,189	13,672,394	11,079,872	10,706,947	4,171,909	8,607,398
Primary Government										
Net investment in capital assets	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	115,385,624
Restricted	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	11,397,155
Unrestricted	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)	(18,504,450)
Total Primary Government Net Position	<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>	<u>\$ 108,278,329</u>

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 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	\$ 13,350,317
Public safety	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	24,291,184
Transportation	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	6,693,782
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	4,350,823
Culture and recreation	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	3,597,829
Judicial services	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	3,214,237
Education	-	972,117	1,112,556	1,048,376	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999	1,512,498
Health and welfare	785,094	764,810	1,293,650	1,262,341	494,226	1,057,650	400,441	542,478	534,108	510,848
Economic development	-	553,264	756,688	617,995	1,517,386	2,454,331	1,291,090	891,864	3,858,741	7,167,155
Unallocated interest expense	447,120	384,690	313,024	590,972	854,537	852,127	642,981	648,480	614,791	551,023
Total Governmental Activities Expenses	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	65,239,696
<u>Business-type Activities:</u>										
Rock Quarry	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	3,590,313
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	2,246,791	2,724,555	2,331,525	2,247,052	2,931,724	4,332,283	5,084,825	5,824,261	12,236,309	3,590,313
Total Primary Government Expenses	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	68,830,009
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	4,657,574	635,354	682,115	699,104	721,041	743,811	957,289	1,102,851	1,131,063	1,309,495
Public safety	133,514	712,860	581,997	545,666	954,080	1,050,750	1,121,939	945,391	1,094,335	1,335,346
Transportation	-	549,140	689,700	911,261	954,518	842,073	840,747	839,311	999,702	1,085,477
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	1,652,254
Culture and recreation	-	348,402	376,308	377,337	358,074	377,862	378,066	468,321	531,420	571,045
Judicial services	1,730	1,281,388	1,106,359	1,109,336	1,005,102	907,605	779,808	746,975	747,257	796,027
Health and welfare	-	33,670	-	87,487	-	-	-	-	-	-
Economic development	-	-	-	-	9,500	-	-	850	226	-
Operating grants and contributions	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	2,337,922
Capital grants and contributions	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	1,263,529
Total Governmental Activities Program Revenues	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	10,351,095
<u>Business-type Activities:</u>										
Charges for services										
Rock Quarry	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	5,869,860
FOCUS	-	-	-	1,110	913,801	44,879	4,166,519	5,021,553	969,651	235,430
Solid Waste	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	210,434	6,455,725	3,141,110	-	-	-	-	7,660
Total Business-type Activities Program Revenues	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	6,112,950
Total Primary Government Program Revenues	\$ 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	\$ 16,464,045

OCONEE COUNTY, SOUTH CAROLINA

CHANGE IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (54,888,601)
Business-type Activities	790,382	680,201	1,121,649	7,064,163	3,902,432	(894,235)	(440,297)	104,689	(6,035,038)	2,522,637
Total Primary Government	\$ (34,393,054)	\$ (35,464,971)	\$ (37,766,261)	\$ (36,781,327)	\$ (38,304,271)	\$ (45,572,567)	\$ (42,208,431)	\$ (43,591,547)	\$ (56,686,830)	\$ (52,365,964)
General Revenues and Other Changes in Net Position										
<u>Governmental Activities:</u>										
Property taxes	\$ 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	\$ 43,219,013
Other taxes and licenses	1,231,011	848,922	874,795	755,113	772,729	843,741	883,996	896,899	1,027,358	1,017,648
Unrestricted grants and contributions	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	2,831,768
Unrestricted investment earnings	1,061,380	498,702	370,259	427,725	350,417	483,260	521,943	546,936	232,848	401,360
Sale of capital assets	(740,289)	-	-	-	-	-	-	-	-	-
Miscellaneous	287,463	161,281	137,299	137,819	-	-	-	-	-	-
Special items	-	825,000	944,370	-	-	-	-	-	-	-
Insurance recoveries	-	-	-	-	232,576	-	203,750	118,692	111,094	620,830
Proceeds from legal settlement	-	-	-	-	375,000	-	-	-	-	-
Transfers	900,669	687,650	989,861	633,309	116,991	1,583,009	750,000	483,522	500,000	(2,440,828)
Total Governmental Activities	40,327,194	41,731,219	42,630,366	42,333,229	42,218,727	45,580,571	45,328,580	45,972,298	46,941,553	45,649,791
<u>Business-type Activities:</u>										
Investment earnings	110,287	7,449	9,372	4,478	3,714	(1,552)	13,883	5,908	-	5,211
Miscellaneous	-	-	-	-	37,056	-	-	-	-	-
Transfers	(900,669)	(687,650)	(989,861)	(633,309)	(116,991)	(1,583,009)	(750,000)	(483,522)	(500,000)	2,440,828
Total Business-type Activities	(790,382)	(680,201)	(980,489)	(628,831)	(76,221)	(1,584,561)	(736,117)	(477,614)	(500,000)	2,446,039
Total Primary Government	39,536,812	41,051,018	41,649,877	41,704,398	42,142,506	43,996,010	44,592,463	45,494,684	46,441,553	48,095,830
Change in Net Position										
Governmental Activities	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)	(9,238,810)
Business-type Activities	-	-	141,160	6,435,332	3,826,211	(2,478,796)	(1,176,414)	(372,925)	(6,535,038)	4,968,676
Total Primary Government	\$ 5,143,758	\$ 5,586,047	\$ 3,883,616	\$ 4,923,071	\$ 3,838,235	\$ (1,576,557)	\$ 2,384,032	\$ 1,903,137	\$ (10,245,277)	\$ (4,270,134)

