



PUBLIC COMMENT SESSION SIGN IN SHEET

OCONEE COUNTY COUNCIL MEETING

Tuesday, February 1, 2011 6:00 PM

Oconee County Administrative Offices, 415 South Pine Street, Walhalla, SC

Limited to forty [40] minutes, four [4] minutes per person.

Citizens with comments related to a specific action agenda item will be called first.

**If time permits additional citizens may be permitted to speak on a non agenda items
[at the discretion of the Chair].**

Everyone speaking before Council will be required to do so in a civil manner.

Council will not tolerate personal attacks on individual council members, county staff or any person or group. Racial slurs will not be permitted.

Council's number one priority is to conduct business for the citizens of this county.

All citizens who wish to address Council and all Boards and Commission appointed by Council should do so in an appropriate manner.

Council may make closing comments directly following the public & extended public comment sessions if time permits.

PLEASE PRINT

	FULL NAME	AGENDA ITEM FOR DISCUSSION
1 ✓	Tom Ward	Land Conservation Bank
2 ✓	Phil Soper	No Agenda item
3 ✓	BAYLUS MORGAN	ZONING
4 ✓	BRIT ADAMS	NEW AGENDA ITEM
5 ✓	Tom Markovich	Non agenda
6 ✓	B.J.L	
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14	B.J.L	
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February 1, 2011

Good evening, members of the Oconee County Council. My name is Glen McPheeters, and I live in south Oconee County, in Fair Play. I'm here tonight as a spokesman for the "Stop Pioneer Now Coalition" to speak again about the plans that the Pioneer Rural Water District has now, grudgingly, shared with residents that will be impacted.

Before I address that topic, I wanted to again express my strong overall support of the council, and the good work that you are doing for the citizens of Oconee County. Far from earning the failing grade that the Journal recently assigned, I believe that the council has not only acted responsibly over the past year, but has used an intelligent, forward-looking approach to address the future needs of the county. I'm convinced that in the not-too-distant future, even today's nay-sayers will look back on many of the controversial decisions recently made and applaud you for the significant impact that they ultimately had on the county.

In late November, I spoke before you to express my concerns about the rumors that abounded regarding Pioneer Water getting into the water treatment business, and building their own plant in the southern portion of the county. At that time, requests by the county administrator, myself, and several of my neighbors, were ignored by Pioneer. Only after several articles appeared in local newspapers was I contacted by Pioneer and offered the opportunity to meet with them to review the details. I would like to thank councilman Reg Dexter for attending that meeting with my concerned neighbors and I.

What we were told, was that Pioneer was indeed evaluating several alternatives to prepare for the future, and the anticipated growth in south Oconee and western Anderson counties. I applaud Pioneer for their

proactive approach to planning for the future. I have since learned that Pioneer evaluated enhancing their distribution facilities with Westminster and Seneca, their current source of water, as well as establishing a new supplier relationship with the Anderson Regional Joint Water System. The third alternative they considered was constructing their own water treatment facility. During our meeting on December 15th, we were told that 10 locations around the lake were being evaluated as a potential site for a facility, but that no decisions had been made. The reality was that on August 5th, 2010, Pioneer had put \$5,000 of earnest money down on three lots adjoining our development, and began bringing in engineers and surveyors to validate the site's qualities for a water treatment plant. Just 7 days after telling us that they had not selected a site for the plant, Pioneer paid \$90,000 and closed on the purchase of a lot in my development and 9 days afterward closed on the \$150,000 purchase of three neighboring lots.

I am both frustrated and disappointed in the way Pioneer moved on this project. They went out of their way to keep those that would be most directly impacted by their plans, in the dark.

- The information they provided on December 15th was misleading at best, and deceitful at worst.
- Only after a formal Freedom Of Information Act request was submitted were we provided any of the details of their plans.
- They knowingly trespassed on posted, private property to conduct their investigative work.
- The surveyors they employed, when confronted as to their trespassing, lied by stating that they were working for the US Army Corps of Engineers.
- They have yet to schedule any public hearings on this project, and have already spent almost ¾ of a million dollars of their member's money on it.

The reasons that the site they have selected for this commercial activity is inappropriate could fill an entire volume, but the most obvious ones are:

- While in an unrestricted area, the site is surrounded by almost 250 platted lots within 5 residential developments.
- It is located 1 mile down a dead-end winding country road, with ditches on both sides and no shoulders. An accident of a supply or chemical delivery truck will block the only escape route for residents.
- It will have a negative impact on the property values, and thus tax collections for the portion of the county most poised for growth.

On the surface, it might appear that this is really just an issue for the affected residents, and that county council is an interested observer, impacted only by the potential reduction in tax revenues. The fact is that county council has already indicated that activities of this nature are not only important, but are critical to the county's future. In 2004, when the county commissioned the Oconee County Infrastructure Master Plan, one of the four major elements that was investigated was Water Supply, Treatment & Distribution. The February 2006 revision of the master plan stated that a regional approach to providing fresh water to area residents is needed. By doing so:

- Water suppliers could save considerable capital outlays that will result in over-capacity
- Possibly water rates to customers could be less if these capital outlays are saved
- It could be easier to get funding for upgrades if funding agencies saw a regional approach

The infrastructure advisory committee, which has been meeting since the master plan was created, has recommended that a tri-city loop between Seneca, Westminster, and Walhalla be created. According to the plan, "this is important for security purposes, for backup during droughts or water treatment plant problems, and for optimizing county water treatment

plant capacity. The plan calls for updating and expanding existing water treatment facilities, and focusing on the efficiencies of interconnectivity as the solution for the future. Despite this recommendation and strategic plan, Pioneer has chosen to "go it alone", and build their own plant rather than executing the county's recommendation.

Assuming that the strategic plan was and is flawed, and the best solution for the residents of the county is for Pioneer to build their own water treatment plant, the ONLY logical place for an industrial facility of this nature is in an INDUSTRIAL location. This project would be excellent as the anchor facility in the Golden Corner Commerce Park. It would serve as a catalyst for future occupants, and would demonstrate the viability of the location to them. It would also demonstrate the county's commitment to "good planning". As stated in the infrastructure master plan, *"Once an area is developed, the impact of that development lingers for decades, affecting many people through many generations. Careful planning on a community-wide basis is needed to ensure that limited and valuable resources are protected for future generations."* I would be glad to provide each member of the council with a tour of the proposed site and surrounding area so you can see for yourselves the impact that will linger for decades.

I implore the county council to step in and take a stand on Pioneer's ignoring of the strategy that you have worked so long and hard to develop for the county. Advise them that your support for a treatment plant exists only if it is built where it belongs...in the commerce park.

Thank you for the opportunity to address the council.



OCONEE COUNTY COUNCIL
ABSTENTION FORM

Council Member Name: JOEL THRUFT
[Please Print]

Council Member Signature: *Joel Thruft*

Meeting Date: 2/1/2011

Item for Discussion/Vote: # 12 #1 ITB10-09
2 ITB 10-17

Reason for Absention: I was not present for original meeting/discussion

I have a personal/familial interest in the issue.

Other: Company bidding owned by family member. I dont have cen interest in this business but choose to recuse myself to avoid any appearance that family are given preference

E. G. Hulse

Elizabeth G. Hulse
Clerk to Council

[This form to be filed as part of the permanent record of the meeting.]

STATE OF SOUTH CAROLINA
OCONEE COUNTY
RESOLUTION R2011-03

**A RESOLUTION BY OCONEE COUNTY REQUESTING THAT THE
SOUTH CAROLINA LEGISLATURE APPROVE LEGISLATION
MAKING COCKFIGHTING A FELONY IN THE STATE OF SOUTH
CAROLINA**

WHEREAS, Cockfighting pits roosters, bred and drugged for aggression and fitted with razor-sharp knives or ice-pick like gaffs on their legs, in a fight to the death for entertainment and gambling purposes. Recognizing the inherent cruelty in this “bloodsport,” 39 states and the District of Columbia have felony penalties for cockfighting. Federal authorities that investigated cockfighting pits in South Carolina reported seeing dead and dying roosters piled up in 55 gallon drums, and one 13 year old boy killing an injured rooster by slamming his body into a tree.

WHEREAS , Of 85 people arrested in a large cockfighting raid in Greenville County in June of 2010, 39 had come from states that punish cockfighting as a felony. Previous raids on cockfighting pits in Chesterfield County and Marlboro County had similar results with many participants coming from North Carolina, where cockfighting is a felony. Because both states that border South Carolina punish cockfighting as a felony, animal fighters are crossing into this state to commit their crimes.

WHEREAS , Cockfighting is associated with other illegal activities such as drug trafficking, prostitution and illegal gambling. Law enforcement officials have documented the strong connection between cockfighting and these other forms of crime and often learn about illegal cockfighting operations as a result of narcotics investigations. The Drug Enforcement Administration has publicly stated that cockfights are being used as networking opportunities for drug traffickers, and that drug cartels from Mexico have been running narcotics through cockfighting pits in the south. Members of the Mexican Mafia and MS 13 were arrested in a recent cockfighting raid in Virginia. The presence of young children at cockfights is an especially disturbing element.

WHEREAS, Winners of large cockfighting derbies at South Carolina pits have been known to walk away with anywhere from \$15,000 to \$30,000 on any given weekend. The maximum fine for a person being arrested for cockfighting in South Carolina is only \$1,000. Cockfighters see misdemeanor penalties as the cost of doing business. The penalty for this crime needs to be stronger than the potential gain that comes from breaking the law. South Carolina is the only state on the east coast without felony cockfighting provisions.

NOW, THEREFORE, IT IS HEREBY RESOLVED, by Oconee County Council in meeting duly assembled, that Oconee County Council hereby formally requests that the South Carolina legislature approve legislation to make cockfighting a felony.

APPROVED AND ADOPTED this 1ST day of February, 2011.

OCONEE COUNTY, SOUTH CAROLINA

Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council

**STATE OF SOUTH CAROLINA
OCONEE COUNTY
RESOLUTION R2011-04**

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDUCEMENT AGREEMENT BY AND BETWEEN OCONEE COUNTY, SOUTH CAROLINA AND ALTERA POLYMERS LLC; WHEREBY, UNDER CERTAIN CONDITIONS, OCONEE COUNTY WILL PROVIDE AN INFRASTRUCTURE TAX CREDIT TO ALTERA POLYMERS

WHEREAS, Oconee County, South Carolina (the "County"), acting by and through its County Council (the "County Council") is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 1, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired by the industry properties and to enter into agreements with any industry inducing the industry to construct, operate, maintain and improve such property; to enter into or allow financing agreements or tax credit agreements with respect to such projects; and, to accept any grants for such infrastructure through which powers the economic development of the State of South Carolina (the "State") will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State and thus utilize and employ the manpower, agricultural products and natural 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; and

WHEREAS, Altera Polymers LLC (the "Company"), has requested the County to participate in executing an Inducement Agreement (Altera Polymers LLC Project) pursuant to the Act for the purpose of inducing the Company to acquire by purchase and/or construction certain land, buildings, machinery, apparatus, and equipment, for the purpose of a manufacturing facility that will manufacture plastic resins and pellets (the "Project"), involving the investment of not less than \$3,500,000 in new taxable investment all in the County, and all as more fully set forth in the Inducement Agreement attached hereto; and

WHEREAS, the County has determined that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that the benefits of the Project will be greater than the costs; and

WHEREAS, the County and Pickens County, South Carolina (“Pickens County”) have entered into a Joint County Industrial and Business Park Agreement, as amended from time to time (the “Park Agreement”), for the creation of a joint county industrial and business park (the “Park”) pursuant to Section 4-1-170 of the Act, and the Project property is already in, or can be added to the Park (subject to the consent of any municipality within which the Project property is located), by an existing Park Agreement or a new Park Agreement and the Company has requested the County to so include the Project site in the Park, in order to enable payment of the Infrastructure Credit, as described herein, and the County has agreed to do so, to the extent within its control; and

WHEREAS, the Company has requested the County to provide an infrastructure tax credit from the Company’s payments in lieu of taxes for the Project in the Park (hereinafter referred to as the "Infrastructure Credit") pursuant to Section 4-1-175 of the Act for the purpose of defraying the cost of acquiring or enhancing the infrastructure for the Project, including the acquisition of improved real property; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Company that the Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and for the purpose of providing infrastructure to the Project, there is hereby authorized to be executed and delivered an Inducement Agreement between the County and the Company in substantially the form attached hereto or with such minor revisions as are not materially adverse to the County and as shall be approved by the Chairman of County Council, upon the advice of counsel. The Inducement Agreement shall, among other things, agree to the authorization of an Infrastructure Credit to provide infrastructure funds to facilitate the Project, and to the inclusion of the Project site in the Park, to the extent within the control of the County. The final determination of the amount of the Infrastructure Credit is to be determined pursuant to Section 1.1 (e) of the Inducement Agreement. The Infrastructure Credit will be payable exclusively from payments in lieu of tax the County receives and retains from the fee in lieu of tax due from the Project, in the Park if the Project property can be placed in a Park, but not otherwise, if the County is not able to place the Project Property in the Park despite its best reasonable efforts to do so, unless the Company separately qualifies for a negotiated fee in lieu of tax payment for the Project, as envisioned in the Inducement Agreement, in which case a separate Infrastructure Credit will need to be agreed upon in good faith between the Parties. The Infrastructure Credit shall not constitute a general obligation or indebtedness of the County nor a pledge of the full faith and credit or the taxing power of the County.

Section 2. The provisions, terms and conditions of the Infrastructure Credit Agreement to be entered into by and between the County and the Company (the "Infrastructure Credit Agreement") shall be prescribed by subsequent ordinance of the County Council.

Section 3. The Chairman of County Council is hereby authorized and directed to execute the Inducement Agreement attached hereto in the name of and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Chairman of County Council is hereby further authorized and directed to deliver said executed Inducement Agreement to the Company.

Section 4. Prior to the execution of the Infrastructure Credit Agreement and the provision of the Infrastructure Credit, authorized by the Inducement Agreement, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County relating to the inducement of the Project.

Done in meeting duly assembled this 1st day of February 2011.

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina

INDUCEMENT AGREEMENT

THIS INDUCEMENT AGREEMENT made and entered into by and between Oconee County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (jointly hereinafter the "County") and Altera Polymers LLC (the "Company") or any assignee or co-owner that is an affiliated company (within the meaning ascribed in the Internal Revenue Code).

WITNESSETH:

ARTICLE I.

RECITATION OF FACTS

Section 1.1. As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

- (a) The County is authorized and empowered by the provisions of Title 4, Chapter 1 Code of Laws of South Carolina, 1976, as amended (the "Act") to induce the Company to acquire, enlarge, improve, expand, equip, furnish, own, lease, and dispose of properties through which the industrial and economic development of the State of South Carolina (the "State") will be promoted and trade developed by inducing new industries to locate in the State and by encouraging industries now located in the State to expand their investments and thus utilize and employ manpower and other 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.
- (b) The Company is considering the acquisition by construction, purchase or lease of facilities and capabilities to be used for manufacturing plastic resins and pellets (the "Project") in the County and the City of Seneca. The Project will involve an investment of at least Three Million Five Hundred Thousand Dollars (\$3,500,000) at the Project in the County, all over a five (5) year period.
- (c) The Company has requested and will enter into an infrastructure credit agreement, by and between the Company and the County (the "Infrastructure Credit Agreement"), and the County will provide an infrastructure credit (the "Infrastructure Credit") pursuant to and in accordance with Section 4-1-175 of the Act, based on and subject to the Project site being located in a joint county industrial and business park, created by the County pursuant to and in accordance with Section 4-1-170 of the Act (the "Park") and with the consent of the City of Seneca in accordance with Section 4-1-170(C).

(d) The County has given due consideration to the economic development impact of the Project, and that the Project would benefit the general public welfare of the County by providing service, employment, recreation or other public benefits not otherwise provided locally; and, that the Project gives rise to no pecuniary liability of the County or incorporated municipality or a charge against the general credit or taxing power of either; and, that the purposes to be accomplished by the Project, i.e., economic development, creation of jobs, and addition to the tax base of the County, are proper governmental and public purposes and that the inducement of the location or expansion of the Project within the County and State is of paramount importance and that the benefits of the Project will be greater than the costs; and, has agreed to effect the issuance and delivery of this Agreement, pursuant to the Act, and on the terms and conditions hereafter set forth.

(e) To the extent within its authority and control, the County will use its best reasonable efforts to include the Project site in a Park, either existing or to be created, with an adjoining county, and provide an infrastructure credit against payments in lieu of taxes from the Project in the Park in an annual amount equal to Thirty-five percent (35%) of the payments in lieu of taxes allocated to the County taxing entities pursuant to the agreement creating the Park (the "Park Agreement") for five (5) years of fee in lieu of tax payments by the Project in the Park pursuant to the Park Agreement, beginning with the payment due (without penalty) on or before January 15, 2018. No Infrastructure Credit will be due to the Company for fee in lieu of tax payments on the Project in the Park due on or before December 31, 2016, and no Infrastructure Credit will be due, at all, if the County is unable to place the Project Property into a Park, despite using its best reasonable efforts to do so. . The adoption of ordinances and procedures for the provision of the Infrastructure Credit to the Company and the creation or amendment of the Park through a new or amended Park Agreement shall conform to the provisions of the Act and the Home Rule Act.

(f) The County, acting by and through the Oconee County Council, agrees to favorably consider offering a fee in lieu of tax for the Project pursuant to Section 12-44-10 et. sequitar of the South Carolina Code of Laws, 1976, as amended at such time as the Company may commit to construct or purchase a building in the County and commit to invest not less than five (5) million dollars in qualified, taxable, investment in the Project in the County

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.1. The Company will maintain the Project and will (i) keep the Project insured against loss or damage or perils generally insured against by industries or businesses similar to the Company and will carry public liability insurance covering personal injury, death or property damage with respect to the Project; or (ii) self-insure with respect to such risks in the same manner as it does with respect to similar property owned by the Company; or (iii) maintain a combination of insurance coverage and self-insurance as to such risks.

The Infrastructure Credit Agreement shall provide that, in the performance of the agreements contained therein on the part of the County, any obligations the County may incur for the payment of money shall not create a pecuniary liability of the County nor create a general obligation on its part or by the State or any incorporated municipality.

Section 2.2. Upon the request of the Company, the County will permit the planning, design, acquisition, construction and carrying out of the Project to commence prior to the execution and delivery of the Infrastructure Credit Agreement.

Section 2.3. Oconee County Council agrees that this constitutes an agreement committing the County to provide the Company with the Infrastructure Credit, subject to the other terms and conditions of this Agreement, and compliance with all applicable state laws, including, without limitation, the Home Rule Act of the state.

Section 2.4. (a) To the extent within its authority and control, using its best reasonable efforts, Oconee County Council does hereby agree, subject to the requirements of Section 4-1-170 and Section 4-1-175 of the Act, respectively, including, without limitation, obtaining the consent of the City of Seneca or any other incorporated municipality within which the Project Property may be incorporated prior to execution of the Park Agreement, and the Home Rule Act, to insuring that the Project site is already in a Park or will be placed in a Park and to undertake the preparation and adoption of an ordinance authorizing the provision of the Infrastructure Credit which shall be made available to pay or reimburse the payment of a portion of or all of the costs of the infrastructure improvements for the Project. The amount of the Infrastructure Credit will be limited such that the amount of the credit will be thirty-five percent (35%) of the fee-in-lieu of tax payments from the Project in the Park retained by the County taxing entities for the five (5) years of fee in lieu of tax payments by the Project in the Park pursuant to the Park Agreement, beginning with the payment due (without penalty) on or before January 15, 2018, and such that the Infrastructure Credit will never exceed, at any point in time, the actual cost of Project Infrastructure to that point. The Infrastructure Credit will be payable exclusively from payments in lieu of taxes which the County receives and retains from the Company for the Project in the Park under the

Infrastructure Credit Agreement. The Infrastructure Credit shall not constitute a general obligation or indebtedness of the County nor a pledge of the full faith and credit or the taxing power of the County. Provided, for so long as the Infrastructure Credit Agreement remains in full force and effect, the Infrastructure Credit shall be paid solely by setoff by the Company against fee in lieu of tax payments due under the Infrastructure Credit Agreement. The Company and the County agree that if the County is unable to place the Project Property in a Park despite using its best reasonable efforts to do so, the County will not be obligated to provide any Infrastructure Credit to the Company.

(b) The undertakings of the County hereunder are contingent upon the County being able to place the Project Property into a Park, using its best reasonable efforts, and the Company providing the County with such further evidence as may be satisfactory to the County as to compliance with all applicable statutes and regulations and this Agreement and the Company's commitments hereunder.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE COMPANY

Section 3.1. Prior to execution of the Infrastructure Credit Agreement and subsequent to this Agreement, the Company may advance any acquisition or construction funds required in connection with the planning, design, acquisition, construction and carrying out of the Project including any infrastructure.

Section 3.2. The County will have no obligation to assist the Company in finding a bank and the Company may endeavor to finance the Project to the extent required to finance the cost of the acquisition and installation of the Project and the costs of the transaction.

Section 3.3. If the Project proceeds as contemplated, the Company further agrees as follows:

- (a) To acquire, or cause to be acquired, title to the assets constituting the Project;
- (b) To indemnify, defend, and hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement and in the negotiation and implementation of its terms and provisions;
- (c) To apply for, and use its best efforts to obtain, all permits, licenses, authorizations and approvals required by all governmental authorities in connection with the acquisition, construction, operation and use of the Project;
- (d) To indemnify, defend and hold the County and the individual directors, officers, agents and employees thereof harmless against any claim or loss or damage

to property or any injury or death of any person or persons occurring in connection with the planning, design, acquisition, construction, leasing and carrying out of the Project. The Company also agrees to reimburse or otherwise pay, on behalf of the County, any and all expenses not hereinbefore mentioned incurred by the County in connection with the Project. This indemnity shall be superseded by a similar indemnity in the Infrastructure Credit Agreement;

(e) To invest not less than Three Million Five Hundred Thousand Dollars (\$3,500,000) in the Project on or before December 31, 2016 or lose the benefits of this Agreement prospectively, from that point, for failure to do so.

ARTICLE IV

GENERAL PROVISIONS

Section 4.1. All commitments of the County hereunder are subject to all of the provisions of the Act and the Home Rule Act, including, without limitation, the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or any incorporated municipality or a charge against the general credit or taxing powers of either.

Section 4.2. All commitments of the County and the Company hereunder are subject to the condition that the County and the Company agree on mutually acceptable terms and conditions of all documents, the execution and delivery of which are contemplated by the provisions hereof.

Section 4.3. If for any reason this Agreement is not executed and delivered by the Company to the County on or before December 31, 2011 the provisions of this Agreement shall be cancelled and neither party shall have any rights against the other and no third parties shall have any rights against either party except:

(a) The Company will pay the County for all expenses which have been authorized by the Company and incurred by the County in connection with the planning, design, acquisition, construction and carrying out of the Project and for all expenses incurred by the County in connection with the authorization and approval of the Infrastructure Credit Agreement or this Agreement;

(b) The Company will pay the out-of-pocket expenses of officers, agents and employees of the County and counsel for the County incurred in connection with the Project and the execution of the Infrastructure Credit Agreement, and will pay fees for legal services related to the Project and the execution of this Agreement and the Infrastructure Credit Agreement.

Section 4.4. The parties understand that the Company may choose not to proceed with the

Project, in which event this Agreement shall be cancelled and, subject to parties' obligations described in Section 4.3, neither party shall have any further rights against the other, and no third party shall have any rights against either party.

Section 4.5. To the maximum extent allowable under the Act the Company may, without the prior consent of the County, assign (including, without limitation, absolute, collateral, and other Assignments) all or a part of its rights and/or obligations under this Inducement Agreement, the Infrastructure Credit Agreement, or any other agreement related hereto or thereto, to one or more other entities which are "Related Parties" within the meaning of the Internal Revenue Code without adversely affecting the benefits to the Company or its assignees pursuant to any such agreement or the Act.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Inducement Agreement on the respective dates indicated below.

OCONEE COUNTY, SOUTH CAROLINA

By: _____
Joel Thrift, Chairman of County Council
Oconee County, South Carolina

ATTEST:

By: _____
Elizabeth G. Hulse, Clerk to County Council
Oconee County, South Carolina

Dated: February 1, 2011

ALTERA POLYMERS LLC

By: _____

Barry Rhodes

Its: President

Date: _____

Cost/Benefit Analysis
Project Apartment
Oconee County

Project Data

New Building (Construction)	\$	-
Existing Building	\$	-
Land Cost	\$	-
Equipment (Less Pollution Cor	\$	3,500,000
Employees		40
Avg. Hourly Wage	\$	12.00
Avg. Salary	\$	24,000
Total Direct Payroll	\$	960,000

Project Multipliers

Income		1.00
Investment -- Construction		1.60
Investment -- Machinery		0.20

Employment Impacts

Employment -- Direct		40
Employment -- Indirect		0
<u>Total Employment Impact</u>		40

Net Costs	<u>Year 1</u>	<u>20-Year NPV</u>
Local	\$ 18,811	\$ 130,505
<u>Total State & Local Costs</u>	<u>\$ 18,811</u>	<u>\$ 130,505</u>
 Net Benefits		
Local	\$ 26,508	\$ 97,587
Local Economy	\$ 1,405,596	\$ 8,038,525
<u>Total Local Benefits</u>	<u>\$ 1,432,104</u>	<u>\$ 8,136,112</u>

	<u>Year 1</u>	<u>20-Year NPV</u>
Local Government Costs		
Fee-in-Lieu of Property Taxes	\$ -	\$ -
MCP Split	\$ 452	\$ 2,260
Special Source	\$ 15,809	\$ 51,270
Gov't Services	\$ 596	\$ 49,766
Education Costs	\$ 1,954	\$ 27,209
Site Acquisition	\$ -	\$ -
Site Preparation	\$ -	\$ -
Site Utilities	\$ -	\$ -
Special Infrastructure	\$ -	\$ -
Equipment / Machinery	\$ -	\$ -
Special Development Financing	\$ -	\$ -
Consulting/ Special Studies	\$ -	\$ -
Waived Fees / Permits	\$ -	\$ -
Streamlined Approvals	\$ -	\$ -
Total Value of Costs	\$ 18,811	\$ 130,505
Local Government Benefits		
Taxes from existing building	\$ -	\$ -
Direct Property Taxes	\$ 45,169	\$ 226,004
New Residential Prop. Taxes		
Single family - (Owner occupied)	\$ 13	\$ 187
Single Family - (Rental)	\$ 5	\$ 74
Multi-family (Rental)	\$ -	\$ -
Prop. Taxes from New Autos	\$ 131	\$ 1,826
LOST from Const. Materials	\$ -	\$ -
LOST from Increase Retail Sales	\$ -	\$ -
LOST from Operational Supplies	\$ -	\$ -
Public Utilities	\$ -	\$ -
Total Value of Benefits	\$ 45,319	\$ 228,092
Net Local Benefits	\$ 26,508	\$ 97,587
Local Benefit/Cost Ratio	1:1	1:1
Local Economy Benefits		
Total Private Sector Benefits	\$ 1,405,596	\$ 8,038,525

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

**COUNCIL MEETING DATE: February 1, 2011
COUNCIL MEETING TIME: 6:00 PM**

ITEM TITLE OR DESCRIPTION:

ITB 10-09, Golden Corner Commerce Park Entrance Road-

- (1) Approve Thrift Brothers, Inc, of Seneca, SC, to perform required services associated with providing an entrance road to the Golden Corner Commerce Park, located adjacent to the cross section of Hwy 59 and Feltman Road near Fair Play, South Carolina, for a fee of \$113,758.
- (2) Approve contingency funding, in the amount of twenty percent (\$22,751), to be reserved for change orders if required.
- (3) Approval for Administrator's authorization to sign change orders within the contingency amount stated above.