OCONEE COUNTY, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 590,626	\$ 4,734,890								
Unreserved	22,832,404	19,663,178								
Total General Fund	<u>\$ 23,423,030</u>	<u>\$ 24,398,068</u>								
All Other Governmental Funds										
Reserved	\$ 11,422,123	\$ 18,103,322								
Unreserved, reported in:										
Special revenue funds	-	2,471,822								
Capital projects	2,962,854	-								
Total All Other Governmental Funds	<u>\$ 14,384,977</u>	<u>\$ 20,575,144</u>								
Total Governmental Fund Balance	<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	\$ 8,722,562
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	5,050,838
Unassigned			13,008,265	7,521,789	7,912,690	7,956,354	7,680,785	5,778,824	6,003,573	6,412,141
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>	<u>\$ 20,185,541</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	\$ 2,467,749
Restricted			23,000,044	21,761,098	31,810,874	23,056,108	12,010,393	11,572,618	11,854,956	11,397,155
Committed			-	-	-	-	1,830,000	1,900,000	-	-
Assigned			4,720,626	6,514,510	-	1,418,771	-	500,000	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>	<u>\$ 14,364,904</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>	<u>\$ 34,550,445</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property taxes	\$ 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	\$ 42,783,917
Other taxes	-	538,901	634,857	502,286	656,268	636,153	692,870	774,943	837,018	734,169
Intergovernmental	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	5,432,437
Licenses, permits and fees	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	4,449,954
Fines and forfeitures	639,085	582,737	522,071	485,898	442,930	462,505	397,280	349,825	443,592	331,778
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	2,051,240
County airport	475,413	-	-	-	-	-	-	-	-	-
PRT commission	300,169	-	-	-	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	971,447	-	-	-	-	-	-	-	-	-
Interest and investment income	1,061,380	498,704	370,260	428,175	350,414	483,260	521,943	546,936	232,848	401,360
Contributions and donations	-	-	-	-	-	-	-	-	729,342	100,740
Miscellaneous and other	1,129,037	453,342	1,581,827	612,032	620,736	563,502	402,341	626,619	260,878	225,422
Total Revenues	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	56,511,017
Expenditures										
General government	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	12,610,766
Public safety	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	21,332,622
Transportation	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	4,149,598
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	4,338,179
Culture and recreation	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	3,636,466
Judicial services	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	2,819,197
Education	-	972,117	1,049,556	1,013,376	1,036,754	1,041,785	1,066,000	1,086,000	1,065,999	1,512,498
Health and welfare	638,131	613,646	718,538	682,022	340,292	939,131	395,228	403,368	396,721	424,825
Economic development	-	353,204	745,294	608,382	1,497,332	8,809,901	1,885,090	884,078	4,443,777	6,719,429
Capital outlay	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	2,367,763
Debt service										
Principal retirement	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	2,678,490
Interest and fiscal charges	447,120	376,340	393,536	815,861	905,084	856,521	743,870	645,774	644,171	606,591
Bond issue costs	-	-	195,907	-	79,154	102,756	-	50,500	63,000	20,000
Total Expenditures	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	63,216,424
Excess (Deficiency) of Revenues Over (Under) Expenditures	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)	(6,705,407)

OCONEE COUNTY, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Sale of capital assets	\$ 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	620,830
Bonds and capital leases	-	3,500,000	22,300,000	1,614,812	2,638,954	4,998,150	-	4,200,000	3,300,000	878,595
Bond premium	-	-	981,266	-	-	-	-	-	-	-
Payments to refunding bonds escrow	-	-	(5,411,024)	-	-	-	-	-	-	-
Transfer in	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	726,003
Transfer out	(2,634,999)	(6,084,752)	(6,292,456)	(217,143)	(5,071,906)	(1,517,358)	(144,582)	(815,121)	(4,008,152)	(3,166,831)
Total Other Financing Sources (Uses)	<u>1,032,865</u>	<u>4,280,461</u>	<u>18,917,972</u>	<u>2,305,439</u>	<u>3,019,692</u>	<u>6,581,160</u>	<u>1,060,858</u>	<u>4,986,591</u>	<u>3,995,762</u>	<u>(941,403)</u>
Special Items										
Gain on sale of land	-	-	944,370	-	-	-	-	-	-	-
Courthouse settlement	-	825,000	-	-	-	-	-	-	-	-
Total Special Items	<u>-</u>	<u>825,000</u>	<u>944,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<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>	<u>\$ (7,646,810)</u>
Debt Service as a Percentage of Noncapital Expenditures*	5.61%	5.25%	5.97%	7.34%	165.00%	9.28%	22.36%	8.71%	6.73%	5.48%

* Noncapital expenditures are total expenditures less capital outlay (to the extent capitalized for the government-wide statement of net position) 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
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%
2018	\$ 335,399,830	\$ 42,663,982	\$ 190,688,108	\$ 568,751,920	71.0	\$ 9,622,040,752	5.91%

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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Oconee County Direct Rates										
Operating	64.10	63.90	61.10	58.90	58.90	57.60	57.60	57.60	60.40	60.30
Debt service	4.10	1.40	1.90	6.00	6.00	6.00	6.00	6.00	3.20	3.50
Economic development	1.00	1.00	1.00	1.00	1.00	2.20	2.20	2.20	2.20	1.10
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	2.10	2.10	2.10	2.10	2.10
Tri-County Tech Operations	2.10	2.70	2.10	2.10	2.10	2.10	2.10	2.10	2.10	3.00
Total County Millage	<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>	<u>71.00</u>
Overlapping Rates										
School District										
Operations	110.50	111.40	107.10	101.40	110.10	110.10	110.10	110.10	110.10	115.30
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>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>	<u>146.30</u>
Special District Rates										
City of Salem	31.00	32.40	32.40	32.40	32.40	34.90	36.40	36.40	36.40	37.00
City of Seneca	52.30	52.30	52.30	52.30	52.30	55.30	55.30	55.30	59.30	60.50
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	40.25	41.30	41.30	42.00	45.00	46.00	46.00	48.30	48.80	48.80
City of Westminster	90.70	90.70	90.70	90.70	90.70	90.70	97.30	99.30	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	13.50	14.50	14.40	14.50	14.50	14.50	14.50	14.50	14.50	14.50
Total Special District Millage	<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>	<u>347.00</u>
Total Direct and Overlapping Rates	<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>	<u>564.30</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	2018			Taxpayer	2009		
	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value		Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$158,839,640	1	27.93%	Duke Energy Corporation	\$131,413,420	1	27.78%
Blue Ridge Electric Coop Inc.	6,995,240	2	1.23%	Blue Ridge Electric Coop Inc.	5,603,990	2	1.18%
BASF Catalyst, LLC	5,742,507	3	1.01%	Valenite, LLC	4,311,341	3	0.91%
Borg Warner Torq Systems Inc.	4,153,908	4	0.73%	BASF Catalyst, LLC	3,629,120	4	0.77%
Sandvik Inc.	3,119,640	5	0.55%	Bellsouth Telecomm Inc.	3,174,260	5	0.67%
Cryovac Inc.	2,850,179	6	0.50%	Cryovac Inc.	3,132,730	6	0.66%
U S Engine Valve Company	2,572,495	7	0.45%	US Engine Valve Company	1,581,370	7	0.33%
Bellsouth Telecommunications Inc.	1,808,490	8	0.32%	Johnson Controls Battery Group	1,463,471	8	0.31%
Itron Electricity Metering Inc.	1,727,795	9	0.30%	Square D Company	1,453,770	9	0.31%
Johnson Controls Battery Group	1,698,471	10	0.30%	Timken US Corporation	1,412,449	10	0.30%
Total	<u>\$189,508,365</u>		33.32%		<u>\$157,175,921</u>		33.22%
Total Gross Digest Assessment	<u>\$568,751,920</u>			Total Gross Digest Assessment	<u>\$473,103,274</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
2009	\$ 33,769,581	\$ 32,376,414	95.87%	\$ 737,626	\$ 33,114,040	98.06%
2010	35,142,666	33,697,683	95.89%	647,573	34,345,256	97.73%
2011	35,142,660	33,749,807	96.04%	720,960	34,470,767	98.09%
2012	37,241,977	35,899,993	96.40%	1,341,984	37,241,977	100.00%
2013	35,707,481	34,513,231	96.66%	901,118	35,414,349	99.18%
2014	36,786,238	35,519,419	96.56%	735,590	36,255,009	98.56%
2015	37,438,922	36,298,823	96.95%	703,580	37,002,403	98.83%
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%
2018	42,030,767	40,696,615	96.83%	1,003,673	41,700,288	99.21%