BACKGROUND OR HISTORY:

This project is the first phase of park development and will provide a more formal entrance to the park. It provides for the construction of a 250' road. Contractor services include; clearing and grubbing, earthwork and grading, excavation and backfilling for utilities, gravel base, erosion and sediment control, base course and paving, and grassing.

On January 19, 2011, formal sealed bids were opened. Ten bids were received, with Thrift Brothers, Inc of Seneca, SC submitting the lowest bid of \$113,758. Twenty percent (20%) contingency will be reserved for required change orders including, but not limited to excavation in solid rock.

SPECIAL CONSIDERATIONS OR CONCERNS:

COMPLETE THIS PORTION FOR ALL PROCUREMENT REQUESTS:

Does this request follow Procurement Ordinance #2010-02 guidelines? Yes

STAFF RECOMMENDATION:

- (1) Approve Thrift Brothers, Inc, of Seneca, SC, to perform required services associated with providing an entrance road to the Golden Corner Commerce Park, located adjacent to the cross section of Hwy 59 and Feltman Road near Fair Play, South Carolina, for a fee of \$113,758.
- (2) Approve contingency funding, in the amount of twenty percent (\$22,751), to be reserved for change orders if required.
- (3) Approval for Administrator's authorization to sign change orders within the contingency amount stated above.

FINANCIAL IMPACT:

For FY 2010-11, County Council approved \$205,000 (budget code 315-707-50830-00060) for Phase I, Golden Corner Commerce Park Infrastructure-Southern Entrance, which has a balance of \$195,005 as of January 19, 2011.

ATTACHMENTS

1. Bid Tabulation
2. Engineer's Letter of Recommendation
3. Construction Agreement

Reviewed By/ Initials:

____ County Attorney

VB Finance

NA Grants

PC Procurement

Submitted or Prepared By:

Robert M. County
Department Head/Elected Official

Approved for Submittal to Council:

T. Scott Moulder
Mr. T. Scott Moulder, Administrator

**GOLDIE
&
ASSOCIATES**

*engineering, environmental
and laboratory services*

January 20, 2011

Mr. Jim Alexander
Oconee County Economic Development
502 E. Main Street
Walhalla, SC 29678

Re: Golden Corner Commerce Park Entrance Road (South Entrance)
Goldie & Associates Project No. 22.63.3

Dear Mr. Alexander,

Enclosed please find the Performance Evaluation Surveys for the above referenced project. Thrift Brothers, Inc was the low bidder on the project. We have reviewed their bid and it appears to be complete and balanced. It has been confirmed that the contractor has sufficient staff to promptly begin the project and complete it on schedule.

We have checked the references for Thrift Brothers, Inc and received positive and favorable responses. Therefore, it is our recommendation that the bid be awarded to Thrift Brothers, Inc.

If you have any questions or need additional information, please feel free to call me at 864-903-9945.

Sincerely,

Goldie & Associates



Tim Wilber
Field Services Manager

Cc: Terril Price, OC Procurement

Encl: As stated

ARBITRATION NOTICE: THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (SC CODE § 15-48-10 ET SEQ.) AND ANY AMENDMENTS THERETO, AS MODIFIED HEREIN.

GOLDEN CORNER COMMERCE CENTER ENTRANCE ROAD
CONSTRUCTION AGREEMENT

THIS GOLDEN CORNER COMMERCE CENTER ENTRANCE ROAD AGREEMENT (the "Agreement") has been made and entered into this ____ day of _____, 20____, by and between Oconee County, South Carolina (the "County"), and Thrift Brothers, Inc ("Contractor").

WHEREAS, the County desires to allow Contractor, a legal entity properly licensed and registered under the laws of the State of South Carolina, to construct an entrance road, according to the attached plans and drawings, (hereafter collectively referred to as "Entrance Road") adjacent to the cross section of Highway 59 and Feltman Road, located in Fair Play, SC; and,

WHEREAS, the Contractor desires to construct the Entrance Road for the County pursuant to the specifications and under the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained in the Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

I. PERFORMANCE BY CONTRACTOR.

The contract documents are intended to call upon a Contractor of sufficient skill, experience and staff to produce an Entrance Road of workmanlike and durable construction and finish and in compliance with applicable laws, codes and regulations. Where plans and/or specifications are not otherwise specific or are incomplete, it shall be their intent to require recognized well-known and legal standards of good practice. Where these standards are not immediately known, the Contractor shall employ a reasonable research effort to determine good practice.

- a. The Contractor shall fully perform and execute all of the work necessary to complete this project for the County, including, without limitation, the construction of the Entrance Road, as outlined in the Bid Package and in accordance with the specifications attached hereto as **Exhibit A** (the "ITB") and incorporated herein by reference (collectively the "Work").
- b. The Contractor shall perform the Work in accordance with federal, state, and local regulations.
- c. The Contractor represents that it has investigated the conditions for the Work prior to submitting its bid and any delays or damages caused by adverse conditions which were capable of being identified prior to the submission of Contractor's bid, shall be at the sole risk of Contractor.

COMMENCEMENT AND COMPLETION OF WORK.

The Work shall commence not longer than thirty (30) days from mailing of a Notice to Proceed (**anticipated by February 2, 2011**) from the County to the Contractor.

- a. All of the services to be provided by the Contractor hereunder shall be performed and completed on or before **May 3, 2011** (the "Completion Date").

2. PAYMENT BY COUNTY.

- a. For the Work, the County shall pay the Contractor the contract sum of \$113,758.00 Dollars (the "Contract Sum") for the Service required by the Contract Documents, subject to adjustment as provided in the General Conditions defined below.
- b. The County shall make payment of the Contract Sum, as validly adjusted hereunder, as provided on the following timeline:

Final Invoice to be submitted on or before June 1, 2011.

- c. The County shall make final payment of the Contract Sum to Contractor on or before **June 30, 2011.**

3. GENERAL CONDITIONS.

This Agreement shall be subject to and governed by the General Conditions attached hereto as **Exhibit B** and incorporated herein by reference (the "General Conditions"). The General Conditions, together with the Specifications, the Bid Package, and this Agreement, together with all exhibits, shall collectively constitute the "Contract Documents."

4. INSPECTION AND MONITORING.

The County shall have the right to inspect the Work to evaluate the Contractor's compliance with the Contract Documents for the County's sole benefit, and said right to inspection shall not make the County responsible for the compliance of the Contractor with the terms of the Contract Documents.

During the course of construction of the work, the Architect will make periodic observations of the work. Where defects and materials and/or workmanship are observed, the Architect will notify the Contractor of such defects. The absence of such notification should not be construed to mean that defects in the work do not exist and the payment of invoices by the County should not be construed to mean that defects in materials and/or workmanship have been corrected or that they do not exist.

5. BONDS AND CERTIFICATES OF INSURANCE.

The Contractor shall execute and present to the County a performance bond in an amount of one hundred percent (100%) of the amount of the total Contract Sum, as required by state law, at the time of execution of this Agreement and certificates of insurance (as stated in the General Conditions) at the time of execution of this Agreement.

6. AUTHORITY TO ACT.

If Contractor is a corporation or limited liability company, the undersigned hereby represents and warrants that the said entity is duly formed and registered and in good standing in the State of South Carolina and that T. Scott Moulder whose title is County Administrator for Oconee County is authorized to act for and bind the entity to the Contract Documents.

IN WITNESS OF THIS AGREEMENT, Contractor and the County have caused their names to be subscribed and their seals to be affixed as to the day and year first above written.

OCONEE COUNTY, SOUTH CAROLINA

By: _____

Print Name: _____

Title: _____

CONTRACTOR

(Name of Corporation or Entity)

By: _____

Print Name: _____

Title: _____

EXHIBIT A

- 1. INVITATION TO BID #10-09 AND COORESPONDING ADDENDUM**
- 2. PLANS**

EXHIBIT B

GENERAL CONDITIONS

1. County's Right to Stop the Work. If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents or persistently fails to carry out Work in accordance with the Contract Documents, the County may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the County to stop the Work shall not give rise to a duty on the part of the County to exercise this right for the benefit of the Contractor or any other person or entity.
2. County's Right to Carry Out the Work. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the County to commence and continue correction of such default or neglect with diligence and promptness, the County may, without prejudice to other remedies the County may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including County's expenses and compensation for the additional services made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the County.
3. Supervision.
 - 3.1. The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over the Work, means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, pursuant to the specifications and the Contract Documents. . If the Contract Documents give specific instructions concerning the means, methods, techniques, sequences or procedures, the Contractor shall evaluate the job site safety thereof and, except as stated below, shall be fully and solely responsible for the job site safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the County and shall not proceed with that portion of the Work without further written instructions from the County. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences, or procedures without acceptance of changes proposed by the Contractor, the County shall be responsible for any resulting loss or damage.
 - 3.2. The Contractor shall be responsible to the County for acts and omissions of the Contractor's employees, subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its subcontractors.
4. Cleaning Up.
 - 4.1. The Contractor shall perform the Work under the Contract Documents. At completion of the Work, the Contractor shall remove from the site where the work is performed any waste materials, rubbish, the Contractor's tools, equipment, machinery and surplus materials.

4.2. If the Contractor fails to clean up as provided in the Contract Documents, the County may do so and the cost thereof shall be charged to the Contractor.

5. Labor and Materials.

5.1. The Contractor shall provide and pay for all labor, materials, equipment, tools, and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work; except for those items stated in the specifications that will be supplied by the County.

5.2. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of persons not properly licensed to perform the work assigned, unfit persons, or persons not skilled in tasks assigned to them.

6. Warranty. The Contractor warrants to the County that services, materials and equipment furnished and Work performed under the Contract will be of good quality, that the Work will be consistent with industry standards, free from defects, and that the Work will conform to the requirements of the Contract Documents, together with all other warranties required in the Specifications. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

7. Contractor Assurance of Good Standing. Contractor warrants that it is not in arrears to the County upon debt or contract and is not in default as surety, contractor or otherwise on any obligation to the County.

8. Taxes. The Contractor shall pay all sales, consumer, use and similar taxes for the Work provided by the Contractor.

9. Permits, Fees and Notices.

9.1. Unless otherwise provided in the Contract Documents, the Contractor shall secure any permits and governmental licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract. Permit fees from Oconee County will be waived.

9.2. The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work.

9.3. If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, and/or rules and regulations, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

10. Protection of Persons and Property

10.1. Safety Precautions. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

10.2. Safety of Persons and Property. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- (a) employees performing the Work and other persons who may be affected thereby; and

(b) the Work and materials and equipment to be incorporated therein, whether in storage on or off site, under care, custody or control of the Contractor or the Contractor's subcontractors or sub-subcontractors.

- 10.3. The building or buildings and other structures comprising this project (the work) have been conceived and designed in a state of 100% completion. During the course of construction of walls, retaining walls, structural systems, mechanical systems, plumbing systems, electrical systems, drainage systems, etc. There will occur stages of partial completion when an unstable or otherwise unsafe or hazardous condition may exist. The Contractor shall be fully responsible to determine when an unsafe or hazardous condition exists and to shore, brace, barricade, post warning signs, employ watchmen, guards, etc. so as to prevent injury or damage.
- 10.4. The Contractor shall agree that he is expressly and solely responsible to see that no item of material or equipment is used or operated in any unsafe condition so as to operate a hazard to any person or persons. The Contractor shall and does hereby agree to render the owner and the architect harmless against any liability incurred by overloading of structural systems by operating any items of machinery or equipment in any unsafe condition or, in the case of new items being installed in such a state of partial completion so as to be unsafe to operate and to consult the architect in writing when in doubt as to the condition of safety of any item of material or equipment specified.
- 10.5. The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.
- 10.6. The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) caused in whole or in part by the Contractor, a subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except damage or loss attributable to acts or omissions of the County and not attributable to the fault or negligence of the Contractor.

11. Limitation on Liability, Release, and Indemnification.

- 11.1. The Contractor hereby releases the County from any claim or liability for damages that the Contractor may have arising out of the Contract Documents for property damage, injury or death.
- 11.2. The Contractor will hold the County harmless and indemnify the County, its agents, officers, County Council members, and employees from and against any and all claims, actions or causes of action and for any and all damages, liabilities, claims, penalties, expenses and costs, including, but not limited to, attorney's and other professional fees, arising out of the Contract Documents or the performance of the services described or referred to in the Contract Documents, specifically including, without limitation, the Work, but only to the extent caused by the negligent or intentional acts or omissions of the Contractor, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation will not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person.

- 11.3. Contractor shall assume all risks and responsibilities for losses of every description in connection with the service that can be attributed either directly or indirectly to the Contractor.
- 11.4. All indemnification and release provisions in favor of the County shall survive the expiration or sooner termination of the Contract Documents.
12. Status of Contractor as Independent Contractor. It is expressly agreed that Contractor's status hereunder is that of an independent contractor and is neither agent, employee, servant, partner, nor joint venturer of the County. Contractor is exclusively responsible for and in control of performance of Contractor's duties hereunder. Neither Contractor nor any person hired by Contractor shall be considered employees of the County for any purpose.
13. Sub-contractual Relations.
- 13.1. Contractor will not subcontract work or services under the Contract Documents without the prior written consent of the County, and any such subcontract without consent of the County shall be null and void.
- 13.2. If Contractor proposes to subcontract any of work or services under the Contract Documents, the Contractor will submit to the County the name of each proposed Subcontractor along with the proposed scope of work which its Subcontractor is to undertake. The County has the right to reject access to any Subcontractor which the County considers unable or unsuitable to satisfactorily perform its duties.
- 13.3. Contractor agrees it shall be as fully responsible to the County for any act or omission of the Contractor's Subcontractors, their agents, representatives, and persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by Contractor. Neither this provision, the County's authorization of Contractor's agreement with Subcontractor, County's inspection of a subcontractor's facilities or work, or any other action taken by the County in relation to a Subcontractor shall create any contractual relationship between any Subcontractor and the County.
- 13.4. By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the County. Each subcontract agreement shall preserve and protect the rights of the County with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents.
14. Contingent Assignment of Subcontracts. Each subcontract agreement for a portion of the Work is assigned by the Contractor to the County provided that: (a) assignment is effective only after termination of the Contract by the County for cause and only for those

subcontract agreements which the County accepts by notifying the Subcontractor and Contractor in writing; and, (b) assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

15. Limitations on Assignment of the Contract Documents. Contractor will not assign or transfer any interest in the Contract Documents without the prior written consent of the County, and any attempt to do any of the foregoing without such prior written consent shall be null, void, and of no effect. Any assignment or transfer of any interest in the Contract Documents will be subject to compliance with the provisions of the Contract Documents and will not alleviate any of Contractor's obligations in the Contract Documents.

16. Correction of Work

16.1. The Contractor shall promptly correct Work failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and expenses made necessary thereby, shall be at the Contractor's sole expense.

16.2. If, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established hereunder, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the County to do so unless the County has previously given the Contractor a written acceptance of such condition. The County shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the County fails to notify the Contractor and give the Contractor an opportunity to make the correction, the County waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the County, the County may correct it at Contractor's sole cost.

16.3. The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

16.4. The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to the preceding paragraph.

16.5. The Contractor shall bear the cost of correcting destroyed or damaged equipment, or buildings caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

16.6. Nothing contained in this section shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the one-year period for correction of Work as described in Subparagraph 17.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

16.7. If the County prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the County may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

17. Termination by the County for Cause.

17.1. The County may terminate the Contract if the Contractor:

- a) persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- b) fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- c) persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- d) otherwise is guilty of a material breach of a provision of the Contract Documents.

17.2. When any of the above reasons exist, the County, may without prejudice to any other rights or remedies of the County and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate the Contract and may, subject to any prior rights of the surety:

- a) take possession of all materials, equipment, and machinery forming part of the Work;
- b) accept assignment of subcontracts; and
- c) finish the Work by whatever reasonable method the County may deem expedient. Upon request of the Contractor, the County shall furnish to the Contractor a detailed accounting of the costs incurred by the County in finishing the Work.

17.3. When the County terminates the Contract for one of the reasons stated in the preceding paragraph, the Contractor shall not be entitled to receive further payment until the Work is finished.

17.4. If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, and other damages incurred by the County which have not been expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the County. This obligation of payment to the Contractor or County, as the case may be, shall survive termination of the Contract.

18. Suspension by the County for Convenience

18.1. The County may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the County may determine.

18.2. The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption. No adjustment shall be made to the extent:

- a) that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or

- b) that an equitable adjustment is made or denied under another provision of the Contract.

19. Termination by the County for Non-Appropriation. The Contractor hereto agrees that payments due from the County, as required under the terms of the Contract Documents, if any, are contingent upon the availability of appropriated funds. In the case of non-appropriation of funds, the County may terminate this contract in whole or in part without further obligation to the Contractor.

20. Termination by the County for Convenience.

20.1. The County may, at any time, terminate the Contract for the County's convenience and without cause.

20.2. Upon receipt of written notice from the County of such termination for the County's convenience, the Contractor shall:

20.2.1. cease operations as directed by the County in the notice;

20.2.2. take actions necessary, or that the County may direct, for the protection and preservation of the Work; and

20.2.3. except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

20.3. In case of such termination for the County's convenience, the Contractor shall be entitled to receive payment for Work executed, and costs incurred.

21. Changes in the Work.

21.1. In General.

21.1.1. Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order only in the form attached hereto as **Addendum A-Change Order Form**, and incorporated herein by reference.

21.1.2. A Change Order shall be based upon agreement among the County and Contractor.

21.1.3. Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order.

21.2. Change Orders. A Change Order is a written instrument (*Addendum A*) prepared by the County and signed by the authorized County official (County Administrator or Procurement Director) and Contractor stating their agreement upon all of the following:

a) change in the work;

b) amount of the adjustment, if any, in the Contract Sum; and

c) the extent of the adjustment, if any, in the Contract Time.

21.2.1. Minor Changes in the Work. The Contracting Officer for the County shall have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the

intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the County and Contractor. The Contractor shall carry out such written orders promptly.

22. Insurance. The successful contractor shall procure, maintain, and provide proof of insurance coverage for injuries to persons and/or property damage as may arise from, or in conjunction with, the work performed on behalf of the County by the contractor, his agents, representatives, employees or subcontractors. Proof of coverage as contained herein shall be submitted fifteen (15) days prior to the commencement of work and such coverage shall be maintained by the contractor for the duration of the contract period; for occurrence policies.

A. Commercial General Liability

Coverage shall be as broad as: Comprehensive General Liability endorsed to include Broad Form, Commercial General Liability Form including Products/Completed Operations.

Minimum Limits:

- \$1,000,000 General Aggregate Limit
- \$1,000,000 Products & Completed Operations
- \$1,000,000 Personal & Advertising Injury
- \$1,000,000 Each Occurrence Limit
- \$50,000 Fire Damage Limit
- \$5,000 Medical Expense Limit

B. Business Commercial Automobile Liability

Coverage sufficient to cover all vehicles owned, used, or hired by the contractor, his agents, representatives, employees or subcontractors.

Minimum Limits:

- \$1,000,000 Combined Single Limit
- \$1,000,000 Each Occurrence Limit
- \$5,000 Medical Expense Limit

C. Workers' Compensation

Limits as required by the Workers' Compensation Act of SC, to include state's endorsement for businesses outside of SC. Employer's Liability, \$1,000,000.

22.1. All insurance provided for in this section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of South Carolina. The County requires that Certificates of Insurance evidencing the existence of such insurance shall be submitted to the County at least two (2) days before the Work is started. If the term of the Agreement coincides with the term of the selected firm's insurance coverage, a Certificate from the expiring policy will be accepted, but a Certificate evidencing renewed coverage of a new policy must be presented to the County no later than thirty (30) days after the effective date of the policy.

22.2. With the exception of the Automobile Insurance Policy, each policy and Certificate of Insurance shall contain an endorsement naming the County as additional insured party thereunder; and a provision that at least thirty (30) days prior written notice be given

to the County in the event coverage is canceled or non-renewed or coverage is reduced.

- 22.3. If the Contractor desires to self insure any or all of the coverages listed in this section, it shall provide to the County documentation that such self insurance has received all the approvals required by law or regulations, as well as the most recent audited financial statement of the selected firm's insurance. Any coverage which is self insured shall provide the same coverage limits and benefits as the coverages listed in this section.
- 22.4. The County reserves the right to review categories and levels of insurance coverage held by the Contractor in an ongoing program of risk management. The selected firm will be notified, in writing, of coverage requirements as determined by this review and the Contractor agrees to secure such requested coverage.
- 22.5. If the Contractor fails to obtain or maintain the required insurance, the County shall have the right to treat such failure as a material breach of the contract and to exercise all appropriate rights and remedies.
- 22.6. The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate Certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in the Contract Documents.
23. **No Waiver of Breach.** No failure by either the County or Contractor to insist upon the strict performance by the other of any covenant, agreement, term or condition of the Contract Documents, or to exercise any right or remedy consequent upon a breach of any covenant, agreement, term or condition of the Contract Documents, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter the Contract Documents, but each and every covenant, condition, agreement and term of the Contract Documents shall continue in full force and effect with respect to any other then existing or subsequent breach.
24. **Waivers and Amendments to the Contract Documents.** No modification, waiver, amendment, discharge or change of the Contract Documents will be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.
25. **Mediation.**
- 25.1. If the parties are unable to resolve any claims between them, the parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Commercial Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of thirty (30) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.
- 25.2. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in Oconee, South Carolina, unless another location is mutually agreed

upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

26. Arbitration.

26.1. Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association currently in effect before a single arbitrator. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association and the arbitration shall be held in Oconee, South Carolina, unless another location is mutually agreed upon.

26.2. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.

26.3. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

27. Federal Excise and SC Sales Tax. The County, as a political subdivision of the State of South Carolina, may be exempt from Federal Excise Taxes and South Carolina Sales Taxes. When applicable, net prices as shown in the proposal shall exclude such Federal and State Tax amounts. The prior provision shall not apply to construction, repair and/or maintenance contracts where the party making the Bid purchases supplies, materials and/or equipment for the performance of the contract and includes the costs thereof in computation of the bid.

28. No Liens. South Carolina law provides that no lien may be attached to public property.

29. Notice to Contractor and the County. Unless otherwise specifically provided in the Contract Documents or by law, any and all notices or other communications required or permitted by the Contract Documents or by law to be served on, given to, or delivered to any party to the Contract Documents will be in writing and will be deemed duly served, given, delivered and received when personally delivered (including confirmed overnight delivery service to the party to whom it is directed), or without personal delivery, when three (3) business days have elapsed following deposit of the notice or other communication in the United States mail, first-class postage prepaid, certified, return receipt requested, and:

If to County, addressed to:
Robyn Courtright,
Procurement Director
415 South Pine Street
Oconee, SC 29691

If to Contractor, addressed to:

Attn: _____

Either party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided in this paragraph.

30. Compliance with the Davis-Bacon Act. The Contractor acknowledges that all construction contracts exceeding \$2,000 on Federal-aid participation jobs are subject to the provisions of the Davis-Bacon Act, 29 CFR, Parts 1, 3 and 5.

31. Compliance with the Immigration Reform and Control Act. Neither the Contractor nor any of its subcontractors may knowingly obtain the labor or services of an alien not legally authorized to work in the United States. The Contractor or its subcontractors, and not the County, must verify eligibility for employment of its employees as required by the Immigration Reform and Control Act of 1986 ("IRCA"). The Contractor hereby specifically warrants and certifies that at all times during the performance of services hereunder, it and any of its subcontractors shall be in full compliance with the provisions of IRCA in the hiring of its employees, and the Contractor will indemnify, hold harmless and defend the County against any and all actions, proceedings, penalties or claims, including, but not limited to County's attorney's fees arising out of the Contractor's failure to comply strictly with IRCA. It is agreed that if the Contractor fails to strictly comply with the IRCA, the Contractor shall pay the County the sum of five thousand dollars (\$5,000) per violation in liquidated damages.
32. Undue Influence. Contractor agrees not to hire any County personnel who may exercise or has exercised discretion in the awarding, administration or continuance of the Contract Documents for one (1) year following the termination of the employee from County service.
33. Unavoidable Delay - Force Majeure. If either party shall be delayed or prevented from the performance of any act required by the Contract Documents by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act will be excused for the period of the delay; and the period for the performance of any such act will be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section will excuse Contractor from the prompt payment of any fee or other charge required of Contractor except as may be expressly provided elsewhere in the Contract Documents.
34. Compensation Terms and Conditions.
- 34.1. The contractor shall be compensated for the Work as described above by payment of the Contract Sum. Contractor's travel, meals, lodging, parking or other expenses incidental to the performance of responsibilities under this contract shall be borne solely by the Contractor.
- 34.2. The County will not make payment on behalf of the contractor to any fringe benefit program, or withhold any money from compensation for any federal, state or local tax program or for any other reason.
35. Severability of Terms of the Contract Documents. In the event any portion of the Contract Documents is declared invalid or unenforceable, the remaining portions of the Contract Documents shall remain in full force and effect.
36. Applicable Law to the Contract Documents. The Contract Documents shall at all times be construed and interpreted in accordance with the laws of the State of South Carolina, without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties have executed these General Conditions as of the date first written above.