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 Bonds	Special Source Revenue Bonds	Special Source Refunding Revenue Bonds	Capital Leases	Revenue Bond	Capital Leases			
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%	319
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	0.7%	271
2018	14,174,077	-	2,011,000	2,923,622	-	6,552,500	25,661,199	0.8%	330

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 fiscal year 2013. In fiscal year 2017-2018, this bond was refunded with General Obligation Current Refunding Bond, Series 2017. 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		
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%	259
2014	17,839,292	1,095,802	16,743,490	3.21%	224
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%	194
2018	14,174,077	1,051,918	13,122,159	2.31%	169

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, 2018

Governmental Unit	Debt Outstanding	Estimated Percent Applicable ¹	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Oconee County	\$ 18,699,113	100.00%	<u>\$ 18,699,113</u>
Overlapping Debt:			
School District of Oconee County	46,665,583	100.00%	46,665,583
<u>Incorporated Municipalities</u>			
Town of Westminster	-	1.10%	-
Town of West Union	-	0.28%	-
Town of Salem	-	0.14%	-
City of Walhalla	-	1.45%	-
City of Seneca	-	6.22%	-
<u>Special Purpose Districts</u>			
Unincorp. Fire Special District	-	82.29%	-
Keowee Fire District	409,586	8.51%	34,856
Total Estimated Share of Overlapping Debt			<u>46,700,439</u>
Total Estimated Share of Direct and Overlapping Debt			<u><u>\$ 65,399,552</u></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 2018

Assessed valuation	\$ 568,751,920
Debt limit - eight percent of total assessed value	\$ 45,500,154
Debt applicable to limit:	
General obligation bonds	13,764,491
Less: amount set aside for repayment of general obligation bonds	<u>(1,051,918)</u>
Debt qualifying for margin	<u>12,712,573</u>
Legal debt margin	<u><u>\$ 32,787,581</u></u>

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Assessed value of taxable property	\$ 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	\$ 568,751,920
Legal debt limit*	\$ 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	\$ 45,500,154
Net debt applicable to limit	<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>	<u>12,712,573</u>
Legal debt margin	<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>	<u><u>\$ 32,787,581</u></u>
Total net debt applicable to the limit as a percentage of debt limit	14.77%	12.52%	49.22%	43.06%	44.93%	38.50%	31.60%	25.53%	32.27%	27.94%

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%
2018	320,610	256,000	64,610	320,610	

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:

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 <i>(in thousands)</i>	Per Capita Personal Income ³	Median Age ¹	School Enrollment ⁴	Unemployment Rate ²
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	77,270	3,200,844	41,424	45.0	10,666	4.2%
2018	77,725	3,316,074	42,664	45.6	10,627	3.2%

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

2018				2009			
Company or Organization	Number of Employees	Rank	Percentage of Total County Employment	Company or Organization	Number of Employees	Rank	Percentage of Total County Employment
School District of Oconee County	1,549	1	4.68%	School District of Oconee County	1,605	1	5.93%
Duke Energy Corporation	1,314	2	3.97%	Duke Energy Corporation	1,500	2	5.54%
Oconee Medical Center	1,300	3	3.92%	Oconee Medical Center	1,370	3	5.06%
Itron, Inc.	930	4	2.81%	Itron, Inc.	665	4	2.46%
Borg Warner Torq Systems, Inc.	900	5	2.72%	Schneider Electric	655	5	2.42%
JTECKT/Koyo Bearings USA, LLC	630	6	1.90%	Timken US Corporation	640	6	2.36%
Schneider Electric	552	7	1.67%	Oconee County Government	450	7	1.66%
Oconee County Government	470	8	1.42%	Covidien	423	8	1.56%
U.S. Engine Valve Corp.	383	9	1.16%	BASF Catalysts, LLC	389	9	1.44%
BASF Catalysts, LLC	360	10	1.09%	Sandvik/Valenite	347	10	1.28%
	<u>8,388</u>		25.32%		<u>8,044</u>		29.70%

Source: SC Appalachian Council of Governments

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Administrative Services	-	-	-	-	-	11	11	-	-	-
Administrator	2	2	2	3	3	2	2	3	5	3
Assessor	21	17	18	18	18	18	19	17	16	16
Auditor	7	7	7	7	7	7	7	7	7	6
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	10	10	11	11	11	11	12	12	12	13
Finance	8	9	8	7	6	-	-	7	7	6
Human Resources	4	4	4	4	5	-	-	4	4	3
Information Technology	8	10	9	12	10	7	5	5	5	6
Procurement	3	3	3	3	2	2	2	2	2	2
Register of Deeds	5	4	4	4	4	4	4	4	4	4
Treasurer	7	7	7	7	7	7	6	6	6	6
Vehicle Maintenance	14	14	14	14	14	14	13	14	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	21	21	21	21	21	21	21
Community Development	11	9	9	7	9	9	11	12	11	10
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	36	36	36	31	35	36	50	48	47	48
Emergency Services	16	12	13	20	3	3	3	21	21	26
Rural Fire	-	-	-	-	17	17	17	-	-	-
Sheriff's Office	89	90	87	88	91	91	94	91	100	100
Transportation										
Airport	5	5	5	4	4	4	4	4	4	5
Roads and Bridges	38	38	38	36	37	37	38	38	37	35

OCONEE COUNTY, SOUTH CAROLINA

COUNTY FULL TIME EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Judicial Services										
Clerk of Court	10	10	10	10	10	11	12	12	12	12
Magistrate	9	9	9	9	9	9	9	9	9	9
Probate Court	6	6	7	6	6	6	6	6	6	5
Solicitor	8	10	10	10	10	10	9	9	13	13
Health and Welfare										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
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	39	36	36	36	36	38	38	36	36	35
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	19	19
Parks, Recreation and Tourism	13	14	13	13	13	14	10	17	17	17
Economic Development	2	2	3	4	2	4	3	-	4	4
Enterprise Fund										
Rock Quarry	16	16	16	15	15	17	16	17	19	19
Oconee FOCUS	-	-	-	-	-	3	3	3	2	-
Total	<u>441</u>	<u>434</u>	<u>433</u>	<u>436</u>	<u>441</u>	<u>449</u>	<u>461</u>	<u>461</u>	<u>478</u>	<u>475</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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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	500	1,205	6,200	1,274	730	650	716	747	1,224	1,216
Deeds Processed	n/a	n/a	n/a	n/a	4,885	5,474	6,502	7,405	6,802	5,813
Legal Residence Applications	n/a	n/a	n/a	n/a	1,428	2,692	3,500	2,606	2,502	2,880
Department of Revenue Applications	n/a	n/a	n/a	n/a	845	894	1,148	951	850	1,423
Agricultural Applications	n/a	n/a	n/a	n/a	1,100	1,250	1,400	1,320	980	798
Building Permits Processed	n/a	n/a	n/a	n/a	985	808	1,070	838	1,130	1,078
Assessable Transfers of Interest	n/a	n/a	n/a	n/a	1,785	2,404	2,575	2,660	2,895	3,116
Plats	n/a	n/a	n/a	n/a	574	548	691	701	842	753
Home Site Visits	n/a	n/a	n/a	n/a	14,430	14,500	14,650	14,400	18,957	n/a
Auditor										
Real estate, vehicle, and business property notices	148,031	156,190	149,521	150,169	149,251	79,063	152,947	155,622	160,376	157,818
Temporary tags	1,167	1,144	1,170	1,045	1,033	984	4,885	5,100	5,292	979
Board of Assessment and Appeals										
Appeals filed	100	25	61	n/a	15	-	9	34	6	19
Hearings held	29	6	4	38	4	-	4	14	1	3
County Council										
Regular meetings	24	22	24	21	22	19	21	22	22	22
Special meetings	14	15	10	9	7	7	7	5	5	7
Delinquent Tax Collector										
Records processed	7,551	8,080	6,719	6,216	6,680	6,156	7,100	6,866	5,884	6,384
Finance										
Accounts payable disbursements	10,939	10,869	10,338	10,775	10,012	-	7,811	4,705	6,262	5,263
Payroll disbursements	12,298	12,427	13,103	12,700	13,235	-	12,770	13,086	13,438	13,335
Human Resources										
Employment applications processed	2,832	3,148	3,148	2,321	1,510	-	2,133	1,709	2,091	1,477
Employment terminations processed	90	108	108	97	93	-	68	47	75	44
Procurement										
Number of requests for proposals (RFP)	8	8	11	13	15	3	18	18	18	2
Number of purchase orders	1,002	1,002	872	846	820	923	687	587	587	352
Register of Deeds										
Recorded documents	15,832	15,832	15,502	16,746	16,262	16,695	16,097	16,435	16,435	18,372
Treasurer										
Tax notices mailed	n/a	n/a	152,011	175,572	193,569	203,247	144,604	140,400	144,719	147,103
Vehicle Maintenance										
Repair orders processed	1,272	1,272	2,420	2,311	2,225	2,460	2,409	2,686	2,693	3,209