OCCONEE COUNTY, SOUTH CAROLINA

By: _____

Print Name: _____

Title: _____

CONTRACTOR

(Name of Corporation or Entity)

By: _____

Print Name: _____

Title: _____

ADDENDUM A

OCONEE COUNTY PROCUREMENT OFFICE
PROCUREMENT DIRECTOR
ROBYN M. COURTRIGHT

415 S. PINE ST, ROOM 104
WALHALLA, SC 29691

TELEPHONE 864-638-4141
FAX 864-638-4142

CHANGE ORDER

TO: CHANGE ORDER NUMBER:
PURCHASE ORDER NUMBER:
PURCHASE ORDER DATE:

You are hereby directed to make the following changes in this Purchase Order:

Total this Change Order: \$ _____

The original Purchase Order sum was..... \$ _____
Net change by previous Change Orders..... \$ _____
Purchase Order sum prior to this Change Order was..... \$ _____
P.O. sum will be increased by this Change Order..... \$ _____
New P.O. sum including this Change Order will be..... \$ _____
Delivery time will be: _____

Vendor: Owner: Oconee County
415 South Pine Street
Walhalla, SC 29691

By: _____ By: _____
Robyn M. Courtright

Date: _____ Date: _____

**PLEASE EXECUTE AND RETURN THIS DOCUMENT TO THE
PROCUREMENT OFFICE AT THE ABOVE ADDRESS WITHIN SEVEN (7)
DAYS OF RECEIPT. FAILURE TO DO SO COULD RENDER THIS CHANGE
ORDER NULL AND VOID.**

**AGENDA ITEM SUMMARY
OCONEE COUNTY, SC**

COUNCIL MEETING DATE: February 1, 2011
COUNCIL MEETING TIME: 6:00 PM

ITEM TITLE OR DESCRIPTION:

ITB 10-17 Manned Convenience Center on N. Strawberry Farm Rd

Staff recommends that County Council approve the following:

- 1) Award of bid # 10-17 Manned Convenience Center on N. Strawberry Farm Rd to Thrift Brothers, Inc of Seneca, SC for the amount of \$559,235.00
- 2) Contingency in the Amount of \$3,914.45 for any change orders that may arise
- 3) Authorize the County Administrator to sign/approve any change orders up to the contingency amount

BACKGROUND OR HISTORY:

The current Manned Convenience Center #1 (MCC) located on Strawberry Farm Rd was built in 1992 and is Oconee County's oldest, and most used convenience center. The center was not designed for the high volume of traffic it currently receives, the parking lot is wearing away, the hollow concrete block walls are crumbling and leak mud after every rain.

The new Manned Convenience Center will be constructed on land already owned by Oconee County located on Strawberry Farm Rd. It has been designed to handle today's high volume of traffic and future increases in traffic flow. The construction will consist of clearing, earthwork, paving, concrete attendant building, gates and fencing to provide a complete turn-key facility.

On January 19, 2011, formal sealed bids were opened. Twenty (20) companies were originally notified of this bid opportunity. Seven (7) companies submitted bids, with Thrift Brothers, Inc, of Seneca, SC submitting the lowest bid of \$559,235.00.

SPECIAL CONSIDERATIONS OR CONCERNS:

COMPLETE THIS PORTION FOR ALL PROCUREMENT REQUESTS:

Does this request follow Procurement Ordinance #2001-15 guidelines? Yes

STAFF RECOMMENDATION:

Staff recommends that County Council approve the following

- 1) Award of bid # 10-17 Manned Convenience Center on N. Strawberry Farm Rd to Thrift Brothers, Inc of Seneca, SC for the amount of \$559,235.00. Goldie and Associates (project engineers for this project) has reviewed the low bid and recommends the bid be awarded to Thrift Brothers, Inc. (see attached recommendation letter)
- 2) Contingency in the Amount of \$3,914.45 for any change orders that may arise
- 3) Authorize the County Administrator to sign/approve any change orders up to the contingency amount

FINANCIAL IMPACT:

Currently there is \$486,142.50 in the capital projects fund for the Strawberry Farm MCC. An additional \$77,006.95 is in the process of being transferred from the capital equipment fund for a total of \$563,149.45 for this project.

ATTACHMENTS

1. Bid Tabulation
2. Goldie and Associates Recommendation Letter
3. Contract

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

Reviewed By/ Initials:

_____ County Attorney

VB Finance

NA Grants

PC Procurement

Submitted or Prepared By:

Rebecca M. Courtright
Department Head/Elected Official

Approved for Submittal to Council:

[Signature]
E. Scott Moulder, County Administrator

Note: \$77K in capital equipment fund is in the Capital Projects fund. Administrator can approve + transfer to Strawberry Farm
VB

Council has directed that they receive their agenda packages a week prior to each Council meeting, therefore, Agenda Items Summaries must be submitted to the Administrator for his review/approval no later than 12 days prior to each Council meeting. It is the Department Head / Elected Officials responsibility to ensure that all approvals are obtained prior to submission to the Administrator for inclusion on an agenda.

A calendar with due dates marked may be obtained from the Clerk to Council.

**GOLDIE
&
ASSOCIATES**
*engineering, environmental
and laboratory services*

January 20, 2011

Mr. Swain Still
Oconee County Solid Waste
P. O. Box 1766
Seneca, SC 29679-1766

Re: Manned Convenience Center on N. Strawberry Farm Road
Goldie & Associates Project No. 22.52.1

Dear Mr. Still,


Enclosed please find the Bid Tabulation and the Performance Evaluation Surveys for the above referenced project. Thrift Brothers, Inc was the low bidder on the project. We have reviewed their bid and it appears to be complete and balanced. It has been confirmed that the contractor has sufficient staff to promptly begin the project and complete it on schedule.

We have checked the references for Thrift Brothers, Inc and received positive and favorable responses. Therefore, it is our recommendation that the bid be awarded to Thrift Brothers, Inc.

If you have any questions or need additional information, please feel free to call me at 864-903-9945.

Sincerely,

Goldie & Associates


Tim Wilber
Field Services Manager

Cc: Tronda Spearman, OC Procurement

Encl: As stated

ARBITRATION NOTICE: THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA UNIFORM ARBITRATION ACT (SC CODE § 15-48-10 ET SEQ.) AND ANY AMENDMENTS THERETO, AS MODIFIED HEREIN.

MANNED CONVENIENCE CENTER ON N. STRAWBERRY FARM RD
CONSTRUCTION AGREEMENT

THIS MANNED CONVENIENCE CENTER ON N. STRAWBERRY FARM RD AGREEMENT (the "Agreement") has been made and entered into this 1st day of February, 2011, by and between Oconee County, South Carolina (the "County"), and Thrift Brothers, Inc ("Contractor").

WHEREAS, the County desires to allow Contractor, a legal entity properly licensed and registered under the laws of the State of South Carolina, to construct a Manned Convenience Center according to detailed attached plans and drawings, (hereinafter collectively be referred to as "Manned Convenience Center") at 301 Strawberry Farm Rd, Seneca, SC 29678; and,

WHEREAS, the Contractor desires to construct the Manned Convenience Center for the County pursuant to the specifications and under the terms and conditions of this Agreement:

NOW, THEREFORE, in consideration of the mutual covenants contained in the Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

I. PERFORMANCE BY CONTRACTOR.

The contract documents are intended to call upon a Contractor of sufficient skill, experience and staff to produce a Manned Convenience Center of workmanlike and durable construction and finish and in compliance with applicable laws, codes and regulations. Where plans and/or specifications are not otherwise specific or are incomplete, it shall be their intent to require recognized well-known and legal standards of good practice. Where these standards are not immediately known, the Contractor shall employ a reasonable research effort to determine good practice.

- a. The Contractor shall fully perform and execute all of the work necessary to complete this project for the County, including, without limitation, the construction of the Manned Convenience Center, as outlined in the Bid Package and in accordance with the specifications attached hereto as **Exhibit A (the ITB)** and incorporated herein by reference (collectively the "Work").
- b. The Contractor shall perform the Work in accordance with federal, state, and local regulations.
- c. The Contractor represents that it has investigated the conditions for the Work prior to submitting its bid and any delays or damages caused by adverse conditions which were capable of being identified prior to the submission of Contractor's bid, shall be at the sole risk of Contractor.

COMMENCEMENT AND COMPLETION OF WORK.

The Work shall commence not longer than ten (10) days from mailing of a Notice to Proceed (**anticipated by February 2, 2011**) from the County to the Contractor.

- a. All of the services to be provided by the Contractor hereunder shall be performed and completed on or before **June 30, 2011** (the "**Completion Date**").

2. PAYMENT BY COUNTY.

- a. For the Work, the County shall pay the Contractor the contract sum of \$559,235.00 Dollars (the "Contract Sum") for the Service required by the Contract Documents, subject to adjustment as provided in the General Conditions defined below.
- b. The County shall make payment of the Contract Sum, as validly adjusted hereunder, as provided on the following timeline:

Final Invoice to be submitted on or before July 14, 2011.

- c. The County shall make final payment of the Contract Sum to Contractor on or before **July 29, 2011.**

3. GENERAL CONDITIONS.

This Agreement shall be subject to and governed by the General Conditions attached hereto as **Exhibit B** and incorporated herein by reference (the "General Conditions"). The General Conditions, together with the Specifications, the Bid Package, and this Agreement, together with all exhibits, shall collectively constitute the "Contract Documents."

4. INSPECTION AND MONITORING.

The County shall have the right to inspect the Work to evaluate the Contractor's compliance with the Contract Documents for the County's sole benefit, and said right to inspection shall not make the County responsible for the compliance of the Contractor with the terms of the Contract Documents.

During the course of construction of the work, the Architect will make periodic observations of the work. Where defects and materials and/or workmanship are observed, the Architect will notify the Contractor of such defects. The absence of such notification should not be construed to mean that defects in the work do not exist and the payment of invoices by the County should not be construed to mean that defects in materials and/or workmanship have been corrected or that they do not exist.

5. BONDS AND CERTIFICATES OF INSURANCE.

The Contractor shall execute and present to the County a performance bond in an amount of one hundred percent (100%) of the amount of the total Contract Sum, as required by state law, at the time of execution of this Agreement and certificates of insurance (as stated in the General Conditions) at the time of execution of this Agreement.

6. AUTHORITY TO ACT.

If Contractor is a corporation or limited liability company, the undersigned hereby represents and warrants that the said entity is duly formed and registered and in good standing in the State of South Carolina and that T. Scott Moulder whose title is

County Administrator for Oconee County is authorized to act for and bind the entity to the Contract Documents.

IN WITNESS OF THIS AGREEMENT, Contractor and the County have caused their names to be subscribed and their seals to be affixed as to the day and year first above written.

OCONEE COUNTY, SOUTH CAROLINA

By: _____

Print Name: _____

Title: _____

CONTRACTOR

(Name of Corporation or Entity)

By: _____

Print Name: _____

Title: _____

EXHIBIT A

1. ITB DOCUMENTS AND ANY ADDENDUMS

2. PLANS / DRAWINGS

EXHIBIT B

GENERAL CONDITIONS

1. County's Right to Stop the Work. If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents or persistently fails to carry out Work in accordance with the Contract Documents, the County may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the County to stop the Work shall not give rise to a duty on the part of the County to exercise this right for the benefit of the Contractor or any other person or entity.
2. County's Right to Carry Out the Work. If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the County to commence and continue correction of such default or neglect with diligence and promptness, the County may, without prejudice to other remedies the County may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including County's expenses and compensation for the additional services made necessary by such default, neglect or failure. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the County.
3. Supervision.
 - 3.1. The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over the Work, means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, pursuant to the specifications and the Contract Documents. . If the Contract Documents give specific instructions concerning the means, methods, techniques, sequences or procedures, the Contractor shall evaluate the job site safety thereof and, except as stated below, shall be fully and solely responsible for the job site safety of such means, methods, techniques, sequences or procedures. If the Contractor determines that such means, methods techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the County and shall not proceed with that portion of the Work without further written instructions from the County. If the Contractor is then instructed to proceed with the required means, methods, techniques, sequences, or procedures without acceptance of changes proposed by the Contractor, the County shall be responsible for any resulting loss or damage.
 - 3.2. The Contractor shall be responsible to the County for acts and omissions of the Contractor's employees, subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its subcontractors.
4. Cleaning Up.
 - 4.1. The Contractor shall perform the Work under the Contract Documents. At completion of the Work, the Contractor shall remove from the site where the work is performed any waste materials, rubbish, the Contractor's tools, equipment, machinery and surplus materials.
 - 4.2. If the Contractor fails to clean up as provided in the Contract Documents, the County may do so and the cost thereof shall be charged to the Contractor.

5. Labor and Materials.

5.1. The Contractor shall provide and pay for all labor, materials, equipment, tools, and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work; except for those items stated in the specifications that will be supplied by the County.

5.2. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of persons not properly licensed to perform the work assigned, unfit persons, or persons not skilled in tasks assigned to them.

6. Warranty. The Contractor warrants to the County that services, materials and equipment furnished and Work performed under the Contract will be of good quality, that the Work will be consistent with industry standards, free from defects, and that the Work will conform to the requirements of the Contract Documents, together with all other warranties required in the Specifications. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective.

7. Contractor Assurance of Good Standing. Contractor warrants that it is not in arrears to the County upon debt or contract and is not in default as surety, contractor or otherwise on any obligation to the County.

8. Taxes. The Contractor shall pay all sales, consumer, use and similar taxes for the Work provided by the Contractor.

9. Permits, Fees and Notices.

9.1. Unless otherwise provided in the Contract Documents, the Contractor shall secure any permits and governmental licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract. Permit fees from Oconee County will be waived.

9.2. The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work.

9.3. If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, and/or rules and regulations, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

10. Protection of Persons and Property

10.1. Safety Precautions. The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

10.2. Safety of Persons and Property. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

(a) employees performing the Work and other persons who may be affected thereby; and

(b) the Work and materials and equipment to be incorporated therein, whether in storage on or off site, under care, custody or control of the Contractor or the Contractor's subcontractors or sub-subcontractors.

- 10.3. The building or buildings and other structures comprising this project (the work) have been conceived and designed in a state of 100% completion. During the course of construction of walls, retaining walls, structural systems, mechanical systems, plumbing systems, electrical systems, drainage systems, etc. There will occur stages of partial completion when an unstable or otherwise unsafe or hazardous condition may exist. The Contractor shall be fully responsible to determine when an unsafe or hazardous condition exists and to shore, brace, barricade, post warning signs, employ watchmen, guards, etc. so as to prevent injury or damage.
- 10.4. The Contractor shall agree that he is expressly and solely responsible to see that no item of material or equipment is used or operated in any unsafe condition so as to operate a hazard to any person or persons. The Contractor shall and does hereby agree to render the owner and the architect harmless against any liability incurred by overloading of structural systems by operating any items of machinery or equipment in any unsafe condition or, in the case of new items being installed in such a state of partial completion so as to be unsafe to operate and to consult the architect in writing when in doubt as to the condition of safety of any item of material or equipment specified.
- 10.5. The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.
- 10.6. The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) caused in whole or in part by the Contractor, a subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except damage or loss attributable to acts or omissions of the County and not attributable to the fault or negligence of the Contractor.
11. Limitation on Liability, Release, and Indemnification.
- 11.1. The Contractor hereby releases the County from any claim or liability for damages that the Contractor may have arising out of the Contract Documents for property damage, injury or death.
- 11.2. The Contractor will hold the County harmless and indemnify the County, its agents, officers, County Council members, and employees from and against any and all claims, actions or causes of action and for any and all damages, liabilities, claims, penalties, expenses and costs, including, but not limited to, attorney's and other professional fees, arising out of the Contract Documents or the performance of the services described or referred to in the Contract Documents, specifically including, without limitation, the Work, but only to the extent caused by the negligent or intentional acts or omissions of the Contractor, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation will not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person.
- 11.3. Contractor shall assume all risks and responsibilities for losses of every description in connection with the service that can be attributed either directly or indirectly to the Contractor.
- 11.4. All indemnification and release provisions in favor of the County shall survive the expiration or sooner termination of the Contract Documents.

12. Status of Contractor as Independent Contractor. It is expressly agreed that Contractor's status hereunder is that of an independent contractor and is neither agent, employee, servant, partner, nor joint venturer of the County. Contractor is exclusively responsible for and in control of performance of Contractor's duties hereunder. Neither Contractor nor any person hired by Contractor shall be considered employees of the County for any purpose.
13. Subcontractual Relations.
- 13.1. Contractor will not subcontract work or services under the Contract Documents without the prior written consent of the County, and any such subcontract without consent of the County shall be null and void.
- 13.2. If Contractor proposes to subcontract any of work or services under the Contract Documents, the Contractor will submit to the County the name of each proposed Subcontractor along with the proposed scope of work which its Subcontractor is to undertake. The County has the right to reject access to any Subcontractor which the County considers unable or unsuitable to satisfactorily perform its duties.
- 13.3. Contractor agrees it shall be as fully responsible to the County for any act or omission of the Contractor's Subcontractors, their agents, representatives, and persons either directly or indirectly employed by them as it is for the acts and omissions of persons directly employed by Contractor. Neither this provision, the County's authorization of Contractor's agreement with Subcontractor, County's inspection of a subcontractor's facilities or work, or any other action taken by the County in relation to a Subcontractor shall create any contractual relationship between any Subcontractor and the County.
- 13.4. By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by these Documents, assumes toward the County. Each subcontract agreement shall preserve and protect the rights of the County with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement which may be at variance with the Contract Documents.
14. Contingent Assignment of Subcontracts. Each subcontract agreement for a portion of the Work is assigned by the Contractor to the County provided that: (a) assignment is effective only after termination of the Contract by the County for cause and only for those subcontract agreements which the County accepts by notifying the Subcontractor and Contractor in writing; and, (b) assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.
15. Limitations on Assignment of the Contract Documents. Contractor will not assign or transfer any interest in the Contract Documents without the prior written consent of the County, and any attempt to do any of the foregoing without such prior written consent shall be null, void, and of no effect. Any assignment or transfer of any interest in the Contract

Documents will be subject to compliance with the provisions of the Contract Documents and will not alleviate any of Contractor's obligations in the Contract Documents.

16. Correction of Work

- 16.1. The Contractor shall promptly correct Work failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and expenses made necessary thereby, shall be at the Contractor's sole expense.
- 16.2. If, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established hereunder, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the County to do so unless the County has previously given the Contractor a written acceptance of such condition. The County shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the County fails to notify the Contractor and give the Contractor an opportunity to make the correction, the County waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the County, the County may correct it at Contractor's sole cost.
- 16.3. The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.
- 16.4. The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to the preceding paragraph.
- 16.5. The Contractor shall bear the cost of correcting destroyed or damaged equipment, or buildings caused by the Contractor's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.
- 16.6. Nothing contained in this section shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the one-year period for correction of Work as described in Subparagraph 17.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.
- 16.7. If the County prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the County may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

17. Termination by the County for Cause.

- 17.1. The County may terminate the Contract if the Contractor:
 - a) persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;

- b) fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
- c) persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- d) otherwise is guilty of a material breach of a provision of the Contract Documents.

17.2. When any of the above reasons exist, the County, may without prejudice to any other rights or remedies of the County and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate the Contract and may, subject to any prior rights of the surety:

- a) take possession of all materials, equipment, and machinery forming part of the Work;
- b) accept assignment of subcontracts; and
- c) finish the Work by whatever reasonable method the County may deem expedient. Upon request of the Contractor, the County shall furnish to the Contractor a detailed accounting of the costs incurred by the County in finishing the Work.

17.3. When the County terminates the Contract for one of the reasons stated in the preceding paragraph, the Contractor shall not be entitled to receive further payment until the Work is finished.

17.4. If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, and other damages incurred by the County which have not been expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the County. This obligation of payment to the Contractor or County, as the case may be, shall survive termination of the Contract.

18. Suspension by the County for Convenience

18.1. The County may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the County may determine.

18.2. The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption. No adjustment shall be made to the extent:

- a) that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
- b) that an equitable adjustment is made or denied under another provision of the Contract.

19. Termination by the County for Non-Appropriation. The Contractor hereto agrees that payments due from the County, as required under the terms of the Contract Documents, if any, are contingent upon the availability of appropriated funds. In the case of non-appropriation of funds, the County may terminate this contract in whole or in part without further obligation to the Contractor.

20. Termination by the County for Convenience.

20.1. The County may, at any time, terminate the Contract for the County's convenience and without cause.

A. Commercial General Liability

Coverage shall be as broad as: Comprehensive General Liability endorsed to include Broad Form, Commercial General Liability Form including Products/Completed Operations.

Minimum Limits:

\$1,000,000 General Aggregate Limit
\$1,000,000 Products & Completed Operations
\$1,000,000 Personal & Advertising Injury
\$1,000,000 Each Occurrence Limit
\$50,000 Fire Damage Limit
\$5,000 Medical Expense Limit

B. Business Commercial Automobile Liability

Coverage sufficient to cover all vehicles owned, used, or hired by the contractor, his agents, representatives, employees or subcontractors.

Minimum Limits:

\$1,000,000 Combined Single Limit
\$1,000,000 Each Occurrence Limit
\$5,000 Medical Expense Limit

C. Workers' Compensation

Limits as required by the Workers' Compensation Act of SC, to include state's endorsement for businesses outside of SC. Employer's Liability, \$1,000,000.

- 22.1. All insurance provided for in this section shall be obtained under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the State of South Carolina. The County requires that Certificates of Insurance evidencing the existence of such insurance shall be submitted to the County at least two (2) days before the Work is started. If the term of the Agreement coincides with the term of the selected firm's insurance coverage, a Certificate from the expiring policy will be accepted, but a Certificate evidencing renewed coverage of a new policy must be presented to the County no later than thirty (30) days after the effective date of the policy.
- 22.2. With the exception of the Automobile Insurance Policy, each policy and Certificate of Insurance shall contain an endorsement naming the County as additional insured party thereunder; and a provision that at least thirty (30) days prior written notice be given to the County in the event coverage is canceled or non-renewed or coverage is reduced.
- 22.3. If the Contractor desires to self insure any or all of the coverages listed in this section, it shall provide to the County documentation that such self insurance has received all the approvals required by law or regulations, as well as the most recent audited financial statement of the selected firm's insurance. Any coverage which is self insured shall provide the same coverage limits and benefits as the coverages listed in this section.
- 22.4. The County reserves the right to review categories and levels of insurance coverage held by the Contractor in an ongoing program of risk management. The selected firm will be notified, in writing, of coverage requirements as determined by this review and the Contractor agrees to secure such requested coverage,

- 22.5. If the Contractor fails to obtain or maintain the required insurance, the County shall have the right to treat such failure as a material breach of the contract and to exercise all appropriate rights and remedies.
- 22.6. The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate Certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in the Contract Documents.
23. **No Waiver of Breach.** No failure by either the County or Contractor to insist upon the strict performance by the other of any covenant, agreement, term or condition of the Contract Documents, or to exercise any right or remedy consequent upon a breach of any covenant, agreement, term or condition of the Contract Documents, shall constitute a waiver of any such breach or of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter the Contract Documents, but each and every covenant, condition, agreement and term of the Contract Documents shall continue in full force and effect with respect to any other then existing or subsequent breach.
24. **Waivers and Amendments to the Contract Documents.** No modification, waiver, amendment, discharge or change of the Contract Documents will be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge or change is or may be sought.
25. **Mediation.**
- 25.1. If the parties are unable to resolve any claims between them, the parties shall endeavor to resolve their claims by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Commercial Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to the Contract and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of thirty (30) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.
- 25.2. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in Oconee, South Carolina, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.
26. **Arbitration.**
- 26.1. Claims not resolved by mediation shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Commercial Arbitration Rules of the American Arbitration Association currently in effect before a single arbitrator. The demand for arbitration shall be filed in writing with the other party to the Contract and with the American Arbitration Association and the arbitration shall be held in Oconee, South Carolina, unless another location is mutually agreed upon.
- 26.2. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party on which arbitration is permitted to be demanded.
- 26.3. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

27. Federal Excise and SC Sales Tax. The County, as a political subdivision of the State of South Carolina, may be exempt from Federal Excise Taxes and South Carolina Sales Taxes. When applicable, net prices as shown in the proposal shall exclude such Federal and State Tax amounts. The prior provision shall not apply to construction, repair and/or maintenance contracts where the party making the Bid purchases supplies, materials and/or equipment for the performance of the contract and includes the costs thereof in computation of the bid.

28. No Liens. South Carolina law provides that no lien may be attached to public property.

29. Notice to Contractor and the County. Unless otherwise specifically provided in the Contract Documents or by law, any and all notices or other communications required or permitted by the Contract Documents or by law to be served on, given to, or delivered to any party to the Contract Documents will be in writing and will be deemed duly served, given, delivered and received when personally delivered (including confirmed overnight delivery service to the party to whom it is directed), or without personal delivery, when three (3) business days have elapsed following deposit of the notice or other communication in the United States mail, first-class postage prepaid, certified, return receipt requested, and:

If to County, addressed to:
Robyn Courtright,
Procurement Director
415 South Pine Street
Walhalla, SC 29691

If to Contractor, addressed to:
Thrift Brothers, Inc
1655 Sandifer Blvd
Seneca, SC 29679
Attn: Marcia T. Hydrick

Either party may change its address for the purpose of this paragraph by giving written notice of such change to the other party in the manner provided in this paragraph.

30. Compliance with the Davis-Bacon Act. The Contractor acknowledges that all construction contracts exceeding \$2,000 on Federal-aid participation jobs are subject to the provisions of the Davis-Bacon Act, 29 CFR, Parts 1, 3 and 5.