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government - continued										
Voter Registrations and Elections										
Current registered voters	50,000	46,785	44,844	47,000	46,000	49,000	48,476	49,486	51,069	51,395
Public Safety										
Animal Control										
Animals received	5,434	5,241	5,241	4,540	4,416	3,808	3,820	3,812	3,542	3,137
Animals adopted	965	1,029	1,029	912	1,079	1,143	1,160	1,238	1,095	1,126
Community Development										
Land use/Subdivision reviews	209	150	278	400	420	450	522	525	786	867
Permits issued	1,338	1,000	1,076	1,185	1,200	1,483	1,792	2,208	2,372	2,194
Coroner (based on a calendar year)										
Deaths	547	559	619	677	641	675	700	672	682	762
Detention Center										
Average daily population	159	159	149	129	135	157	162	158	174	178
Emergency Services (based on a calendar year)										
Medical rescue call responses	4,509	4,521	4,764	5,129	5,022	4,807	5,261	3,626	3,605	3,702
Special rescue call responses	62	10	10	27	31	43	79	51	63	45
Fire call responses	2,133	3,330	5,522	5,800	5,670	5,670	4,504	3,094	2,462	3,450
Hazardous material call responses	n/a	32	20	n/a	n/a	-	13	13	10	4
Sheriff's Office										
Service calls	37,666	6,023	41,257	48,570	45,477	48,742	48,742	50,004	81,493	48,978
Arrest warrants served	3,700	3,700	3,056	3,217	3,353	3,291	3,291	2,676	3,000	3,375
Transportation										
Roads and Bridges										
Work orders	6,938	6,938	6,847	8,709	8,709	12,189	5,429	3,962	9,332	6,169
Tons of gravel hauled	32,763	32,263	41,399	29,873	19,995	18,826	31,321	29,660	26,539	27,761
Judicial Services										
Clerk of Court										
Foreclosure auctions	63	393	306	237	201	140	135	118	118	103
Cases processed	3,966	6,147	5,369	5,585	4,796	5,493	4,893	3,878	5,307	5,881

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Judicial Services - continued										
Magistrate										
Magistrate traffic cases	1,162	2,236	2,034	1,730	7,796	10,700	2,668	2,792	2,792	2,993
Magistrate criminal cases	7,250	14,903	13,461	10,305	11,632	11,042	10,958	7,366	7,366	8,601
Health and Welfare										
Department of Social Services										
Food stamps cases	3,800	4,390	5,223	5,223	5,006	5,102	5,200	4,555	4,555	4,260
Family independence cases	-	-	-	175	106	136	170	107	107	84
Child protective services investigations	213	259	175	175	318	334	677	635	635	784
Adult protective services investigations	-	-	-	20	9	41	110	125	125	192
Children in foster care	-	-	-	52	94	91	54	120	120	110
Public Works										
Solid Waste										
Municipal solid waste (MSW) tons	36,779	36,779	36,794	36,632	36,982	37,520	37,691	39,309	39,036	43,591
Construction and demolition (C&D) tons	21,308	21,308	19,299	14,870	16,023	18,165	22,133	22,763	24,694	25,252
Culture and Recreation										
Library										
Computer users	44,556	54,441	53,169	57,095	54,459	47,665	42,803	36,164	31,456	35,982
Registered patrons	32,941	37,370	41,229	49,125	44,640	47,417	33,866	41,499	42,514	44,556
Enterprise Fund										
Rock Quarry										
Tons shot	499,084	392,630	476,214	301,140	477,732	497,295	495,622	532,797	568,818	565,978
Tons sold/used	452,608	497,819	435,000	418,614	421,468	381,182	482,620	560,809	508,798	508,798

Source: Oconee County Finance Department

Note:
 Not all departments have maintained workload indicator data for each year above. Due to unavailability of actual numbers, projected numbers may have been used.

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Nondepartmental										
Land (acres)	17.912	17.912	17.912	17.912	17.912	18.846	20.581	20.113	20.113	20.113
Buildings	4	4	4	4	4	4	8	7	7	7
Heavy equipment	5	3	3	3	2	4	4	3	3	3
Vehicles	58	48	46	48	39	37	38	55	33	33
Culture and Recreation										
Library										
Land (acres)	4.183	4.183	4.298	4.298	4.298	4.298	4.298	3.291	4.471	4.471
Buildings	3	3	3	3	3	3	3	3	3	3
Vehicles	2	2	2	2	3	3	3	3	4	4
Parks, Recreation, and Tourism										
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.17	119.17
Buildings	18	18	17	18	18	18	17	16	18	18
Heavy equipment	4	4	5	5	5	4	4	4	5	5
Vehicles	10	12	12	10	12	14	15	14	11	15
Economic Development										
Economic Development										
Land (acres)	0.5	0.5	3.33	3.33	3.33	2.831	2.831	61.541	60.421	60.421
Buildings	1	1	2	2	2	1	1	-	1	1
Vehicles	1	1	1	1	1	1	1	2	2	2
Industrial Development Land for Resale (acres)										
Land - Oconee Industrial and Technology Park	-	-	406.71	406.71	398.107	397.16	397.16	397.16	359.497	317.29
Land - Golden Corner Commerce Center	397.226	397.226	397.226	397.226	366.800	360.87	360.87	360.87	360.87	360.87
Land - Oconee County Commerce Center Park	33.17	33.17	33.17	33.17	2.11	13.38	13.381	13.381	13.38	11.271
Land - Seneca Rail Park	-	-	-	111.082	111.082	111.082	111.082	111.082	111.08	111.082
Health and Welfare										
Nondepartmental										
Land: (acres)										
Health clinic	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521	0.521
Nursing home	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
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									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Department of Social Services										
Land (acres)	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.472	9.47	9.472
Buildings	1	1	1	1	1	1	1	1	1	1
Health Department										
Land (acres)	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198	1.198
Buildings	2	2	2	2	2	2	1	1	1	1
Judicial Services										
Nondepartmental										
Land (acres)	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785	2.785
Buildings	3	3	3	3	2	2	2	2	2	2
Magistrate										
Land (acres)	0.81	0.81	0.81	0.81	0.81	0.81	0.8	0.8	0.81	0.81
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	2	1	1	2	2	3	3	3	3	3
Probate Court										
Vehicles	-	-	-	-	-	1	1	1	1	1
Solicitor										
Vehicles	1	2	2	1	1	1	1	1	1	1
Public Safety										
Nondepartmental										
Land (acres)	11.486	11.486	11.71	11.71	35.005	35.565	35.565	35.565	35.565	35.565
Buildings	8	8	8	8	8	8	9	10	10	8
Vehicles	1	9	11	9	9	9	9	10	11	11
Animal Control										
Land (acres)	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35	1.35
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	8	8	8	9	5	6	8	8	7	6
Coroner										
Land (acres)	0.25	0.25	0.25	0.25	0.25	0.25	-	-	-	-
Buildings	1	1	1	1	1	1	1	1	1	1
Vehicles	1	1	1	1	1	1	1	1	2	2
Emergency/Fire Services¹										
Land (acres)	-	-	-	-	3.102	3.102	3.102	4.112	5.502	5.502
Buildings	2	2	3	3	5	6	6	6	8	8
Rescue/fire boats	3	3	3	3	3	3	3	3	8	5
Vehicles	91	96	103	110	114	121	125	186	115	116
Probation and Parole										
Land (acres)	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008	1.008
Buildings	1	1	1	1	1	1	1	1	1	1
Sheriff's Department										
Aircraft	1	1	1	1	1	1	1	1	1	1
Patrol boats	2	2	2	2	3	3	3	3	5	5
Vehicles	120	122	119	118	123	136	137	145	148	145