31. Compliance with the Immigration Reform and Control Act. Neither the Contractor nor any of its subcontractors may knowingly obtain the labor or services of an alien not legally authorized to work in the United States. The Contractor or its subcontractors, and not the County, must verify eligibility for employment of its employees as required by the Immigration Reform and Control Act of 1986 ("IRCA"). The Contractor hereby specifically warrants and certifies that at all times during the performance of services hereunder, it and any of its subcontractors shall be in full compliance with the provisions of IRCA in the hiring of its employees, and the Contractor will indemnify, hold harmless and defend the County against any and all actions, proceedings, penalties or claims, including, but not limited to County's attorney's fees arising out of the Contractor's failure to comply strictly with IRCA. It is agreed that if the Contractor fails to strictly comply with the IRCA, the Contractor shall pay the County the sum of five thousand dollars (\$5,000) per violation in liquidated damages.

32. Undue Influence. Contractor agrees not to hire any County personnel who may exercise or has exercised discretion in the awarding, administration or continuance of the Contract Documents for one (1) year following the termination of the employee from County service.

33. Unavoidable Delay - Force Majeure. If either party shall be delayed or prevented from the performance of any act required by the Contract Documents by reason of acts of God, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws, or regulations or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act will be excused for the period of the delay; and the period for the performance of any such act will be extended for a period equivalent to the period of such delay; provided, however, nothing in this Section will excuse Contractor from the prompt payment of any fee or other charge required of Contractor except as may be expressly provided elsewhere in the Contract Documents.
34. Compensation Terms and Conditions.
- 34.1. The contractor shall be compensated for the Work as described above by payment of the Contract Sum. Contractor's travel, meals, lodging, parking or other expenses incidental to the performance of responsibilities under this contract shall be borne solely by the Contractor.
- 34.2. The County will not make payment on behalf of the contractor to any fringe benefit program, or withhold any money from compensation for any federal, state or local tax program or for any other reason.
35. Severability of Terms of the Contract Documents. In the event any portion of the Contract Documents is declared invalid or unenforceable, the remaining portions of the Contract Documents shall remain in full force and effect.
36. Applicable Law to the Contract Documents. The Contract Documents shall at all times be construed and interpreted in accordance with the laws of the State of South Carolina, without regard to conflict of law principles.

IN WITNESS WHEREOF, the parties have executed these General Conditions as of the date first written above.

OCONEE COUNTY, SOUTH CAROLINA

By: _____

Print Name: _____

Title: _____

CONTRACTOR

(Name of Corporation or Entity)

By: _____

Print Name: _____

Title: _____

ADDENDUM A

OCCONEE COUNTY PROCUREMENT OFFICE
PROCUREMENT DIRECTOR
ROBYN M. COURTRIGHT

415 S. PINE ST, ROOM 104
WALHALLA, SC 29691

TELEPHONE 864-638-4141
FAX 864-638-4142

CHANGE ORDER

TO: CHANGE ORDER NUMBER:
PURCHASE ORDER NUMBER:
PURCHASE ORDER DATE:

You are hereby directed to make the following changes in this Purchase Order:

Total this Change Order: \$ _____

The original Purchase Order sum was..... \$ _____
Net change by previous Change Orders..... \$ _____
Purchase Order sum prior to this Change Order was..... \$ _____
P.O. sum will be increased by this Change Order..... \$ _____
New P.O. sum including this Change Order will be..... \$ _____
Delivery time will be: _____

Vendor: Owner: Oconee County
415 South Pine Street
Walhalla, SC 29691

By: _____ By: _____
Robyn M. Courtright or Scott Moulder

Date: _____ Date: _____

**PLEASE EXECUTE AND RETURN THIS DOCUMENT TO THE
PROCUREMENT OFFICE AT THE ABOVE ADDRESS WITHIN SEVEN (7)
DAYS OF RECEIPT. FAILURE TO DO SO COULD RENDER THIS CHANGE
ORDER NULL AND VOID.**

Welcome to the
South Carolina  **Legislature** *Online*



Search Legislation
Session 119 - (2011-2012)

(Full text search on all bills)

S 483 found 1 time. 

S 483

S 0483 General Bill, By McConnell, L. Martin, Courson, Land, Campbell, Rankin and Verdin

Similar(H 3508)

A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SECTION 58-9-10, RELATING TO DEFINITIONS CONCERNING TELEPHONE COMPANIES, SO AS TO MODIFY THE DEFINITION OF 'BROADBAND SERVICE'; TO REITLE ARTICLE 23, CHAPTER 9, TITLE 58, RELATING TO GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDERS AS "GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDERS"; TO AMEND SECTION 58-9-2600, RELATING TO THE PURPOSE OF ARTICLE 23, CHAPTER 9, TITLE 58, SO AS TO MAKE CONFORMING CHANGES AND CLARIFY THE SCOPE OF THE ARTICLE; TO AMEND SECTION 58-9-2610, RELATING TO DEFINITIONS CONCERNING GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDERS, SO AS TO MAKE CONFORMING CHANGES AND ADD CERTAIN DEFINITIONS; TO AMEND SECTION 58-9-2620, RELATING TO DUTIES, RESTRICTIONS, RATE COMPUTATIONS, AND ACCOUNTING REQUIREMENTS OF A GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDER, SO AS TO MAKE CONFORMING CHANGES, TO GIVE THE OFFICE OF REGULATORY STAFF JURISDICTION TO INVESTIGATE THE COMPLIANCE OF A GOVERNMENT-OWNED COMMUNICATIONS PROVIDER WITH THE PROVISIONS OF THIS CHAPTER, TO PROVIDE THE COMMISSION MAY ENFORCE THE COMPLIANCE OF A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER WITH THE PROVISIONS OF THIS CHAPTER, AND TO CLARIFY THAT THIS SECTION DOES NOT EXPAND OR LIMIT THE JURISDICTION OF THE COMMISSION OR OFFICE OF REGULATORY STAFF WITH RESPECT TO ANY SERVICE PROVIDER OTHER THAN A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER; TO AMEND SECTION 58-9-2630, RELATING TO CERTAIN TAX COLLECTIONS AND PAYMENTS, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 58-9-2650, RELATING TO LIABILITY INSURANCE RATES FOR COMMUNICATIONS OPERATIONS, SO AS TO MAKE CONFORMING CHANGES; AND TO ADD SECTION 58-9-2660, SO AS TO PROVIDE A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER MAY PETITION THE PUBLIC SERVICE COMMISSION TO DESIGNATE ONE OR MORE AREAS AS AN UNSERVED AREA, TO SPECIFY THE PROCEDURE FOR MAKING AND PROTESTING THIS PETITION, TO PROVIDE FOR A HEARING OF A PROTEST TO A PETITION, TO PROVIDE FOR THE APPLICATION OF CERTAIN PROVISIONS OF LAW TO AN UNSERVED AREA, AND TO PROVIDE A PROCESS FOR PETITIONING FOR A DETERMINATION THAT AN AREA HAS CEASED TO BE AN UNSERVED AREA.

02/01/11 Senate Introduced and read first time (Senate Journal-page 3)

02/01/11 Senate Referred to Committee on Judiciary
(Senate Journal - page 3)

VERSIONS OF THIS BILL

2/1/2011

S. 483

A BILL

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, SECTION 58-9-10, RELATING TO DEFINITIONS CONCERNING TELEPHONE COMPANIES, SO AS TO MODIFY THE DEFINITION OF "BROADBAND SERVICE"; TO RETITLE ARTICLE 23, CHAPTER 9, TITLE 58, RELATING TO GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDERS AS "GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDERS"; TO AMEND SECTION 58-9-2600, RELATING TO THE PURPOSE OF ARTICLE 23, CHAPTER 9, TITLE 58, SO AS TO MAKE CONFORMING CHANGES AND CLARIFY THE SCOPE OF THE ARTICLE; TO AMEND SECTION 58-9-2610, RELATING TO DEFINITIONS CONCERNING GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDERS, SO AS TO MAKE CONFORMING CHANGES AND ADD CERTAIN DEFINITIONS; TO AMEND SECTION 58-9-2620, RELATING TO DUTIES, RESTRICTIONS, RATE COMPUTATIONS, AND ACCOUNTING REQUIREMENTS OF A GOVERNMENT-OWNED TELECOMMUNICATIONS SERVICE PROVIDER, SO AS TO MAKE CONFORMING CHANGES, TO GIVE THE OFFICE OF REGULATORY STAFF JURISDICTION TO INVESTIGATE THE COMPLIANCE OF A GOVERNMENT-OWNED COMMUNICATIONS PROVIDER WITH THE PROVISIONS OF THIS CHAPTER, TO PROVIDE THE COMMISSION MAY ENFORCE THE COMPLIANCE OF A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER WITH THE PROVISIONS OF THIS CHAPTER, AND TO CLARIFY THAT THIS SECTION DOES NOT EXPAND OR LIMIT THE JURISDICTION OF THE COMMISSION OR OFFICE OF REGULATORY STAFF WITH RESPECT TO ANY SERVICE PROVIDER OTHER THAN A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER; TO AMEND SECTION 58-9-2630, RELATING TO CERTAIN TAX COLLECTIONS AND PAYMENTS, SO AS TO MAKE CONFORMING CHANGES; TO AMEND SECTION 58-9-2650, RELATING TO LIABILITY INSURANCE RATES FOR COMMUNICATIONS OPERATIONS, SO AS TO MAKE CONFORMING CHANGES; AND TO ADD SECTION 58-9-2660, SO AS TO PROVIDE A GOVERNMENT-OWNED COMMUNICATIONS SERVICE PROVIDER MAY PETITION THE PUBLIC SERVICE COMMISSION TO DESIGNATE ONE OR MORE AREAS AS AN UNSERVED AREA, TO SPECIFY THE PROCEDURE FOR MAKING AND PROTESTING THIS PETITION, TO PROVIDE FOR

A HEARING OF A PROTEST TO A PETITION, TO PROVIDE FOR THE APPLICATION OF CERTAIN PROVISIONS OF LAW TO AN UNSERVED AREA, AND TO PROVIDE A PROCESS FOR PETITIONING FOR A DETERMINATION THAT AN AREA HAS CEASED TO BE AN UNSERVED AREA.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 58-9-10(17) of the 1976 Code, as added by Act 6 of 2003, is amended to read:

"(17) The term 'broadband service' means ~~any a~~ service that is used to deliver video or to provide access to the Internet or content and services similar to that accessible through the Internet, and that consists of the offering of a:

(a) a capability to transmit information at a rate that is generally not less than one hundred ninety kilobits per second in at least one direction; or

(b) ~~any~~ service that combines uses computer processing, information storage, and protocol conversion to ~~enable users to access Internet content and services provide this access.~~"

SECTION 2. Article 23, Chapter 9, Title 58 of the 1976 Code is retitled "Government-Owned Communications Service Providers".

SECTION 3. Section 58-9-2600 of the 1976 Code, as added by Act 360 of 2002, is amended to read:

"Section 58-9-2600. This article regulates the provision of ~~telecommunications~~ communications service by an agency or ~~entity of the State or, instrumentality,~~ or a political subdivision of this State, excluding the State Budget and Control Board, ~~for services provided as of this article's the effective date of this article.~~"

SECTION 4. Section 58-9-2610 of the 1976 Code, as added by Act 360 of 2002, is amended to read:

"Section 58-9-2610. As used in this article:

(A) (1) 'Government-owned ~~telecommunications-communications~~ communications service provider' means a state or local political subdivision ~~or, instrumentality of the State,~~ or person, ~~or~~ entity providing ~~telecommunications~~ a communications service to the public for hire over a facility, operation, or system that is directly or indirectly owned by, operated by, or a financial benefit obtained by or derived from, an agency, ~~instrumentality,~~ or entity of the State or any local government. 'Government-owned ~~telecommunications-communications~~ communications service provider' does not include the State Budget and Control Board for services provided as of this article's the effective date of this article.

(2) The term 'government-owned ~~telecommunications~~ communications service provider' does not include any state or local governmental entity, instrumentality, or agency that obtains or derives financial benefit solely from leasing or renting, to ~~any~~ a person or entity, property that is not, in and of itself, a facility used to provide ~~telecommunications~~ a communications service.

(2B) 'Communications service' means a telecommunications service, a broadband service, or both.

(C) 'Telecommunications service' for the purpose of this section is means a telecommunications service as defined in Section 58-9-2200(1).

(D) 'Broadband service' means a broadband service as defined in Section 58-9-10(17).

~~(3)~~(E) 'Person' as defined in Section 58-9-10(4) includes a 'government-owned ~~telecommunications~~ communications service provider'.

~~(4)~~(F) 'Public' means the public generally or any limited portion of the public, including a person or corporation. The term 'public' excludes governmental agencies or entities when they receive ~~telecommunications~~ a communications service from the State Budget and Control Board pursuant to its statutory authority or other legal requirements.

(G) 'Unserved area' means a 2000 Census block, as designated by the United States Census Bureau, in which at least ninety percent of households have either no access to broadband service or access to broadband service only from a satellite provider. For the purposes of this subsection, 'household' has the same meaning as prescribed by the United States Census Bureau.

(H) 'Commission' means the South Carolina Public Service Commission."

SECTION 5. Section 58-9-2620 of the 1976 Code, as amended by Act 318 of 2006, is further amended to read:

"Section 58-9-2620. Notwithstanding ~~any other~~ another provision of law, a government-owned ~~telecommunications~~ communications service provider ~~shall~~ must:

(1) be subject to the same local, state, and federal regulatory, statutory, and other legal requirements ~~that~~ to which nongovernment-owned ~~telecommunications~~ communications service providers are subject to, including regulation and other legal requirements by the Public Service commission and the Office of Regulatory Staff;

(2) ~~not be the recipient of any~~ receive a financial ~~benefits of any type that~~

benefit for which a nongovernment-owned telecommunications communications service providers are provider is not recipients of a recipient including, but not limited to, a tax exemptions exemption and governmental subsidies of any type subsidy. Tax exempt capital financing may be used consistent with Sections 58-9-2620(4)(a) and 58-9-2630(C);

(3) not be permitted to subsidize the cost of providing telecommunications a communications service with funds from any other nontelecommunications another communications service, operation, or other revenue source. If a determination is made that a direct or indirect subsidy has occurred, the government-owned telecommunications communications service provider immediately shall increase prices for telecommunications communications service in a manner that ensures that the subsidy shall will not continue, and any amounts used directly or indirectly to subsidize the past operations shall will be reimbursed to the general treasury of the appropriate state or local government;

(4) impute, in calculating the cost incurred and in the rates to be charged for the provision of telecommunications services a communications service, the following:

(a) cost of capital component that is the equivalent to the cost of capital available to nongovernment-owned telecommunications communications service providers in the same state or locality; and

(b) an amount equal to all taxes, licenses, fees, and other assessments applicable to a nongovernment-owned telecommunications communications provider including, but not limited to, federal, state, and local taxes, rights-of-way franchise consent, or administrative fees, and pole attachment fees;

(5) keep separate books and separately account for the revenues, expenses, property, and source of investment dollars associated with the provision of telecommunications communications service; and

(6) be required to prepare and publish an independent annual audit in accordance with generally accepted accounting principles that reflects the full cost of providing the service, including all direct and indirect costs. The indirect costs shall must include, but are not limited to, amounts for rights-of-way franchise, consent, or administrative fees, regulatory fees, occupation taxes, pole attachment fees, and ad valorem taxes. The annual accounting must reflect any direct or indirect subsidies received by the government-owned telecommunications communications provider. (7) Notwithstanding a contrary provision of law, the Office of Regulatory Staff has jurisdiction to investigate and the commission has authority to enforce a government-owned communications service provider to comply with the provisions of this section.

Records demonstrating compliance with the provisions of this section ~~shall~~ must be filed with the ~~Public Service~~ commission and, provided to the Office of Regulatory Staff and be made available for public inspection and copying. ~~The compliance shall be overseen by the Office of Regulatory Staff pursuant to and not inconsistent with its power and jurisdiction set forth by law. Nothing in this article expands or restricts the existing jurisdiction of the commission or the Office of Regulatory Staff regarding a service or provider other than a government-owned communications service provider.~~"

SECTION 6. Section 58-9-2630 of the 1976 Code, as added by Act 360 of 2002, is amended to read:

"Section 58-9-2630. (A) A government-owned ~~telecommunications~~ communications service provider shall pay or collect taxes each year annually in a manner equivalent to taxes paid by a nongovernment-owned ~~telecommunications~~ communications service ~~providers~~ provider through payment of the following:

- (1) all state taxes, including corporate income taxes, under Section 12-6-530, and utility license taxes under Section 12-20-100;
- (2) all local taxes, including local business license taxes, under Section 58-9-2230, together with any franchise fees and other local taxes and fees, including impact, user, service, or permit fees, pole rental fees, and rights-of-way, franchise, consent, or administrative fees; and
- (3) all property taxes on otherwise exempt real and personal property that are directly used in the provision of ~~telecommunication services~~ a communications service.

(B) A government-owned ~~telecommunications~~ communications service provider shall be required to compute, collect, and remit taxes in the same manner as a nongovernment-owned ~~telecommunications~~ communications service provider and ~~shall~~ must be entitled to the same deductions.

(C) A government-owned ~~telecommunications~~ communications service provider shall annually remit to the general fund of the government entity owning the ~~telecommunications~~ communications service provider an amount equivalent equal to ~~any and all~~ taxes or fees a private sector ~~telecommunications~~ communications provider ~~would be required to~~ must pay.

(D) The taxpayer confidentiality provisions contained in Title 12 ~~shall~~ may not apply to the ~~filings~~ filing of a government-owned ~~telecommunications~~ communications service ~~providers~~ provider. ~~Provided, however~~ However, the Department of Revenue shall require an annual report of all ~~telecommunications~~ communications providers. The report ~~shall~~ must require ~~any~~

~~telecommunications~~ a communications company licensed in this State to report the total gross of retail ~~telecommunications~~, communications to which the business license tax is applicable, pursuant to Section 58-9-2220. This information ~~shall~~ must be available to ~~any~~ an entity authorized to collect a tax on retail ~~telecommunications~~ communications or ~~their~~ its agent. Information provided to an entity or agent authorized to collect a tax may not be disclosed or provided ~~in any manner to any other~~ another person. ~~Such~~ This information ~~may only~~ may be used by an entity or agent of an entity authorized to collect a tax for purposes of determining the accuracy of tax returns, filings, and payment of taxes."

SECTION 7. Section 58-9-2650 of the 1976 Code, as added by Act 360 of 2002, is amended to read:

"Section 58-9-2650. The Department of Insurance must determine the South Carolina average market rate for private sector liability insurance for ~~telecommunications~~ communications operations. ~~In order to~~ To have government-owned and nongovernment-owned ~~telecommunications~~ communications service providers in the same competitive position, to the extent possible, the rate paid for liability insurance for government-owned ~~telecommunications~~ communications operations must be equal to or greater than the average market rate for private sector liability insurance in South Carolina as determined by the Department of Insurance. To the extent that ~~any~~ a government-owned ~~telecommunications~~ communications service provider pays less than the average market rate for this insurance established by the Department of Insurance, the difference ~~shall~~ must be remitted by the government-owned ~~telecommunications~~ communications service provider to the general fund of the government owning ~~the telecommunications~~ that communications provider. ~~Provided, however~~ However, nothing in this section shall may be construed to mean that a government-owned ~~telecommunication providers are~~ communications service provider is not covered by the South Carolina Tort Claims Act."

SECTION 8. Article 23, Chapter 9, Title 58 of the 1976 Code is amended by adding:

"Section 58-9-2660. (A) A government-owned communications service provider may petition the commission to designate one or more areas as an unserved area. The petition must identify with specificity each 2010 Census block for which this designation is sought. If an objection is not filed pursuant to subsection (B), the commission must grant the petition and designate each 2010 Census block identified in the petition as an unserved area.

(B) A provider of broadband service or a resident of an area designated in a petition filed pursuant to subsection (A) may, within thirty days after the commission posts notice of the filing of the petition on its website, file with the

commission an objection to this designation on the ground that one or more areas designated in the petition is not an unserved area. The commission shall not accept this objection for filing unless it is accompanied by prefiled testimony supporting the objection.

(C) If an objection is filed pursuant to subsection (B), the commission shall:

- (1) give the petitioner an opportunity to submit prefiled testimony responding to the objection;
- (2) hold a hearing on the dispute; and
- (3) rule on the petition within forty-five days after the objection is filed.

(D) Upon a commission designation that an area is an unserved area, the provisions of Sections 58-9-2620, 58-9-2630, and 58-9-2650 may not apply to a broadband service provided by the petitioner in that area until the later of:

- (1) twelve months after the effective date of this act; or
- (2) three months after the commission determines pursuant to subsection (E) that the area is no longer an unserved area.

(E) A provider of broadband service or a resident of an area designated as an unserved area may petition the commission to determine that this area is no longer an unserved area. After notice and an opportunity for a hearing, the commission must grant the petition if it determines that broadband service is available to more than ten percent of the households in the area from one or more providers that are not a satellite provider or the government-owned communications service provider that filed the petition resulting in the designation by the commission of the area as an unserved area."

SECTION 9. This act takes effect upon approval by the Governor.

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South Carolina General Assembly
119th Session, 2011-2012

H. 3508

STATUS INFORMATION

General Bill

Sponsors: Reps. Gambrell, Sandifer, Harrell, Erickson, Limchouse, Weeks, H.B. Brown, Agnew, Allison, Anthony, Bales, Bannister, Bedingfield, Bingham, Brady, Brannon, G.A. Brown, Cole, Crosby, Forrester, Hardwick, Harrison, Hayes, Hiott, Hixon, Horne, Jefferson, Lowe, Lucas, McCoy, D.C. Moss, Owens, Parker, Pinson, Pitts, Skelton, J.E. Smith, J.R. Smith, Sottile, Tallon, Vick, White, Taylor, Hamilton, Battle, Allen and Dillard

Document Path: l:\council\bills\agm\18434ab11.docx

Introduced in the House on January 27, 2011

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Government owned communications service providers

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
1/27/2011	House	Introduced and read first time (House Journal-page 43)
1/27/2011	House	Referred to Committee on Labor, Commerce and Industry (House Journal-page 43)

View the latest [legislative information](#) at the LPITS web site

VERSIONS OF THIS BILL

[1/27/2011](#)

1
2
3
4
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10

A BILL

11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
12 1976, SO AS TO RETITLE ARTICLE 23, CHAPTER 9, TITLE
13 58, RELATING TO GOVERNMENT-OWNED
14 TELECOMMUNICATIONS SERVICE PROVIDERS AS
15 "GOVERNMENT-OWNED COMMUNICATIONS SERVICE
16 PROVIDERS"; BY ADDING SECTION 58-9-2660 SO AS TO
17 PROVIDE A GOVERNMENT-OWNED COMMUNICATIONS
18 SERVICE PROVIDER MAY PETITION THE PUBLIC
19 SERVICE COMMISSION TO DESIGNATE ONE OR MORE
20 AREAS AS AN 'UNSERVED AREA', TO SPECIFY THE
21 PROCEDURE FOR MAKING AND PROTESTING THIS
22 PETITION, TO PROVIDE FOR A HEARING OF A PROTEST
23 TO A PETITION, TO PROVIDE FOR THE APPLICATION OF
24 CERTAIN PROVISIONS OF LAW TO AN UNSERVED AREA,
25 AND TO PROVIDE A PROCESS FOR PETITIONING FOR A
26 DETERMINATION THAT AN AREA HAS CEASED TO BE
27 AN UNSERVED AREA; TO AMEND SECTION 58-9-10, AS
28 AMENDED, RELATING TO DEFINITIONS CONCERNING
29 TELEPHONE COMPANIES, SO AS TO MODIFY THE
30 DEFINITION OF "BROADBAND SERVICE"; TO AMEND
31 SECTION 58-9-2600, RELATING TO THE PURPOSE OF
32 ARTICLE 23, CHAPTER 9, TITLE 58, SO AS TO MAKE
33 CONFORMING CHANGES AND CLARIFY THE SCOPE OF
34 THE ARTICLE; TO AMEND SECTION 58-9-2610, RELATING
35 TO DEFINITIONS CONCERNING GOVERNMENT-OWNED
36 TELECOMMUNICATIONS SERVICE PROVIDERS, SO AS TO
37 MAKE CONFORMING CHANGES AND ADD CERTAIN
38 DEFINITIONS; TO AMEND SECTION 58-9-2620, AS
39 AMENDED, RELATING TO DUTIES, RESTRICTIONS, RATE
40 COMPUTATIONS, AND ACCOUNTING REQUIREMENTS OF
41 A GOVERNMENT-OWNED TELECOMMUNICATIONS
42 SERVICE PROVIDERS, SO AS TO MAKE CONFORMING

1 CHANGES, TO GIVE THE OFFICE OF REGULATORY STAFF
2 JURISDICTION TO INVESTIGATE THE COMPLIANCE OF A
3 GOVERNMENT-OWNED COMMUNICATIONS PROVIDER
4 WITH THE PROVISIONS OF THIS CHAPTER, TO PROVIDE
5 THE COMMISSION MAY ENFORCE THE COMPLIANCE OF
6 A GOVERNMENT-OWNED COMMUNICATIONS SERVICE
7 PROVIDER WITH THE PROVISIONS OF THIS CHAPTER,
8 AND TO CLARIFY THAT THIS SECTION DOES NOT
9 EXPAND OR LIMIT THE JURISDICTION OF THE
10 COMMISSION OR OFFICE OF REGULATORY STAFF WITH
11 RESPECT TO ANY SERVICE PROVIDER OTHER THAN A
12 GOVERNMENT-OWNED COMMUNICATIONS SERVICE
13 PROVIDER; TO AMEND SECTION 58-9-2630, RELATING TO
14 CERTAIN TAX COLLECTIONS AND PAYMENTS, SO AS TO
15 MAKE CONFORMING CHANGES; AND TO AMEND
16 SECTION 58-9-2650, AS AMENDED, RELATING TO
17 LIABILITY INSURANCE RATES FOR COMMUNICATIONS
18 OPERATIONS, SO AS TO MAKE CONFORMING CHANGES,
19

20 Be it enacted by the General Assembly of the State of South
21 Carolina:

22
23 SECTION 1. Article 23, Chapter 9, Title 58 of the 1976 Code is
24 retitled "Government-Owned Communications Service Providers".

25
26 SECTION 2. Article 23, Chapter 9, Title 58 of the 1976 Code is
27 amended by adding:

28
29 "Section 58-9-2660. (A) A government-owned
30 communications service provider may petition the commission to
31 designate one or more areas as an unserved area. The petition
32 must identify with specificity each 2000 Census block for which
33 this designation is sought. If an objection is not filed pursuant to
34 subsection (B), the commission must grant the petition and
35 designate each 2000 Census block identified in the petition as an
36 unserved area.

37 (B) A provider of broadband service or a resident of an area
38 designated in a petition filed pursuant to subsection (A) may,
39 within thirty days after the commission posts notice of the filing of
40 the petition on its website, file with the commission an objection to
41 this designation on the ground that one or more areas designated in
42 the petition is not an unserved area. The commission shall not

1 accept this objection for filing unless it is accompanied by prefiled
2 testimony supporting the objection.

3 (C) If an objection is filed pursuant to subsection (B), the
4 commission shall:

5 (1) give the petitioner an opportunity to submit prefiled
6 testimony responding to the objection;

7 (2) hold a hearing on the dispute; and

8 (3) rule on the petition within forty-five days after the
9 objection is filed.

10 (D) Upon a commission designation that an area is an unserved
11 area, the provisions of Sections 58-9-2620, 58-9-2630, and
12 58-9-2650 may not apply to a broadband service provided by the
13 petitioner in that area until the later of:

14 (1) twelve months after the effective date of this act; or

15 (2) three months after the commission determines pursuant
16 to subsection (E) that the area is no longer an unserved area.

17 (F) A provider of broadband service or a resident of an area
18 designated as an unserved area may petition the commission to
19 determine that this area is no longer an unserved area. After notice
20 and an opportunity for a hearing, the commission must grant the
21 petition if it determines that broadband service is available to more
22 than ten percent of the households in the area from one or more
23 providers that are not a satellite provider or the government-owned
24 communications service provider that filed the petition resulting in
25 the designation by the commission of the area as an unserved
26 area.”

27
28 SECTION 3. Section 59-9-10(17) of the 1976 Code, as added by
29 Act 6 of 2003, is amended to read:

30
31 “(17) The term ‘broadband service’ means ~~any~~ a service that is
32 used to deliver video or ~~to~~ provide access to the Internet or content
33 ~~and services similar to that accessible through the Internet~~, and that
34 consists of the offering of a:

35 (a) ~~a~~ capability to transmit information at a rate that is
36 generally not less than one hundred ninety kilobits per second in at
37 least one direction; or

38 (b) ~~any~~ service that ~~combines~~ uses computer processing,
39 information storage, and protocol conversion to ~~enable users to~~
40 ~~access Internet content and services provide this access.~~”

41
42 SECTION 4. Section 58-9-2600 of the 1976 Code, as added by
43 Act 360 of 2002, is amended to read:

1
2 "Section 58-9-2600. This article regulates the provision of
3 telecommunications communications service by an agency ~~or~~
4 ~~entity of the State or, instrumentality, or a political subdivision of~~
5 ~~this State, excluding the State Budget and Control Board, for~~
6 ~~services provided as of this article's~~ the effective date of this
7 article."

8
9 SECTION 5. Section 58-9-2610 of the 1976 Code, as added
10 amended by Act 360 of 2002, is amended to read:

11
12 "Section 58-9-2610. As used in this article:

13 (A) (1) 'Government-owned telecommunications
14 communications service provider' means a state or local political
15 ~~subdivision or, instrumentality of the State,~~ person, or entity
16 providing telecommunications a communications service to the
17 public for hire over a facility, operation, or system that is directly
18 or indirectly owned by, operated by, or a financial benefit obtained
19 by or derived from, an agency, ~~instrumentality, or entity of the~~
20 ~~State or any~~ local government. 'Government-owned
21 telecommunications communications service provider' does not
22 include the State Budget and Control Board for services provided
23 as of ~~this article's~~ the effective date of this article.

24 (2) The term 'government-owned telecommunications
25 communications service provider' does not include ~~any~~ state or
26 local governmental entity, instrumentality, or agency that obtains
27 or derives financial benefit solely from leasing or renting, to ~~any~~ a
28 person or entity, property that is not, in and of itself, a facility used
29 to provide telecommunications a communications service.

30 (2B) 'Communications service' means a telecommunications
31 service, a broadband service, or both.

32 (C) 'Telecommunications service' ~~for the purpose of this~~
33 ~~section is~~ means a telecommunications service as defined in
34 Section 58-9-2200(1).

35 (D) 'Broadband service' means a broadband service as defined
36 in Section 58-9-10(17).

37 (3E) 'Person' as defined in Section 58-9-10(4) includes a
38 'government-owned telecommunications communications service
39 provider'.

40 (4E) 'Public' means the public generally or ~~any~~ limited portion
41 of the public, including a person or corporation. The term 'public'
42 excludes governmental agencies or entities when they receive
43 telecommunications a communications service from the State

1 Budget and Control Board pursuant to its statutory authority or
2 other legal requirements.

3 (G) 'Unserved area' means a 2000 Census block, as designated
4 by the United States Census Bureau, in which at least ninety
5 percent of households have either no access to broadband service
6 or access to broadband service only from a satellite provider. For
7 the purposes of this subsection, 'household' has the same meaning
8 as prescribed by the United States Census Bureau.

9 (H) 'Commission' means the South Carolina Public Service
10 Commission."

11
12 SECTION 6. Section 58-9-2620 of the 1976 Code, as last
13 amended by Act 318 of 2006, is further amended to read:

14
15 "Section 58-9-2620. Notwithstanding ~~any—other~~ another
16 provision of law, a government-owned telecommunications service
17 provider shall must:

18 (1) be subject to the same local, state, and federal regulatory,
19 statutory, and other legal requirements that to which
20 nongovernment-owned telecommunications communications
21 service providers are subject to, including regulation and other
22 legal requirements by the Public Service commission and the
23 Office of Regulatory Staff;

24 (2) ~~not be the recipient of any receive a financial benefits of~~
25 ~~any type that benefit for which a nongovernment-owned~~
26 ~~telecommunications communications service providers are~~
27 ~~provider is not recipients of a recipient including, but not limited~~
28 ~~to, a tax exemptions exemption and governmental subsidies of any~~
29 ~~type subsidy. Tax exempt capital financing may be used consistent~~
30 ~~with Sections 58-9-2620(4)(a) and 58-9-2630(C);~~

31 (3) not be permitted to subsidize the cost of providing
32 telecommunications a communications service with funds from
33 ~~any other nontelecommunications~~ another communications
34 service, operation, or other revenue source. If a determination is
35 made that a direct or indirect subsidy has occurred, the
36 government-owned telecommunications communications service
37 provider immediately shall increase prices for telecommunications
38 communications service in a manner that ensures that the subsidy
39 ~~shall will~~ not continue, and any amounts used directly or indirectly
40 to subsidize the past operations shall will be reimbursed to the
41 general treasury of the appropriate state or local government;

1 (4) impute, in calculating the cost incurred and in the rates to
2 be charged for the provision of ~~telecommunications services a~~
3 ~~communications service~~, the following:

4 (a) cost of capital component that is the equivalent to the
5 cost of capital available to nongovernment-owned
6 ~~telecommunications~~ communications service providers in the same
7 state or locality; and

8 (b) an amount equal to all taxes, licenses, fees, and other
9 assessments applicable to a nongovernment-owned
10 ~~telecommunications~~ communications provider including, but not
11 limited to, federal, state, and local taxes, rights-of-way franchise
12 consent, or administrative fees, and pole attachment fees;

13 (5) keep separate books and separately account for the
14 revenues, expenses, property, and source of investment dollars
15 associated with the provision of ~~telecommunications~~
16 communications service; and

17 (6) be required to prepare and publish an independent annual
18 audit in accordance with generally accepted accounting principles
19 that reflects the full cost of providing the service, including all
20 direct and indirect costs. The indirect costs ~~shall~~ must include, but
21 are not limited to, amounts for rights-of-way franchise, consent, or
22 administrative fees, regulatory fees, occupation taxes, pole
23 attachment fees, and ad valorem taxes. The annual accounting
24 must reflect any direct or indirect subsidies received by the
25 government-owned ~~telecommunications~~ communications provider.

26 (7) Notwithstanding a contrary provision of law, the Office of
27 Regulatory Staff has jurisdiction to investigate and the commission
28 has authority to enforce a government-owned communications
29 service provider to comply with the provisions of this section.

30 Records demonstrating compliance with the provisions of this
31 section ~~shall~~ must be filed with the ~~Public Service~~ commission
32 ~~and~~, provided to the Office of Regulatory Staff and ~~be~~ made
33 available for public inspection and copying. ~~The compliance shall~~
34 ~~be overseen by the Office of Regulatory Staff pursuant to and not~~
35 ~~inconsistent with its power and jurisdiction set forth by law.~~
36 Nothing in this article expands or restricts the existing jurisdiction
37 of the commission or the Office of Regulatory Staff regarding a
38 service or provider other than a government-owned
39 communications service provider."

40
41 SECTION 7. Section 58-9-2630 of the 1976 Code, as added by
42 Act 360 of 2002, is amended to read:

43

1 "Section 58-9-2630. (A) A government-owned
2 ~~telecommunications~~ communications service provider shall pay or
3 collect taxes ~~each year~~ annually in a manner equivalent to taxes
4 paid by a nongovernment-owned ~~telecommunications~~
5 communications service ~~providers~~ provider through payment of the
6 following:
7 (1) all state taxes, including corporate income taxes, under
8 Section 12-6-530, and utility license taxes under Section
9 12-20-100;
10 (2) all local taxes, including local business license taxes,
11 under Section 58-9-2230, together with any franchise fees and
12 other local taxes and fees, including impact, user, service, or
13 permit fees, pole rental fees, and rights-of-way, franchise, consent,
14 or administrative fees; and
15 (3) all property taxes on otherwise exempt real and personal
16 property that are directly used in the provision of
17 ~~telecommunication services~~ a communications service.
18 (B) A government-owned ~~telecommunications~~ communications
19 service provider shall ~~be required to~~ compute, collect, and remit
20 taxes in the same manner as a nongovernment-owned
21 ~~telecommunications~~ communications service provider and shall
22 must be entitled to the same deductions.
23 (C) A government-owned ~~telecommunications~~ communications
24 service provider shall annually remit to the general fund of the
25 government entity owning the ~~telecommunications~~
26 communications service provider an amount ~~equivalent equal~~ to
27 ~~any and all taxes or fees a private sector telecommunications~~
28 communications provider ~~would be required to~~ must pay.
29 (D) The taxpayer confidentiality provisions contained in Title
30 12 shall ~~may~~ not apply to the ~~filings~~ filing of a government-owned
31 ~~telecommunications~~ communications service ~~providers~~ provider.
32 ~~Provided~~. However, the Department of Revenue shall require an
33 annual report of all ~~telecommunications~~ communications
34 providers. The report shall must require any telecommunications a
35 communications company licensed in this State to report the total
36 gross of retail telecommunications, communications to which the
37 business license tax is applicable; pursuant to Section 58-9-2220.
38 This information shall must be available to ~~any an~~ entity
39 authorized to collect a tax on retail ~~telecommunications~~
40 communications or ~~their its~~ agent. Information provided to an
41 entity or agent authorized to collect a tax may not be disclosed or
42 provided in any manner to ~~any other~~ another person. ~~Such This~~
43 information ~~may only~~ may be used by an entity or agent of an

1 entity authorized to collect a tax for purposes of determining the
2 accuracy of tax returns, filings, and payment of taxes.”

3
4 SECTION 8. Section 58-9-2650 of the 1976 Code, as added by
5 Act 360 of 2002, is amended to read:

6
7 “Section 58-9-2650. The Department of Insurance must
8 determine the South Carolina average market rate for private sector
9 liability insurance for ~~telecommunications~~ communications
10 operations. ~~In order~~ To have government-owned and
11 nongovernment-owned ~~telecommunications~~ communications
12 service providers in the same competitive position, to the extent
13 possible, the rate paid for liability insurance for
14 government-owned ~~telecommunications~~ communications
15 operations must be equal to or greater than the average market rate
16 for private sector liability insurance in South Carolina as
17 determined by the Department of Insurance. To the extent that ~~any~~
18 government-owned ~~telecommunications~~ communications service
19 provider pays less than the average market rate for this insurance
20 established by the Department of Insurance, the difference ~~shall~~
21 must be remitted by the government-owned ~~telecommunications~~
22 communications service provider to the general fund of the
23 government owning the ~~telecommunications~~ communications
24 provider. ~~Provided~~; However, nothing in this section shall ~~may~~ be
25 construed to mean ~~that a~~ government-owned ~~telecommunication~~
26 providers are communications provider is not covered by the South
27 Carolina Tort Claims Act.”

28
29 SECTION 9. This act takes effect upon approval by the Governor.

30 ---XX---

31

There will be a meeting of the Environmental Affairs I Subcommittee Tuesday, February 1, 2011 at 2:30 p.m. in Room 410 of the Blatt Building.

H 3389 General Bill, By R.L. Brown

A BILL TO AMEND SECTION 44-96-380, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CONSTRUCTION, DEMOLITION, AND LANDCLEARING LANDFILLS, SO AS TO PROVIDE A SPECIFIC MANNER FOR THE CONSTRUCTION OF THESE LANDFILLS.

A BILL

TO AMEND SECTION [44-96-380](#), CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CONSTRUCTION, DEMOLITION, AND LANDCLEARING LANDFILLS, SO AS TO PROVIDE A SPECIFIC MANNER FOR THE CONSTRUCTION OF THESE LANDFILLS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section [44-96-380](#) of the 1976 Code is amended to read:

"Section [44-96-380](#). (A) Not later than eighteen months after this article is effective, the department shall promulgate regulations establishing minimum standards for land application facilities and composting facilities. The regulations shall, at a minimum, establish operational requirements and siting requirements. The department may, by regulation, exempt certain facilities from all or part of the requirements of this section.

(B)(1) Not later than eighteen months after this article is effective, the department shall promulgate regulations establishing minimum standards for construction, demolition, and land clearing debris landfills. The department may, by regulation, exempt certain sites or facilities from all or part of the requirements of this section. The department shall exempt a landfill for the disposal of trees, stumps, wood chips, and yard waste when generation and disposal of such waste occurs on properties under the same ownership or control. The regulation shall, at a minimum, contain the following requirements:

- (~~1~~a) site selection;
- (~~2~~b) construction;
- (~~3~~c) hydrogeologic;
- (~~4~~d) operation; and
- (~~5~~e) closure and postclosure.

(2) Notwithstanding another provision of law, a sanitary landfill for the disposal of construction and demolition debris waste must be constructed with a liner system that consists of

a flexible membrane liner over two feet of soil with a maximum permeability of 1×10^{-5} centimeters per second. The flexible membrane liner must have a minimum thickness of thirty one-thousandths of an inch, except that a liner that consists of high-density polyethylene must be at least sixty one-thousandths of an inch thick. The flexible membrane liner shall be installed in direct and uniform contact with the soil layer. The department may approve an alternative to the soil component of the liner system if the department finds, based on modeling, that the alternative liner system will provide an equivalent or greater degree of impermeability."

SECTION 2. This act takes effect upon approval by the Governor.

Oconee County Aeronautics Commission

Commission Staff

- Chairman, Tom Luke
- Vice Chairman, Dan Suddeth
- Wayne Rohletter
- Randy Renz
- Dan Schmeidt

Presentation Overview

- 5 Yr Grant Summary
- Projects on Horizon
- A/P Public Relations
- Runway Extension Status

AIRPORT GRANT SUMMARY (5YR)

FY	FAA Entitlement Funds	FAA Discretionary Grant Awarded	Grant #	County Share	State Share	Total Funds	Project Description
2011-12	\$150,000		20?	\$3,947	\$3,947	\$157,895	Security Fencing SC DOA
2009-10	\$150,000	\$2,614,822	19	\$68,811	\$68,811	\$2,902,444	Rwy Extension Const
	Place Holder Only	\$98,129	18	\$0	\$0	\$98,129	Rwy Extension Const (Ph4)
2008-09	\$150,000	\$2,652,000	17	\$69,789	\$69,789	\$2,941,579	Rwy Line of Sight Const
		\$571,492	16	\$15,039	\$15,039	\$601,571	Rwy Line of Sight / Design
2007-08	\$150,000	\$281,218	15	\$7,400	\$7,400	\$446,019	Rwy Extension Design
2006-07	\$150,000	\$0				\$150,000	Carryover funds to next FY
2005-06	\$150,000	\$115,900	14	\$3,050	\$3,050	\$272,000	Update Master Plan Study
Totals	\$750,000	\$6,333,561	7	\$164,090	\$164,090	\$7,411,742	TOTAL

Projects on Horizon

1. 8-unit T-hangar Project (10 Proposals Being Evaluated)
(Location: Between Corp Hangar & Sheriff's Hangar)
2. Security Fencing Project thru SC Division of Aeronautics.
(Wildlife Control measure on North Boundary)
3. Terminal Fix-up projects (Restrooms and Furnishings)
(Rejuvenate High Use facilities)



2/1/2011

Oconee County Airport

Airport Public Relations

-
- 1. Humane Society Fund Raiser (Each May)

- 2. High School Educational Field Trips
(On-going in Fall and Spring)

- 3. Girl Scouts of America Visits (After School)

Runway Extension Project Status

Completed Items

- | | |
|-----------------------------------|---------------|
| 1. Earth Moving / Filling | 100% Complete |
| 2. Stormdrain Pipe Installation | 100% Complete |
| 3. Stormwater Detention Ponds (3) | 100% Complete |
| 4. Fine Elevation Grading | 100% Complete |
| 5. Utility Relocation (BREC) | 100% Complete |
| 6. University Driveway re-route | 100% Complete |
| 7. Seeding and Mulching | 95% complete |

Remaining Items

1. Runway / Taxiway Paving (5 days)
2. Edgeline Lighting Fixtures Installed (10 days)
3. New Pavement Markings Runway/Taxiway (2 days)

Approach End Runway 25 (Fill Site)



01/24/2011 AM 10:47

Borrow Site West of Mt Nebo Church Rd



01/24/2011 AM 10:46

Questions ???



Oconee County Comprehensive Annual Financial Report

As of and for the Year Ended June 30,
2010



MTH's Responsibilities under US Generally Accepted Auditing Standards and Government Auditing Standards

- Qualitative Aspects of Accounting Practices
 - Significant Accounting Policies
 - No new accounting policies
 - Application of existing policies has not changed
 - No transactions lacking authoritative guidance
 - Accounting estimates
 - Claims, or potential claims
- No Difficulties in the Conduct of the Audit
- No Uncorrected Misstatements

MTH's Responsibilities under US Generally Accepted Auditing Standards and Government Auditing Standards

- No Disagreements with Management
- Managements' Representations
- Other Issues
 - Management future initiatives - GASB 54

CAFR is Organized as Follows:

- Introductory Section
 - GFOA Certificate of Achievement
- Financial Section
 - Independent Auditors' Report
 - Management's Discussion and Analysis
 - Basic Financial Statements
 - Notes to the Financial Statement
 - RSI and Supplementary Data
- Statistical Section
- Compliance Section

FY 2010 Financial Highlights

GENERAL FUND	<u>\$000's</u>
Revenues	\$42,104
Expenditures	<u>(38,388)</u>
	3,716
Transfers - other funds	<u>(5,132)</u>
Net Change in Fund Balance	(1,416)
Fund Balance - beginning	23,423
Prior Period Adjustment	<u>2,391</u>
Fund Balance - ending	\$ 24,398
Fund Balance - Unreserved	\$ 13,423

FY 2010 Financial Highlights

	<u>\$000's</u>
Combined Gov. Fund Balances	\$ 44,973
Capital assets	112,347
Long-term debt	(18,034)
Other	<u>2,086</u>
Net Assets	\$141,374
Net Assets - Unrestricted	\$ 17,060

GASB 54

Fund Balance Reporting and Governmental Fund Type Definitions

New Fund Balance Classifications

Nonspendable
Restricted
Committed



Essentially what is now reserved

Assigned

Essentially what is now designated

Unassigned

Essentially what is unreserved fund

Nonspendable Fund Balance

Not in spendable form

Cannot ever be spent (e.g., supplies inventories and prepaid)

Cannot currently be spent (e.g., the long-term portion of loans receivables)

Legally or contractually required to be maintained intact (e.g., principal of an endowment fund)

Restricted Fund Balance

Amounts constrained to being used for a specific purpose by:

External parties (i.e., creditors, grantors, contributors, or laws or regulations of other governments)

Imposed by law through constitutional provisions or enabling legislation

Committed Fund Balance

Amounts whose use is constrained by limitation that the government imposes upon itself:

Constraint on use imposed by the government's highest level of decision making authority

Same type of action required to remove or change the specified use

Action to constrain resources should occur prior to end of fiscal year

Assigned Fund Balance

Amounts intended to be used for specific purposes

Intent is expressed by:

The governing body itself, or

An official delegated by the governing body

Note Disclosure

Description of authority and actions that lead to committed and assigned fund balance

For Committed Fund Balance

The government's highest level of decision making authority and the formal action that is required to be taken.

For Assigned Fund Balance

The body or official authorized to assign amounts to a specific purpose.

The policy established by the governing body pursuant to which that authorization is given.

Note Disclosure

Government policy regarding order of spending
Restricted and unrestricted fund balance
Committed, assigned, and unassigned

Stabilization arrangements
Authority for establishing
Requirements for additions
Conditions under which amounts may be used

Questions?



McAbee, Talbert, Halliday & Co.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

January 25, 2011

To the County Council
Oconee County, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina for the year ended June 30, 2010. Other auditors audited the financial statements of the Keowee Fire District and the School District of Oconee County, as described in our report on the County's financial statements. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 22, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oconee County, South Carolina are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during FY 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the County's financial statements were:

Management's estimate of the useful lives and depreciation expense on capital assets as discussed in Note 1.

Management's estimate of landfill closure and post-closure costs as discussed in Note 12.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representation

We have requested certain representations from management that are included in the management representation letter dated January 25, 2011.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. The following misstatements detected as a result of audit procedures were corrected by management:

- Prior period adjustments related to capital assets, landfill closure and post-closure costs, and accounts receivable and inventory for the Rock Quarry Fund as discussed in Note 15.
- Adjustment to correct the interfund transfers between the General Fund, Miscellaneous Special Revenue Fund, and the ATAX Fund.
- Adjustment of \$399,796 to record prepaid item related to a five year maintenance contract.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of County Council and management of Oconee County, South Carolina and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



McAbee, Talbert, Halliday & Co.

Oconee County, South Carolina

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2010



OCONEE COUNTY, SOUTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2010

PREPARED BY FINANCE OFFICE

**SCOTT MOULDER
COUNTY ADMINISTRATOR**

**KENDRA BROWN
ASSISTANT COUNTY ADMINISTRATOR
FOR ADMINISTRATIVE SERVICES AND FINANCE**

OCONEE COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 YEAR ENDED JUNE 30, 2010

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OCONEE COUNTY, SOUTH CAROLINA
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 YEAR ENDED JUNE 30, 2010

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OCONEE COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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OCONEE COUNTY, SOUTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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T. Scott Moulder
County Administrator



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

January 25, 2011

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, 2010, is hereby submitted pursuant to South Carolina Code Title 4 Chapter 9 Section 150 of the South Carolina Code of Laws. The CAFR is intended to present the financial activity of the County for the fiscal year and the financial condition of the County as of June 30, 2010. We believe that the CAFR provides a fair presentation of the County's financial position and changes in financial position in accordance with the standards promulgated by the Governmental Accounting Standards Board (GASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, as well as the presentation and disclosure. Management is also responsible for establishing and maintaining a system of internal control 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 McAbee, Talbert, Halliday & Co., a firm of licensed certified public accountants. The auditor's issued an unqualified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

Oconee County, incorporated in 1868, is located in the northwest corner of South Carolina in the scenic Appalachian foothills and mountains. There are five incorporated municipalities within the 625 square miles of the County. Oconee County is empowered to levy a property tax on both real and personal property located within its boundaries in order to provide services to a population of approximately 71,514.

Oconee County has operated under the county-administrator form of government since 2000. Policy-making and legislative authority are vested in a governing council (Council) consisting of five council members. Council members are elected by district to a four-year staggered term. The Council elects a chairman, vice chairman, and chairman pro tem at the first meeting in January. The Council appoints the County Administrator who is responsible for carrying out the policies of Council and overseeing the day-to day operations of the County.

Oconee County provides a full range of services, including police and fire protection, judicial services, solid waste disposal and recycling, the construction and maintenance of highways, streets and other infrastructure, and recreational and cultural activities. In addition to the primary government, two discretely presented component units are presented, the School District of Oconee County and the Keowee Fire Special Tax District. The County Council approves the respective tax levies each year to fund the local property tax portion of the School District's and the Fire District's budgets and certain summary information is included in the CAFR. The School District's and Fire District's separately audited financial statements are available for review at the respective district offices.

The Council is required to adopt a final budget by no later than the close of the fiscal year. This annual budget serves as the foundation for Oconee County's financial planning and control. The budget is prepared by fund, function, (e.g., public safety), and department (e.g., emergency services). Department heads may transfer resources between line items within their division budget with the approval of the County Administrator. During fiscal year 2009-2010, all transfers between departments and funds were approved by County Council.

Local Economy

Oconee County, like much of the southeastern United States has lost most of its textile related manufacturing but has enjoyed growth in other manufacturing operations. The County has also invested in and established a Convention and Visitors Bureau that has enjoyed a moderate degree of success. Like much of the rest of the country, housing starts have declined.

Gone are the days of low skill, low technology jobs when the requirement to hold a job called for basic motor skills. Today the Oconee County manufacturing portfolio is as diverse as it is technology driven. With companies that manufacture products like, electronic metering devices, specialized medical supplies, electric motor controls, precious metal catalysts, torque transfer systems, precision bearings, professional level golf balls, and carbide cutting tools, the workforce must be trained and operate at a much higher level than in the past. We are fortunate in that the School District of Oconee County and Tri-County Technical College are providing the training needed.