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

Function/Program	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Works										
Solid Waste ^{2,3}										
Buildings - manned convenience centers	11	11	11	11	11	11	11	11	11	11
Heavy equipment	16	16	16	17	56	64	66	67	42	68
Vehicles	16	17	16	18	15	15	15	15	14	14
Transportation										
Airport										
Land (acres)	272.490	272.490	272.490	272.490	272.490	272.490	275.07	275.07	282.14	282.1386
Buildings	5	4	4	5	5	5	5	5	5	5
Heavy equipment	1	1	1	1	1	2	3	3	3	3
Vehicles	7	6	6	6	6	6	7	6	4	4
Roads and Bridges										
Land (acres)	315.32	315.32	315.32	315.32	316.06	316.06	316.06	316.06	316.06	316.064
Buildings	4	4	4	4	4	4	4	4	4	4
Heavy equipment	49	54	55	62	60	64	63	68	71	67
Vehicles	53	49	51	46	45	47	46	49	44	42
Enterprise Funds										
Rock Quarry										
Land (acres)	26.6	26.6	26.6	26.6	28.29	29.27	29.27	30.131	35.629	35.629
Buildings	4	4	4	3	3	3	3	3	3	3
Heavy equipment	25	18	19	18	17	17	20	21	22	26
Vehicles	15	10	12	12	11	10	10	10	11	10
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 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, 2018, 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 15, 2018. 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. Our report includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of July 1, 2017.

Internal Control Over Financial Reporting

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

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

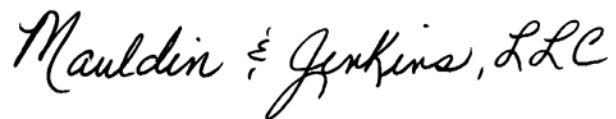
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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

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

Columbia, South Carolina
December 15, 2018



**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, 2018. 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, 2018.

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

Columbia, South Carolina
December 15, 2018

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
(Passed through the SC Department of Social Services)				
Child and Adult Care Food Program	10.558	N/A	\$ 21,382	\$ -
(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	209,190	-
Total U.S. Department of Agriculture			<u>230,572</u>	<u>-</u>
<u>U.S. Department of the Interior</u>				
(Direct award)				
Payment in Lieu of Taxes (PILT) Program	15.226	N/A	94,580	-
Total U.S. Department of the Interior			<u>94,580</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
(Passed through the SC Department of Public Safety)				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2014-MU-BX-0831	16,430	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-MU-BX-0371	15,856	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1G16022	56,321	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1G16024	48,285	-
(Direct award)				
Bulletproof Vest Partnership Program	16.607	N/A	5,006	-
Total U.S. Department of Justice			<u>141,898</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
(Direct award)				
Airport Improvement Program	20.106	3-45-0016-020-2014	180,000	-
Airport Improvement Program	20.106	3-45-0016-024-2018	14,184	-
(Passed through the SC Department of Public Safety)				
Highway Safety Cluster:				
State and Community Highway Safety	20.600	2JC16010	207	-
State and Community Highway Safety	20.600	2JC18010	1,590	-
(Passed through the SC Emergency Management Division)				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	HM-HMP-0566-16-01-00	21,480	-
Total U.S. Department of Transportation			<u>217,461</u>	<u>-</u>
<u>Institute of Museum and Library Services</u>				
(Passed through the SC State Library)				
Grants to States	45.310	IIIA-17-135	700	-
Grants to States	45.310	IID-17-201	1,000	-
Total Institute of Museum and Library Services			<u>1,700</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>				
(Passed through the SC Emergency Management Division)				
Emergency Management Performance Grants	97.042	17EMPG01	50,724	-
Emergency Management Performance Grants	97.042	16EMPG01	23,465	-
Hazard Mitigation Grant	97.039	4241-0046-F	5,445	-
Hazard Mitigation Grant	97.039	4166-SC-002	11,294	-
Total U.S. Department of Homeland Security			<u>\$ 90,928</u>	<u>\$ -</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
(Passed through the SC Department of Social Services)				
Child Support Enforcement - Transaction Reimbursement	93.563	N/A	\$ 155,580	\$ -
Child Support Enforcement - Service of Process Payments	93.563	G1501SC1401	13,695	-
Child Support Enforcement - Filing Fees	93.563	N/A	14,400	-
(Passed through the SC Department of Health and Environmental Control)				
Epidemiology & Laboratory Capacity Program for Infectious Diseases/Building and Strengthening Epidemiology, Laboratory & Health Information Systems Capacity in State & Local Health Departments	93.323/93.521	EQ-8-164	5,370	-
(Passed through the SC Department of Alcohol and Other Drug Abuse Services)				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	N/A	950	-
Total U.S. Department of Health and Human Services			<u>189,995</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 967,134</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018.

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, 2018

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

Name of Federal Program or Cluster
U.S. Department of Agriculture – Secure Payments
for States and Counties Containing Federal Land

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, 2018**

**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.