Although our unemployment rate rose to a high of 15.1 percent in June of 2009 it has been declining and is at 10.9 percent as of November 2010. A portion of this movement is due to recent investments by existing company expansions and the announcement of new jobs. Since 2008 and despite a mixed economy, investments by our world-class industrial family have been as follows:

2008	\$63,500,000
2009	\$48,000,000
2010	\$28,000,000

These investments created 1,315 new jobs, most of which were filled by December 31, 2010. These investments also saved jobs threatened by an overseas market. Oconee County is on a positive tract with these job and investment efforts. The Council continues to seek ways to open up the I-85 Corridor of Oconee County where the County owns a 400 acre industrial park in the advanced planning/development stage. In late 2010, the Council approved the purchase of another 400 acre tract on US Highway 11 just north of US Highway 76/123. This location is relatively close to the necessary infrastructure making this site viable within a 24 month period. The construction of a 50,000 square foot shell building started in November 2010 with an expected completion in February of 2011. These combined efforts confirm that Oconee County will be ready for the future.

Long-term Financial Planning

The County entered fiscal year 2010-2011 with a total fund balance of \$24,398,068 in the general fund. The undesignated portion is \$ 13,422,697, which represents 55 percent of the total fund balance. The County's credit ratings of "Aa" with Moody's Investors Service, "AA-" with Fitch Ratings, and "AA-" with Standard and Poor's reflect the County's healthy financial position.

During the annual budget process, departments submit five-year capital requests. During fiscal year 2009-2010 departments also prepared twenty-year capital needs lists. The Administrator and County Council uses this information to determine the annual capital budgets, and prioritize the long-term capital needs of the County.

The County's long-term debt management policy is influenced by State law regarding debt limits, bond rating agencies, and the Securities and Exchange Commission (SEC). The MD&A includes a brief discussion of the debt limit and the current bond ratings. The policy allows for the issuance of tax-exempt bonds to finance capital acquisitions or construction projects that cannot be constructed with current revenue sources. The payback period must be greater than a year, but less than the expected useful life of the resulting asset. Oconee County plans to issue bonds in the 2010-2011 fiscal year to finance the detention center expansion project.

The County is exposed to various risks including torts, property loss, and injuries to employees. The County is insured by South Carolina Insurance Reserve Fund for property loss and tort coverage. Workman's compensation insurance is provided by the South Carolina Association of Counties Trust Fund.

Pension benefits to eligible employees are provided through the South Carolina Retirement System (SCRS) and the South Carolina Police Retirement System (PORS), both of which are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. The plans' provisions are established under Title 9 of the South Carolina Code of Laws.

Major Initiatives

County Council has recently undertaken several capital projects. The largest of these projects is a detention center expansion expected to cost between \$15 and \$17 million to be funded by general obligation bonds. The County is in the process of constructing an emergency services building in Westminster with a budget of \$2.5 million and a shell building for economic development with a budget of \$1.5 million. In addition, the County has completed the purchase of land for \$2.5 million to be used for future economic development.

The acceptance of a multi-million dollar Broadband Technology Opportunities Program grant will be used to construct a fiber optic backbone that will provide broadband capacity that will meet immediate and future communications needs while economically strengthening the County.

The Oconee County Airport is currently undergoing a major runway expansion effort in order to reach the preliminary goal of a 5,000 feet long runway. This would allow the Airport to accommodate larger business jet aircraft. Construction began in October of 2009 and was expected to be completed in late summer 2010. Delays resulting from permitting issues have delayed this project and paving was not completed before winter. Paving is expected to be completed in spring 2011 as weather permits.

The County is exploring options for providing sewer service for the I-85 corridor and the Golden Corner Commerce Park in order to promote economic development.

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, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of Oconee County finances. We would also like to thank the accounting firm of McAbee, Talbert, Halliday & Co. for their assistance with this project.

Respectfully submitted,



T. Scott Moulder
County Administrator



Kendra Brown, CPA, CGFO
Assistant County Administrator for
Administrative Services and Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Oconee County
South Carolina

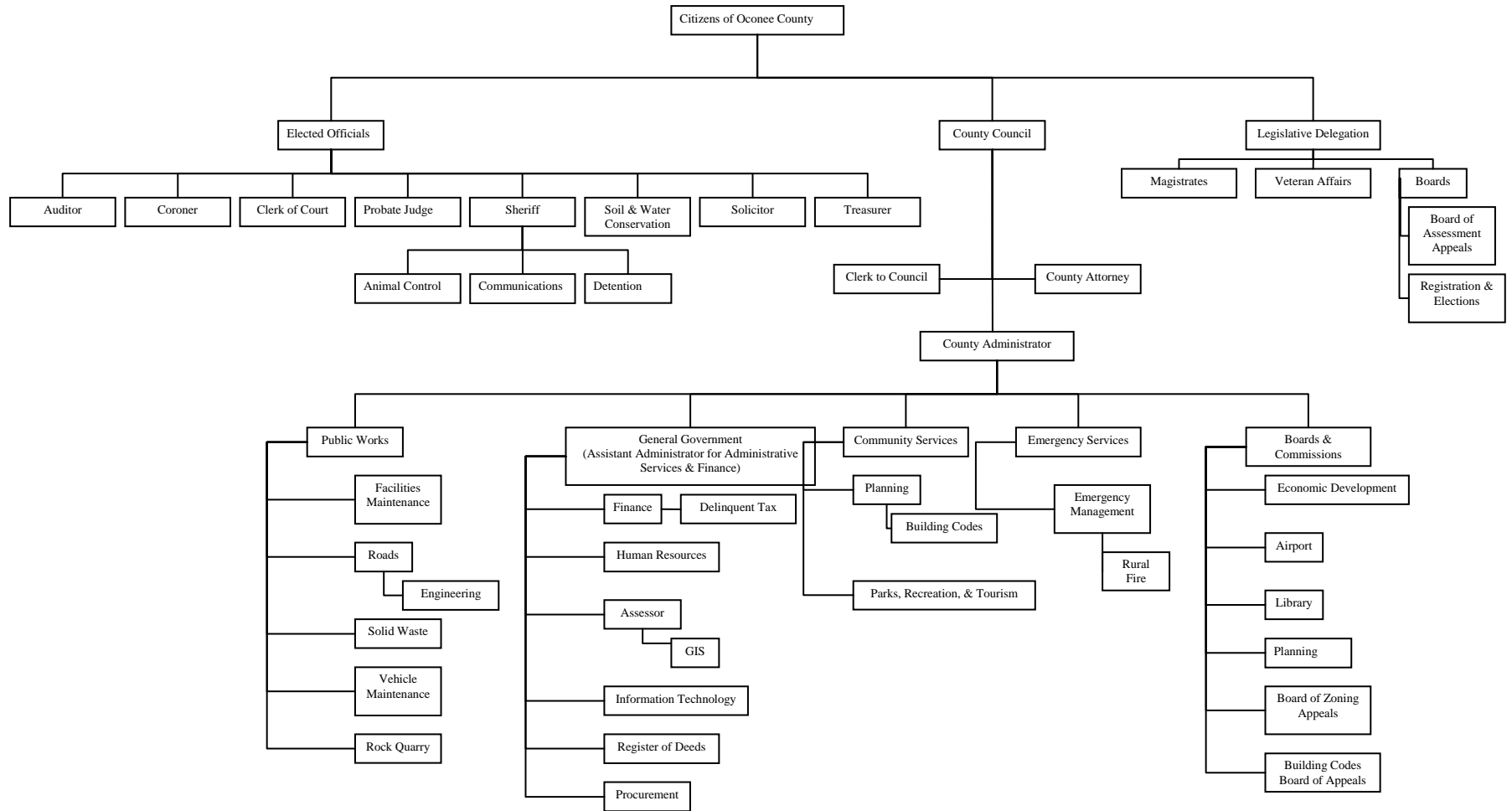
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



OCONEE COUNTY, SOUTH CAROLINA
List of Principal Officials
June 30, 2010

Members of County Council

Reg Dexter
Joel Thrift
Paul Corbeil
Wayne McCall
Mario Suarez

District V - Chairman
District IV - Vice-Chairman
District I - Member
District II - Member
District III - Member

Legislative Delagation

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

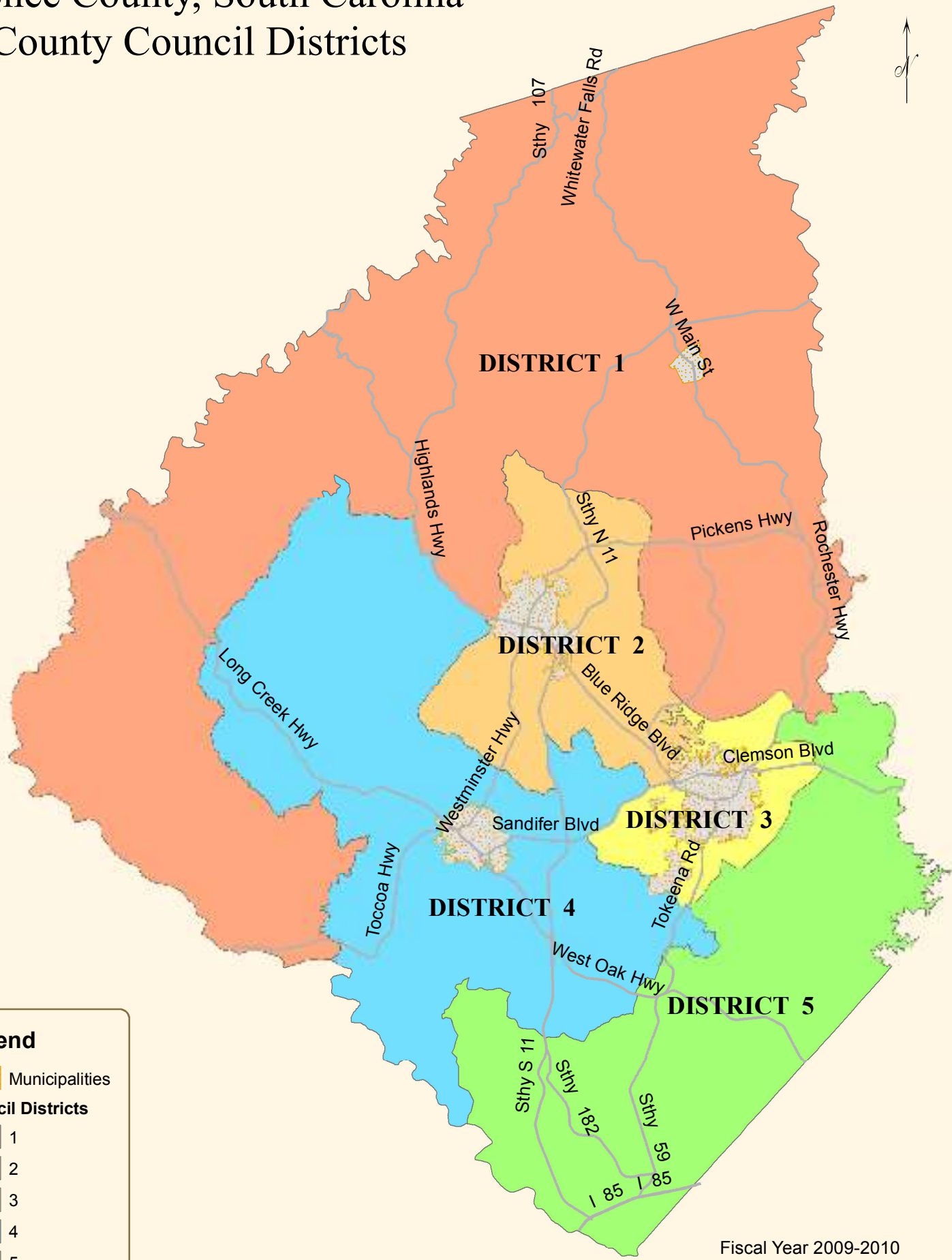
Senator
Representative
Representative
Representative

Appointed Official







Scott Moulder

County Administrator

Oconee County, South Carolina County Council Districts

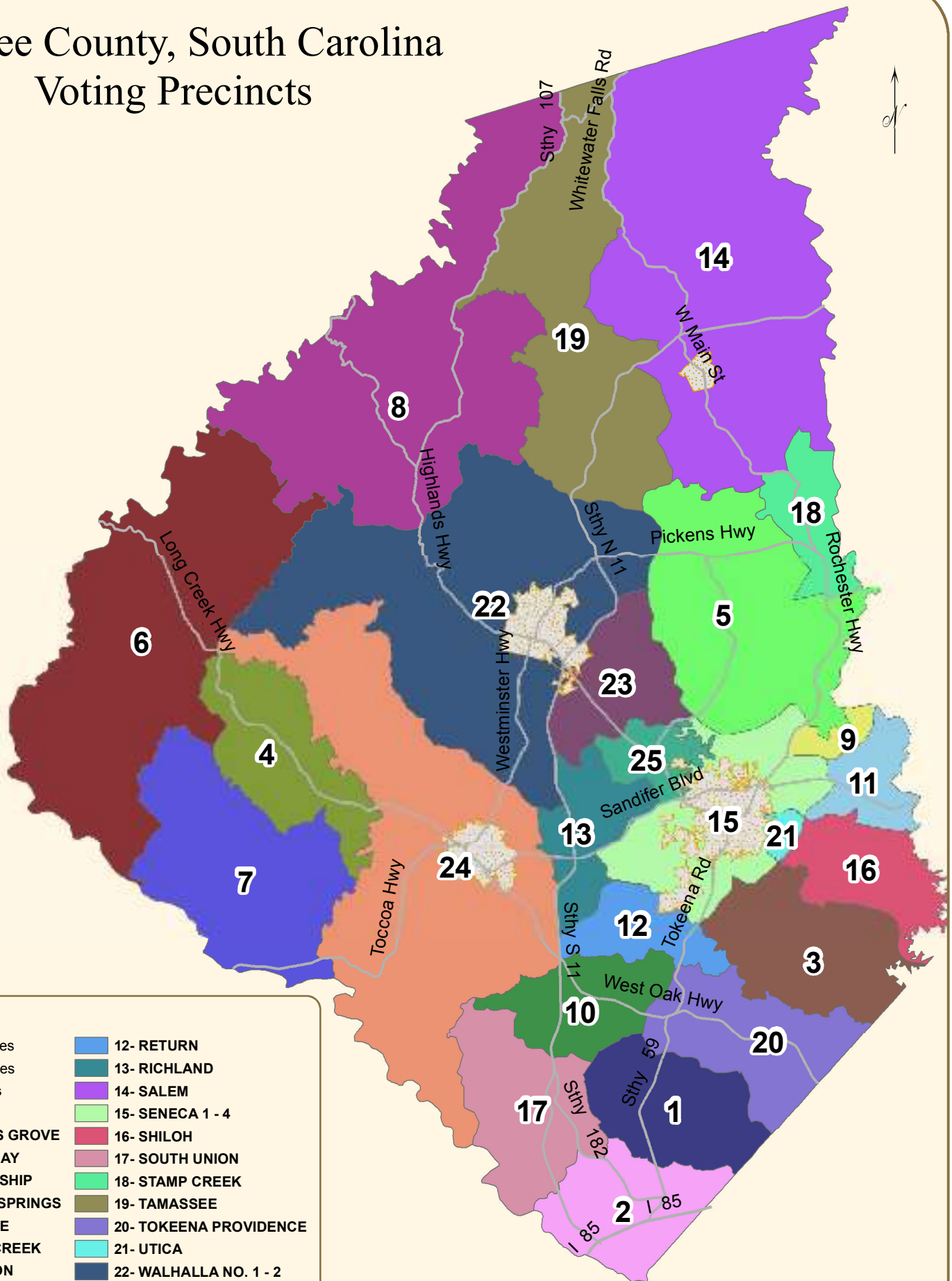


Legend

-  Municipalities
- Council Districts**
-  1
-  2
-  3
-  4
-  5

Fiscal Year 2009-2010
Map 1

Oconee County, South Carolina Voting Precincts



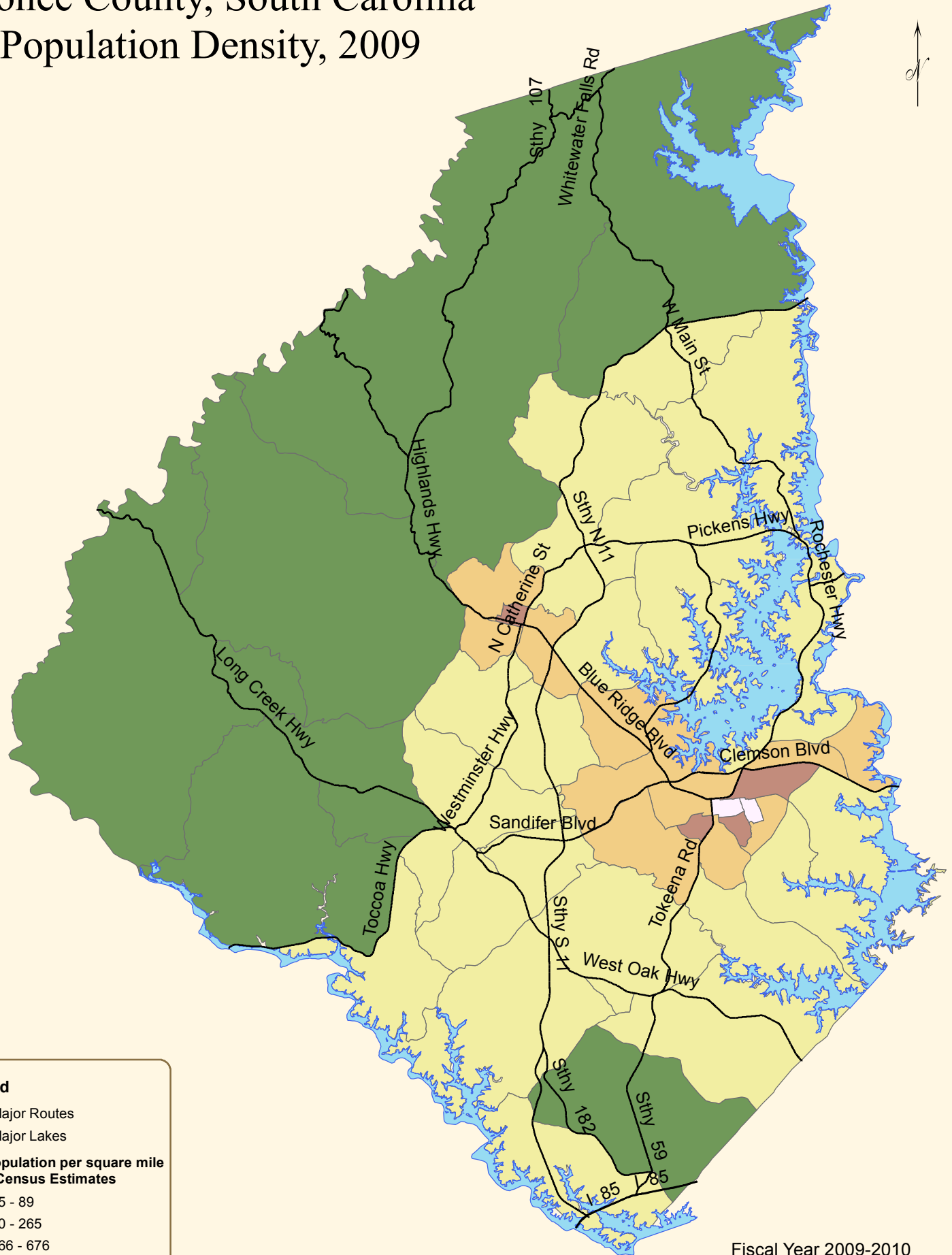
Legend

- Major Routes
- ▨ Municipalities
- Voting Precincts**
- PNAME**
- 1- EARLES GROVE
- 2- FAIR PLAY
- 3- FRIENDSHIP
- 4- HOLLY SPRINGS
- 5- KEOWEE
- 6- LONG CREEK
- 7- MADISON
- 8- MT. REST
- 9- NEWRY CORINTH
- 10- OAKWAY
- 11- RAVENEL
- 12- RETURN
- 13- RICHLAND
- 14- SALEM
- 15- SENECA 1 - 4
- 16- SHILOH
- 17- SOUTH UNION
- 18- STAMP CREEK
- 19- TAMASSEE
- 20- TOKEENA PROVIDENCE
- 21- UTICA
- 22- WALHALLA NO. 1 - 2
- 23- WEST UNION
- 24- WESTMINSTER 1 - 2
- 25- BOUNTYLAND

Fiscal Year 2009-2010
Map 2

Oconee County, South Carolina

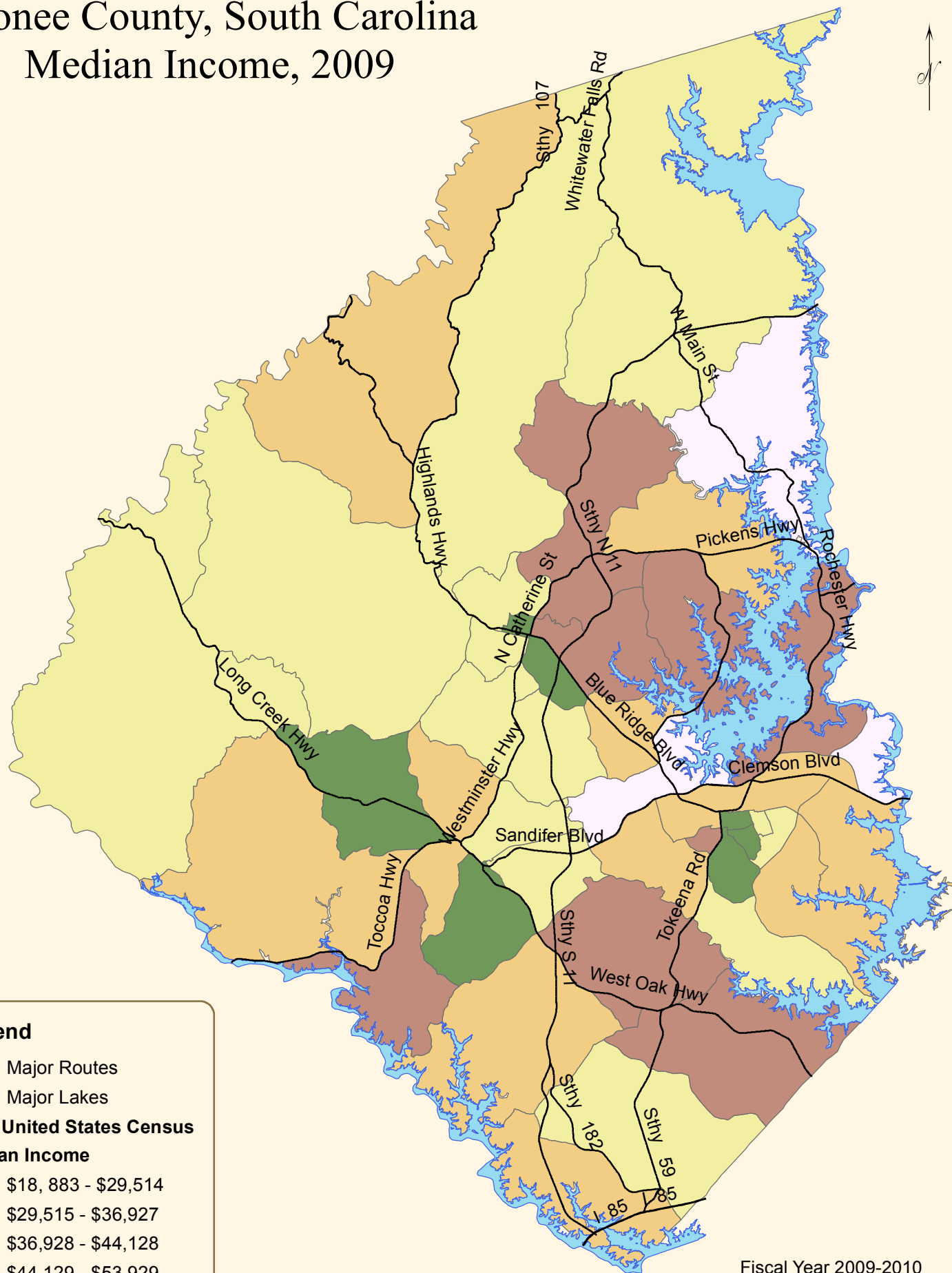
Population Density, 2009



Fiscal Year 2009-2010
Map 3

Oconee County, South Carolina

Median Income, 2009



Legend

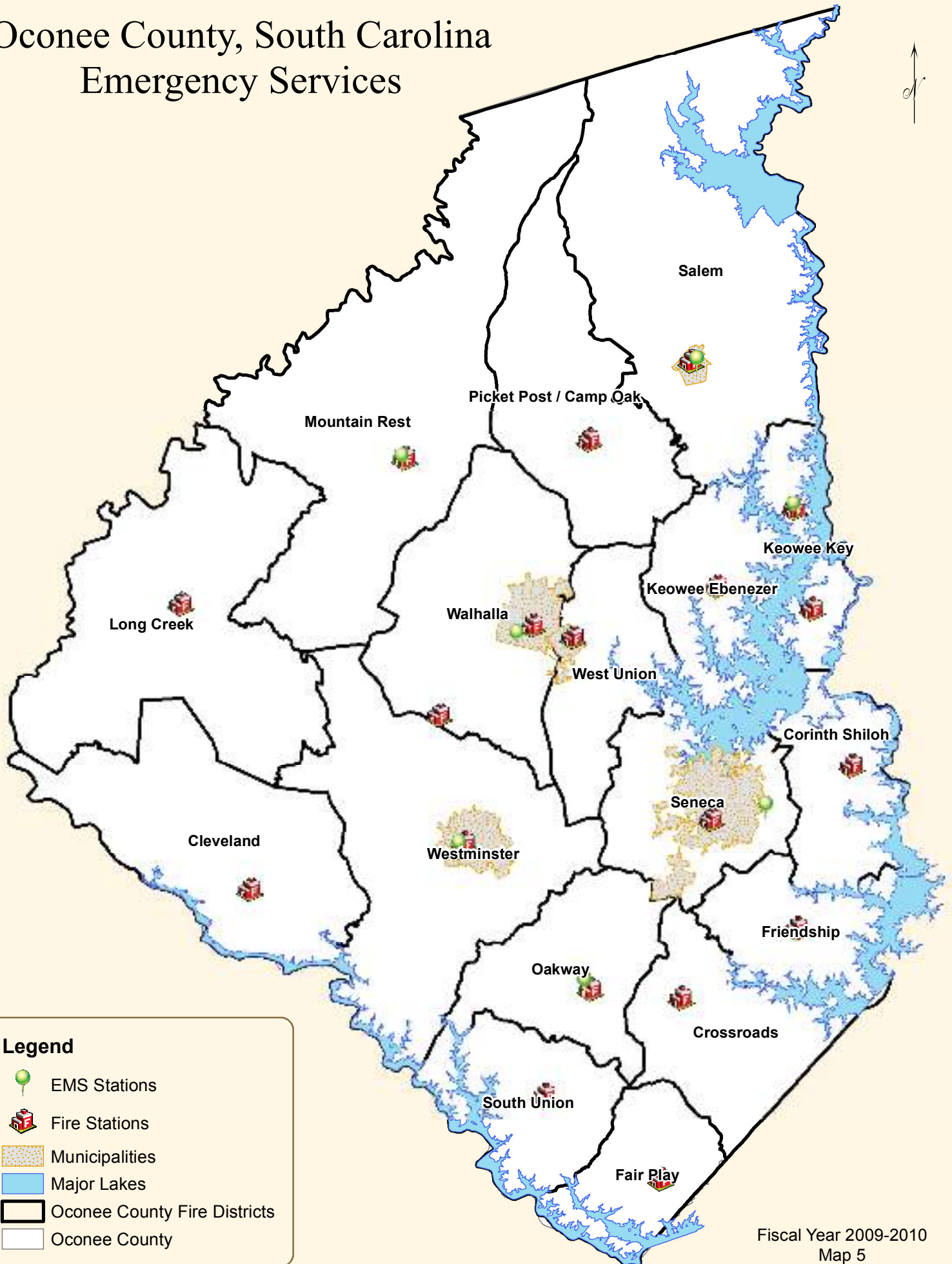
- Major Routes
- Major Lakes

2000 United States Census Median Income







- \$18,883 - \$29,514
- \$29,515 - \$36,927
- \$36,928 - \$44,128
- \$44,129 - \$53,929
- \$53,930 - \$70,658

Fiscal Year 2009-2010
Map 4

Oconee County, South Carolina Emergency Services



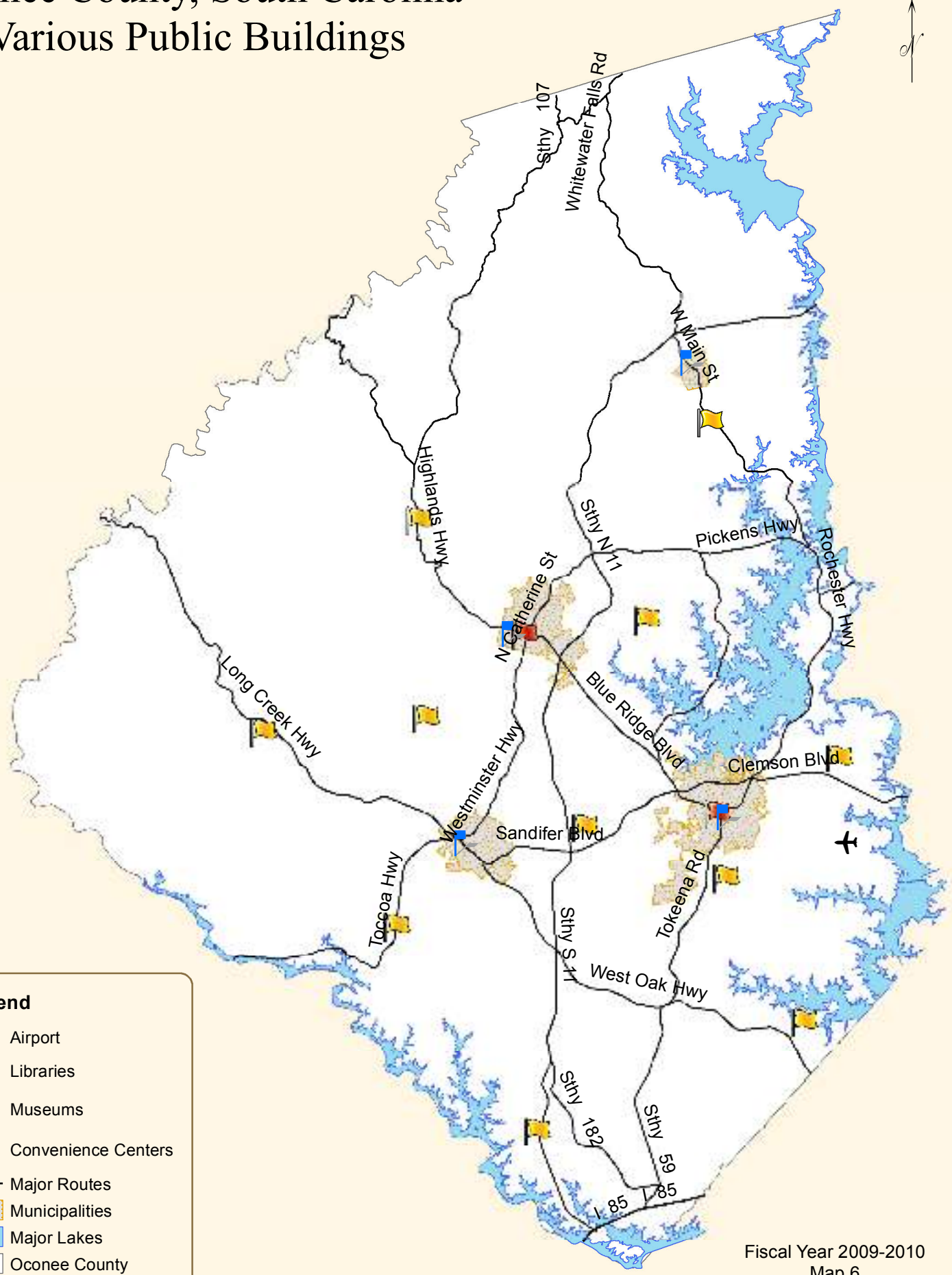
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-  EMS Stations
-  Fire Stations
-  Municipalities
-  Major Lakes
-  Oconee County Fire Districts
-  Oconee County









Fiscal Year 2009-2010
Map 5

Oconee County, South Carolina

Various Public Buildings



Legend

-  Airport
-  Libraries
-  Museums
-  Convenience Centers
-  Major Routes
-  Municipalities
-  Major Lakes
-  Oconee County

Fiscal Year 2009-2010
Map 6

Oconee County, South Carolina

National Register of Historic Places

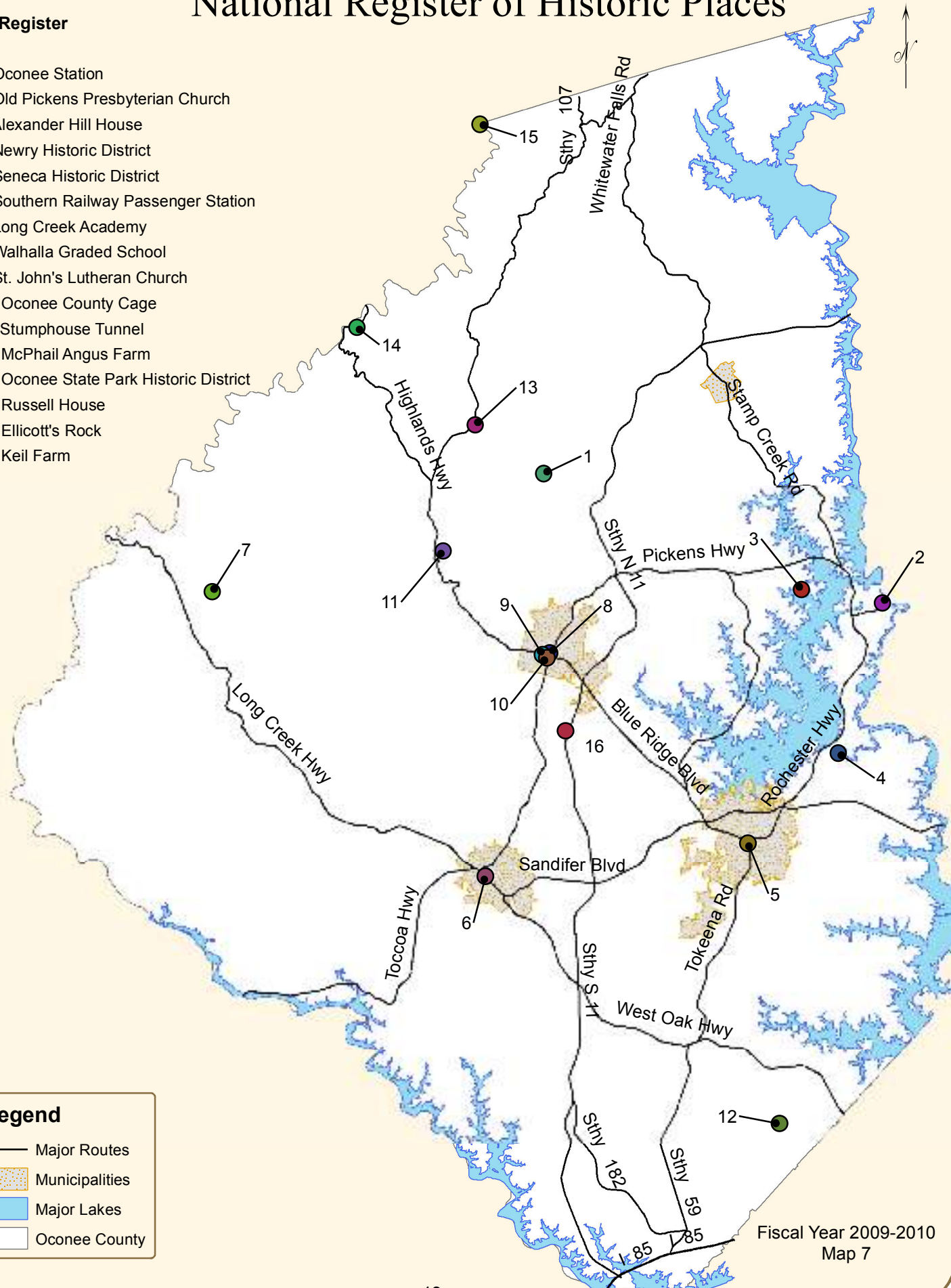
National Register

Site

- 1 - Oconee Station
- 2 - Old Pickens Presbyterian Church
- 3 - Alexander Hill House
- 4 - Newry Historic District
- 5 - Seneca Historic District
- 6 - Southern Railway Passenger Station
- 7 - Long Creek Academy
- 8 - Walhalla Graded School
- 9 - St. John's Lutheran Church
- 10 - Oconee County Cage
- 11 - Stumphouse Tunnel
- 12 - McPhail Angus Farm
- 13 - Oconee State Park Historic District
- 14 - Russell House
- 15 - Ellicott's Rock
- 16 - Keil Farm

Legend

- Major Routes
- Municipalities
- Major Lakes
- Oconee County



Fiscal Year 2009-2010
Map 7

Oconee County, South Carolina

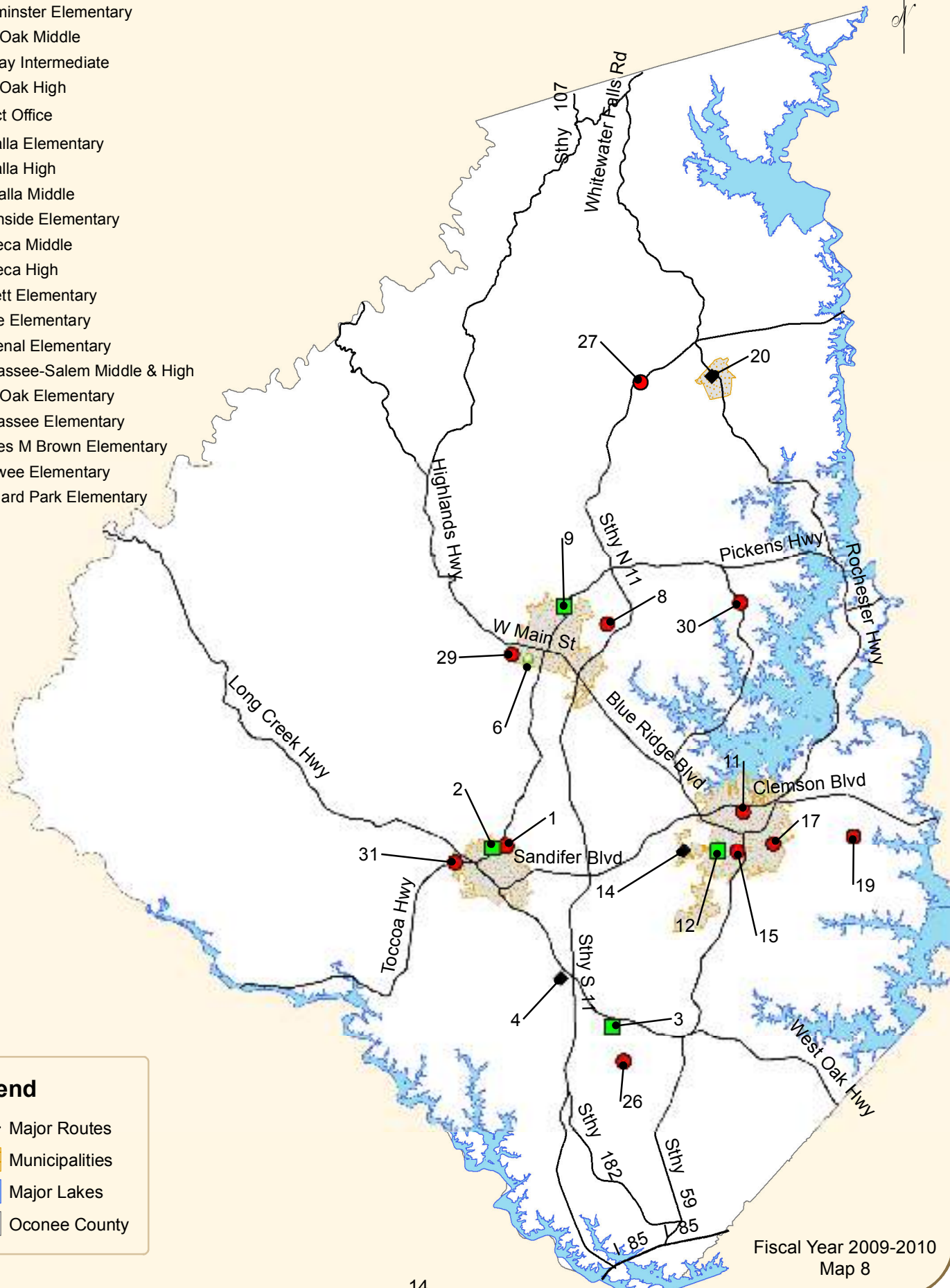
School District of Oconee County Schools

Schools NAME

- 1- Westminster Elementary
- 2- West-Oak Middle
- 3- Oakway Intermediate
- ◆ 4- West-Oak High
- 6- District Office
- 8- Walhalla Elementary
- ◆ 9- Walhalla High
- 10- Walhalla Middle
- 11- Northside Elementary
- 12- Seneca Middle
- ◆ 14- Seneca High
- 15- Kellett Elementary
- 17- Code Elementary
- 19- Ravenal Elementary
- ◆ 20- Tamassee-Salem Middle & High
- 26- Fair-Oak Elementary
- 27- Tamassee Elementary
- 29- James M Brown Elementary
- 30- Keowee Elementary
- 31- Orchard Park Elementary

Legend

- Major Routes
- ▨ Municipalities
- Major Lakes
- Oconee County



Fiscal Year 2009-2010
Map 8

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Oconee County Council
Oconee County
Walhalla, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oconee County's management. 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 District and the School District of Oconee County discretely presented component units, which represent 100 percent of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2011, on our consideration of the Oconee County's internal control over financial reporting and on our tests of its compliance with certain laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the Table of Contents, 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.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 it.

McAbee, Talbert, Halliday & Co

Spartanburg, South Carolina
January 25, 2011

OCONEE COUNTY, SOUTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Oconee County's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2010. Please read the information presented here in conjunction with additional information presented with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of Oconee County exceeded its liabilities at June 30, 2010 by \$147,272,510, which was a decrease from the prior year of 0.9 percent. Of this amount, \$20,666,703 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's governmental activities reported an increase in net assets of \$5,586,047 from fiscal year 2009-2010 activity which was offset by a decrease of \$6,831,341 related to prior period adjustments for an overall decrease of \$1,245,294. Net assets of the business-type activities did not change as a result of fiscal year 2009-2010 activity as the net income of the business-type activity is transferred to the governmental activities. The net assets of the business-type activities did decrease by \$17,810 related to a prior period adjustment. The notes to the financial statements contain the details of the prior period adjustments. Overall the County's net assets decreased \$1,263,104.
- During the year, the County had expenses in governmental activities that were \$4,073,397 less than the \$50,989,965 generated in tax and other revenues for governmental programs (before transfers and special item). For comparison, the prior year expenses were \$4,243,089 less than the prior year revenues (before transfers) as reflected in the Changes in Net Assets (Figure 2).
- The General Fund reported a decrease in fund balance of \$1,415,561 from fiscal year 2009-2010 activity offset by an increase of \$2,390,599 related to prior period adjustments for an overall increase of \$975,038 resulting in an ending fund balance of \$24,398,068.
- In the General Fund, actual revenue sources available for appropriation were \$1,636,810 more than anticipated primarily due to property tax revenues. Expenditures were \$4,496,074 less than budgeted. Actual revenues were \$3,716,459 more than actual expenditures.

USING THIS ANNUAL REPORT

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Statement of Net Assets and the Statement of Activities is divided into three 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.
- Component units – The County includes two legally separate entities in this section, the Keowee Fire District and the School District of Oconee County. Although legally separate, these "component units" are important because the County is financially accountable for them.

The next statements are fund financial statements that begin on page 31. These statements focus on the activities of the individual parts of the County's government. These statements provide more detailed information on the significant funds rather than the government as a whole. Some of the funds are required to be established by state law and by bond covenants. However, County Council and management have established many other funds to aid in controlling and managing money specified for particular purposes or to show that legal responsibilities for using certain taxes, grants, and other special funding are being met. There are three types of funds: governmental, proprietary, and fiduciary. Each uses a different accounting approach.

- Governmental funds – Most of the County's services are reported in the governmental funds, which focuses on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services that it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. The differences between the governmental activities reported in the Statement of Net Assets 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 Assets and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.
- 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 Assets, the Statement of Revenues, Expenses, and Changes in Fund Net Assets, 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 one enterprise fund. The reporting for this enterprise fund 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 three funds: pension, trust, and agency, of which the County only has an agency fund. Because the County acts as a clearing account to distribute certain financial resources to other entities, the County must report these agency fund activities, thereby demonstrating that those resources were used for and by the specific entity for which they were collected. The report for the agency fund is the Statement of Fiduciary Assets and

Liabilities where the assets equal the liabilities.

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

Finally, the County must include additional supplementary information. The General Fund Budgetary Comparison Schedule includes the original budget, final budget as amended, and actual, all of which are required supplementary information. On this report, the County includes a variance column, which is not required. This information also includes the detailed financial statements for the non-major funds, various schedules for state and federal requirements, compliance reports and a schedule of findings with a corrective action plan. This completed financial report will provide information indicating the accountability of the government and the County's resulting financial position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Oconee County's Net Assets
Figure 1

	Governmental Activities			Business-type Activities			Total Primary Government		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Current and other assets	\$ 52,022,704	\$ 42,160,526	\$ 38,513,677	\$ 3,793,136	\$ 3,325,211	\$ 3,102,843	\$ 55,815,840	\$ 45,485,737	\$ 41,616,520
Capital assets	112,346,550	116,759,884	117,455,179	2,292,824	2,715,788	2,908,740	114,639,374	119,475,672	120,363,919
Total assets	\$ 164,369,254	\$ 158,920,410	\$ 155,968,856	\$ 6,085,960	\$ 6,040,999	\$ 6,011,583	\$ 170,455,214	\$ 164,961,409	\$ 161,980,439
Long-term liabilities debt	\$ 15,588,832	\$ 10,654,400	\$ 12,358,303	\$ 78,832	\$ 69,515	\$ 49,179	\$ 15,667,664	\$ 10,723,915	\$ 12,407,482
Other liabilities	7,406,912	5,647,206	6,135,507	108,128	54,674	45,594	7,515,040	5,701,880	6,181,101
Total liabilities	\$ 22,995,744	\$ 16,301,606	\$ 18,493,810	186,960	124,189	94,773	\$ 23,182,704	\$ 16,425,795	\$ 18,588,583
Net assets:									
Invested in capital assets,									
net of related debt	\$ 104,968,618	\$ 107,401,916	\$ 106,195,121	\$ 2,292,824	\$ 2,715,788	\$ 2,908,740	\$ 107,261,442	\$ 110,117,704	\$ 109,103,861
Restricted	19,344,365	13,906,528	11,265,793	-	-	-	19,344,365	13,906,528	11,265,793
Unrestricted (deficit)	17,060,527	21,310,360	20,014,132	3,606,176	3,201,022	3,008,070	20,666,703	24,511,382	23,022,202
Total net assets	\$ 141,373,510	\$ 142,618,804	\$ 137,475,046	\$ 5,899,000	\$ 5,916,810	\$ 5,916,810	\$ 147,272,510	\$ 148,535,614	\$ 143,391,856

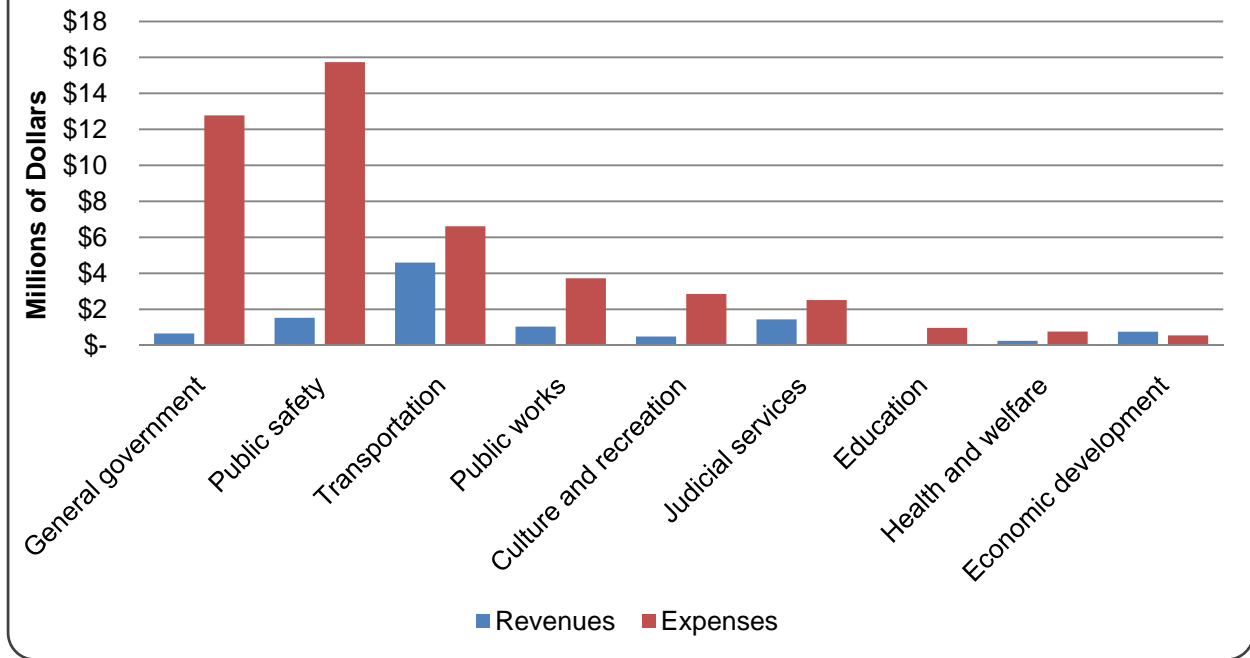
As noted earlier, net assets may serve over time as one of the most useful indicators of a government's financial condition. The government-wide financial statements for the fiscal year ended June 30, 2010 display combined net assets of \$147.3 million, or 0.9 percent below June 30, 2009. The largest portion of the net assets (72.8 percent) reflects the County's investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. Although the County's investment in its capital assets is reported net of the outstanding related debt, 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 assets (13.1 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (14.0 percent) is unrestricted net assets, with a balance of \$20,666,703 at June 30, 2010.

Oconee County's Changes in Net Assets
Figure 2

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Revenues									
Program revenues:									
Charges for services	\$ 4,422,267	\$ 4,792,818	\$ 5,294,647	\$ 3,404,756	\$ 3,037,173	\$ 3,082,349	\$ 7,827,023	\$ 7,829,991	\$ 8,376,996
Operating grants and contributions	2,097,997	1,994,989	1,292,982	-	-	-	2,097,997	1,994,989	1,292,982
Capital grants and contributions	4,251,132	2,394,832	2,498,147	-	-	-	4,251,132	2,394,832	2,498,147
General revenues:									
Property taxes	35,671,288	33,947,624	32,121,201	-	-	-	35,671,288	33,947,624	32,121,201
Other taxes	848,922	1,231,012	1,221,173	-	-	-	848,922	1,231,012	1,221,173
Intergovernmental not restricted to specific programs	3,038,376	3,639,338	3,816,253	-	-	-	3,038,376	3,639,338	3,816,253
Interest income	498,702	1,061,380	1,485,206	7,449	110,287	111,247	506,151	1,171,667	1,596,453
Gain (loss) on sale of fixed assets	-	(740,289)	-	(460)	-	-	(460)	(740,289)	-
Miscellaneous	161,281	287,460	641,535	-	-	-	161,281	287,460	641,535
Total revenues	\$ 50,989,965	\$ 48,609,164	\$ 48,371,144	\$ 3,411,745	\$ 3,147,460	\$ 3,193,596	\$ 54,401,710	\$ 51,756,624	\$ 51,564,740
Program expenses									
General government	\$ 12,779,958	\$ 18,548,180	\$ 16,647,296	\$ -	\$ -	\$ -	\$ 12,779,958	\$ 18,548,180	\$ 16,647,296
Public safety	15,735,352	15,313,777	10,671,085	-	-	-	15,735,352	15,313,777	10,671,085
Transportation	6,618,188	-	-	-	-	-	6,618,188	-	-
Public works	3,728,944	-	-	-	-	-	3,728,944	-	-
Culture and recreation	2,857,679	2,037,675	3,069,785	-	-	-	2,857,679	2,037,675	3,069,785
Judicial services	2,521,566	2,197,316	2,179,220	-	-	-	2,521,566	2,197,316	2,179,220
Education	972,117	-	-	-	-	-	972,117	-	-
Health and welfare	764,810	785,094	790,730	-	-	-	764,810	785,094	790,730
Economic development	553,264	-	-	-	-	-	553,264	-	-
Highways and streets	-	5,036,913	5,327,716	-	-	-	-	5,036,913	5,327,716
Interest and fiscal charges	384,690	447,120	445,295	-	-	-	384,690	447,120	445,295
Rock quarry	-	-	-	2,724,095	2,246,791	2,352,819	2,724,095	2,246,791	2,352,819
Total expenses	\$ 46,916,568	\$ 44,366,075	\$ 39,131,127	\$ 2,724,095	\$ 2,246,791	\$ 2,352,819	\$ 49,640,663	\$ 46,612,866	\$ 41,483,946
Excess (deficiency) before special items and transfers	\$ 4,073,397	\$ 4,243,089	\$ 9,240,017	\$ 687,650	\$ 900,669	\$ 840,777	\$ 4,761,047	\$ 5,143,758	\$ 10,080,794
Special item - Courthouse Settlement	825,000	-	-	-	-	-	825,000	-	-
Transfers	687,650	900,669	800,878	(687,650)	(900,669)	(800,878)	-	-	-
Increase (decrease) in net assets	\$ 5,586,047	\$ 5,143,758	\$ 10,040,895	\$ -	\$ -	\$ 39,899	\$ 5,586,047	\$ 5,143,758	\$ 10,080,794

Governmental Activities Program Revenues and Expenses

Chart 1



The Statement of Activities on page 30 shows that the County's total revenues, including charges for services, operating grants and contributions, capital grants and contributions, and general revenues, increased to \$54.4 million, or 5.1 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 remained relatively unchanged (a decrease of 0.1 percent) from fiscal year 2009 to fiscal year 2010. Further, the County receives both operating and capital grants and contributions from state and federal governments as well as other non-government individuals and businesses. The operating grants and contributions, \$2.1 million, are used to fund the general operations of certain programs of the County. The operating grants increased from the prior year by \$103,008 or 5.2 percent. Capital grants and contributions fund the purchase of capital assets and improvements. During 2010, the County received \$4.3 million to fund such capital projects compared to the \$2.4 million received for fiscal year 2009. This increase is primarily related to the Airport runway project. Property tax revenues increased by \$1.7 million, over \$1 million of which was due to the reclassification of the activity related to Tri-County Technical College (TCTC) millage as a special revenue fund. In prior years, the millage assessed to provide support for TCTC was accounted for as an agency fund and as such was not included on the government-wide Statement of Activities. During the year, some of the County departments were reclassified to different programs as a result several programs having either decreases or increases from the prior year. The net expense (difference between program revenues and program expenses) for all programs and service increased 3 percent from the previous year.

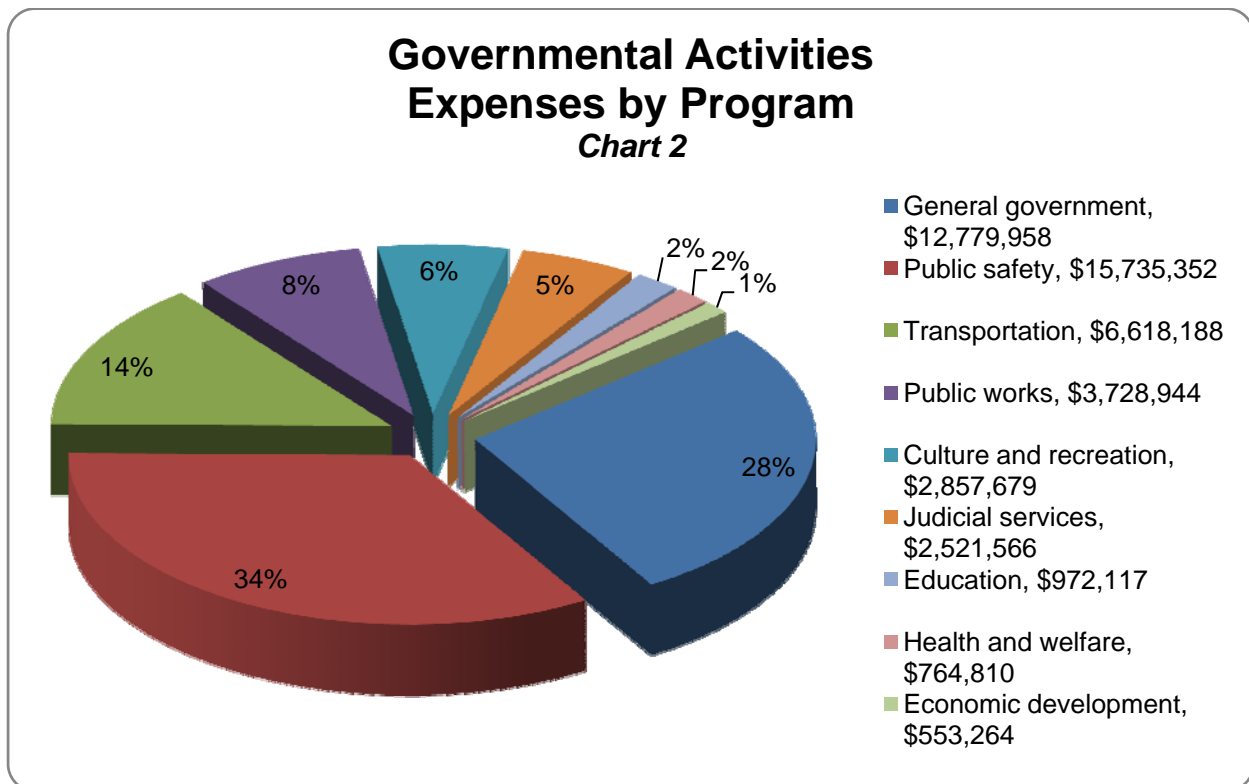
The analysis in Figure 2 above provides more detailed information on the governmental and business-type activities separately.

Governmental Activities

Net assets of the County's governmental activities decreased by almost \$1.2 million to \$141.4 million or by 0.9 percent from 2009 to 2010. Fiscal year 2009-2010 operations resulted in an increase of \$5.6

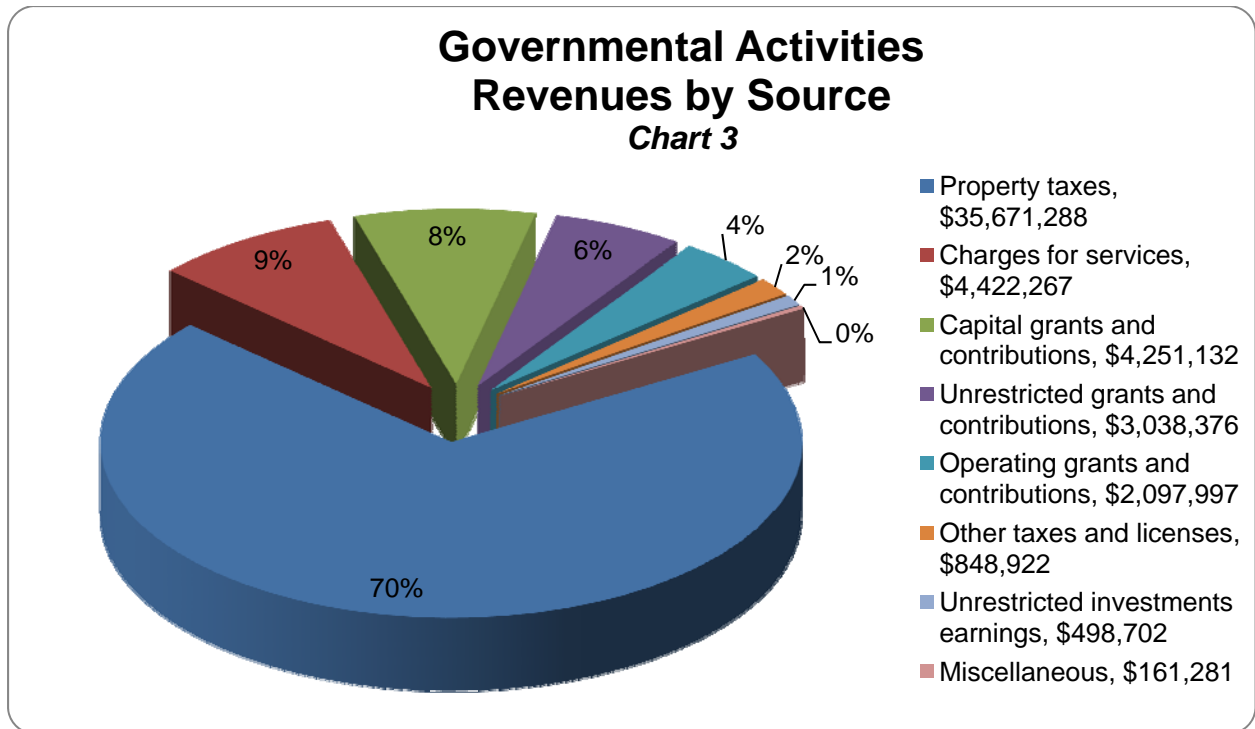
million in net assets due primarily to greater than expected property tax revenue and less than expected expenditures. This increase in net assets in the governmental activities was offset by a \$6.8 million decrease in net assets from prior period adjustments to capital assets and to the long-term liabilities related to the County's landfills. The governmental activities unrestricted net assets, which are part of the net assets that the County can use to finance normal operations without any restrictions, decreased from the prior year by \$4.2 million for a total of \$17.1 million. The decrease in the unrestricted net assets is related to the overall decrease in net assets and the \$2.1 million of net assets for the Emergency Services Special Tax District being reclassified as restricted net assets.

The cost of all governmental activities this year was \$46.9 million compared to \$44.4 million last year. Approximately \$1.5 million or 59 percent of the total increase in governmental activities expenses is related to increased maintenance of roads and bridges. In addition, \$972,117 or 38 percent of the total increase in expenses is related to the inclusion of Tri-County Technical College which had been previously recorded in the agency fund. During fiscal year 2010, the County changed the program classification of certain departments. As a result, the general government program experienced a decrease of \$5,768,222 primarily due to the Solid Waste and Airport departments being reclassified to the public works and transportation programs. The Economic Development department was also reclassified from general government to economic development program.



The amount, that our taxpayers paid in County taxes to finance these activities, was only \$35.7 million. Some of the costs were paid either by those who directly benefited from the programs (\$4.4 million through charges for services) or other governments or organizations that subsidized certain programs with both operating and capital grants and contributions (\$6.3 million). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, increased from \$9.2 million in 2009 to \$10.8 million in 2010, principally based on the increase in capital grants and contributions related to the Airport runway extension. The County paid for the remaining "public benefit" portion of governmental activities with \$40.2 million in general revenues consisting of taxes (some of which could only be used for certain programs) and with other revenues, such as miscellaneous revenues and interest. The largest portion of these other revenues, totaling \$3 million, is

the intergovernmental grants and contributions not restricted to specific programs.



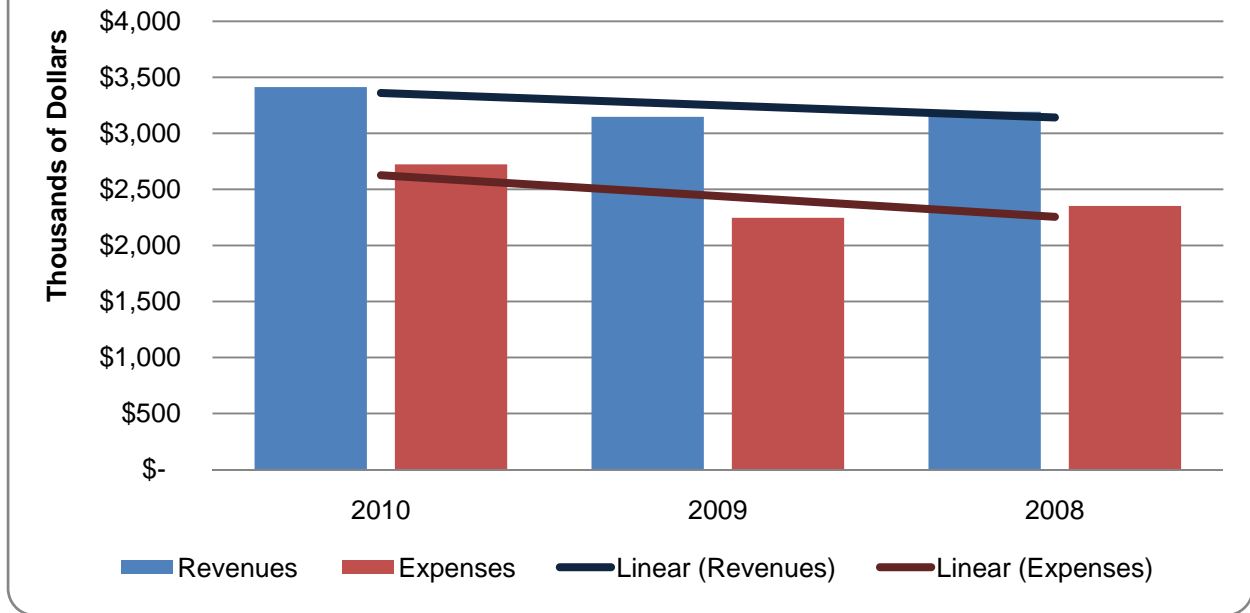
Business-type Activities

In comparison to the prior year, the total net assets of the business-type activities decreased by \$17,810 or 0.3 percent. Furthermore, capital assets were reduced mainly because of normal depreciation and depletion for the Rock Quarry. The business-type activities unrestricted net assets also increased by \$405,154.

Compared to the business-type revenues of 2009, the business-type activities revenue for 2010 increased by \$264,285 or 8.4 percent, while expenses increased by 21.2 percent or \$477,304.

Business-type Activities Revenues and Expenses

Chart 4



FUND FINANCIAL ANALYSIS

As described earlier, the County has to include detailed reports for its governmental and proprietary funds as well as the General Fund Budgetary Comparison Schedule. These statements begin on page 69.

Governmental Funds

At completion of fiscal year 2009-2010, the County's governmental funds reported total fund balances of \$45 million, which was an increase over last year's total by \$7.2 million. Approximately 50 percent or \$3.5 million of this increase was related to unexpended bond proceeds on hand at June 30, 2010. Another 38 percent or \$2.7 million of the increase was related to the prior period adjustment for land held for resale, which previously had not been included in the fund financial statements.

The chief operating and major fund of the County is the General Fund. At the end of the fiscal year, the undesignated fund balance of the General Fund was \$13.4 million, while its total fund balance was \$24.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both undesignated fund balance and total fund balance to total fund expenditures. The undesignated fund balance represents 35 percent of the total General Fund expenditures, while the total fund balances represent 63.6 percent of that same amount. The General Fund revenues have increased by \$1.4 million. Total governmental revenues increased \$1.2 million.

The Unincorporated Fire District Fund accounts for the activities of a special tax district established in 2007 to provide emergency services for the unincorporated areas of the County including fire, rescue, and hazardous materials squads. The June 30, 2010 fund balance was \$2.1 million, a decrease of approximately \$500,000 from the June 30, 2009 fund balance. Approximately, \$300,000 of this decrease is related to the completion of purchases of equipment from the 2008 capital lease.

The Capital Projects Fund accounts for the acquisition and construction of capital assets. The June 30, 2010 fund balance was \$15.1 million, an increase of \$6.9 million from the June 30, 2009 fund balance.

Unexpended bond proceeds of \$3.5 million account for over half of the increase from prior year. During fiscal year 2009-2010, \$2.5 million was transferred into the Capital Projects Fund for the Westminster Emergency Services building of which \$1.7 million was unspent at year end. In addition, \$1.3 million was transferred to the Capital Projects Fund for road paving that was unspent as of June 30, 2010.

The Miscellaneous Special Revenue Fund accounts for grants and other restricted revenues received from outside agencies, primarily the state and federal government. The June 30, 2010 fund balance was \$289,339, a decrease of \$331,199 from the June 30, 2009 fund balance. The fund balance in this fund fluctuates based on the amount of grants received and the timing of the revenues and expenditures for those grants.

Proprietary Funds

The Rock Quarry enterprise fund is the only proprietary fund for the County. The net assets of the Rock Quarry decreased by \$17,810 from 2009 to 2010. This is mainly due to the fact that the Rock Quarry is budgeted to transfer its profits to the General Fund.

The operating revenues of the Rock Quarry have increased 12.1 percent from the previous year. In addition, the operating expenses have increased 21.2 percent. Before transfers, the Rock Quarry had a profit of \$687,650. The County usually budgets annually for a transfer from the Rock Quarry for its anticipated profits. This year the transfer from the Rock Quarry to the General Fund was \$687,650 compared to the \$900,669 in 2009. The \$687,650 transfer is the net of a transfer from the General Fund of \$61,135 for bridge replacement monies collected by the Rock Quarry transferred to the Bridge Replacement Capital Project Fund and a transfer to the General Fund of \$626,515 for the Rock Quarry profit. The Rock Quarry profit was \$45,559 over the \$580,956 budgeted for the profit transfer.

General Fund Budgetary Highlights

In the 2010 adopted budget, the General Fund's original budget totaled \$42,658,420. Rollovers and encumbrances from the 2009 fiscal year increased this amount \$2,632,278 and County Council approved three budget amendments totaling \$3,445,473, resulting in a final budget for fiscal year 2009-2010 of \$48,736,171. These amendments were to provide for the Westminster Emergency Services building, two fire engines, a reduction of two furlough days, support for the Clemson Area Transit and radio tower equipment.

By the end of the year, General Fund actual revenues totaled \$42,104,294; \$1,636,810 more than budgeted due to property tax revenues being greater than expected. Actual expenditures totaled \$38,387,835, thus creating a favorable budget variance in total expenditures of \$4,496,074, of which \$1,202,845 was encumbered at year-end for open purchase orders which carry over into the new fiscal year. The remaining difference between actual and budgeted expenditures is composed of a number of other items including lower than expected gas and diesel prices, a five-year contract that was budgeted in fiscal year 2010 as an expenditure that was reclassified as a prepaid item that will be recognized over the five years of the contract, the unexpended portion of the Bridge and Culvert mill, certain capital improvements that were budgeted for the detention center that were not completed, vacancies related to new positions in the detention center, lower than expected expenditures for aviation and jet fuel at the Airport, unspent allocations to the volunteer fire stations that carry over from year to year and Information Technology projects that were not completed.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2010, totals \$114.6 million (net of accumulated depreciation and depletion). These assets include land, buildings and improvements, vehicles and equipment, construction in progress, infrastructure, and mineral interests. The net decrease (including additions and deductions) is \$4.8 million, or 4 percent,

over last year. The decrease is due to the reclassification of Economic Development land that was removed from the capital assets and accounted for in the General Fund as land held for resale.

Oconee County's Capital Assets
Net of Accumulated Depreciation
 Figure 3

	Governmental Activities			Business-Type Activities			Total Primary Government		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
Land	\$ 2,982,537	\$ 5,736,562	\$ 5,737,812	\$ 27,891	\$ 27,836	\$ 27,836	\$ 3,010,428	\$ 5,764,398	\$ 5,765,648
Infrastructure Land Rights	35,876,356	35,809,533	35,739,072	-	-	-	35,876,356	35,809,533	35,739,072
Construction in Progress	4,761,107	6,652,518	5,580,041	-	-	-	4,761,107	6,652,518	5,580,041
Building and Improvements	29,879,588	30,335,031	29,022,413	357,882	384,197	410,512	30,237,470	30,719,228	29,432,925
Equipment and Vehicles	13,159,717	10,409,791	10,528,222	1,590,485	1,980,247	2,140,002	14,750,202	12,390,038	12,668,224
Infrastructure	25,687,245	27,816,449	30,847,619	-	-	-	25,687,245	27,816,449	30,847,619
Mineral Interests	-	-	-	316,566	323,508	330,390	316,566	323,508	330,390
Total	\$ 112,346,550	\$ 116,759,884	\$ 117,455,179	\$ 2,292,824	\$ 2,715,788	\$ 2,908,740	\$ 114,639,374	\$ 119,475,672	\$ 120,363,919

Major capital asset transactions during the year include:

- Addition of \$61,953 for paving and \$69,559 of site preparation for roads constructed in-house by the Roads and Bridges Department during the fiscal year;
- Completion of the Workforce Center located at the Hamilton Career Center, \$654,146;
- Concrete pads for the waste tire and used oil areas at Solid Waste, \$118,655;
- Continuation of construction of the Airport's runway extension and parallel taxiway airport improvement project, \$3.5 million;
- Purchase of a 50 ton trailer (\$10,100), a mini-excavator (\$48,760), one dump truck (\$117,700), two Ford F-250 trucks (\$54,172), one asphalt compactor (\$26,500), and one John Deer tractor with mowing attachment (\$90,785) for the Roads and Bridges Department;
- Continuation of the construction in progress on the Oconee County Emergency Services building located in Westminster, \$725,587;
- Continued renovations to the courthouse, \$324,462;
- Acquisition of sixteen vehicles (\$377,876) for the Sheriff's Department, four pumper/fire trucks (\$1.3 million) for Emergency Services; and six vehicles (\$85,452) for various other departments;
- Purchase of a hydraulic excavator (\$72,300), a Terex articulated truck (\$50,880), a rim crusher (\$24,986), and a fork lift (\$20,000) for Solid Waste, and
- Construction in progress of two bridges and four roads (\$159,935).

Additional information on the County's capital assets can be found in Note 4 on pages 50 - 51 of the basic financial statements.

Long-term Debt

As of June 30, 2010, the County had outstanding a total bonded debt of approximately \$6.5 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		
	2010	2009	2008	2010	2009	2008	2010	2009	2008
General obligation and special source revenue bonds	\$ 6,465,000	\$ 7,800,000	\$ 9,075,000	\$ -	\$ -	\$ -	\$ 6,465,000	\$ 7,800,000	\$ 9,075,000

During the fiscal year, all state and local government tax-supported public financing underwent a recalibration of its credit ratings. The intent of the recalibration was to ensure a better comparability of credit ratings across the market. The recalibration should not be interpreted as an improvement or weakening of credit rating, rather an adjustment to the comparison scale of credit risk. Each rating agency interprets the County's data slightly different resulting in possible different ratings. The County's existing general obligation bond ratings were recalibrated as follows: Fitch Ratings upgraded the rating from an "A+" to an "AA-"; Standard and Poor's recalibrated from "A+" to an "AA-"; and Moody's Investors Service went from an "A1" to "Aa2". These stable bond ratings are a clear indication of the continued sound financial condition of the County and 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 the County could still legally borrow) for the County is approximately \$34 million, which is a 5.5 percent increase from the prior year.

At June 30, 2010, the County's total outstanding general obligation bonded debt in the governmental funds was \$6,465,000. On April 20, 2010, the County authorized issuance of \$5.3 million in refunding bonds that is to be issued in the first quarter of fiscal year 2011. When issued, these bonds will refund the entire outstanding balance of the County's existing general obligation debt.

During the fiscal year, financing for the Pointe West Infrastructure Improvements Project was acquired through issuance of special source revenue bonds in the amount of \$3.5 million. These special source revenue bonds will be repaid solely with specific fee in lieu taxes. Repayment of these bonds will begin in fiscal year 2011 and will end in 2025. Special source revenue bonds do not affect above stated bonded debt limits.

Furthermore, the capital lease obligations at the close of 2010 totaled \$912,932. This amount consists of the remaining balance outstanding for the capital lease for purchasing equipment for the unincorporated fire districts. The final payment for the unincorporated fire equipment lease will be in 2013.

The enterprise fund does not have any existing or pending bonded debt or capital leases.

Additionally, the County maintains two closed municipal solid waste (MSW) landfills and two open construction and demolition (C&D) waste landfills. A portion of the long-term liabilities includes an estimate for the closure and post-closure care cost of these landfills. During 2010, the estimated liability was adjusted for inflation and to include estimated costs related to the C&D landfills in response to new environmental regulations. The balance of the estimated liability for closure and post-closure care costs at June 30, 2010 equaled \$4.9 million.

Included in the long-term liabilities is the compensated absences, which consists of accrued accumulated unpaid vacation time earned by employees. The estimated long-term liability for annual leave is \$1,189,336 for the governmental funds and \$69,729 for the enterprise fund.

Additional information regarding the County's long-term debt obligations can be found in Note 5 on pages 51 - 54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economic contraction continues to impact Oconee County, although there are signs of improvement. The unemployment rate as of November 2010 was 10.9 percent, slightly higher than the state average of 10.6 percent, but significantly lower than the 14.3 percent rate of unemployment in November 2009. Oconee County has made significant investments in economic development including acceptance of a multi-million dollar federal grant intended to create a fiber network capable of providing extremely high-speed broadband to the County. These investments combined with our proximity to Clemson University, the outstanding natural beauty of our mountains and lakes, excellent school system, and our workforce's excellent work ethic have placed the County in an excellent position for future growth.

The budget for fiscal year 2010-2011 provides for the maintenance of County operations at the same level as 2009-2010 without an increase in millage rates. The General Fund budget for 2010-2011 totals \$42,068,202 a 1 percent decrease from the 2009-2010 adopted budget. The local, state, and federal revenues in the general fund are expected to decrease approximately \$876,000 due to the economic downturn, which has affected revenues such as building permits, deed recording fees, airport fuel sales, interest income, and the amount of State Aid to Subdivisions which is expected to be \$480,000 less than 2009-2010.

REQUESTS FOR INFORMATION

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

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Keowee Fire District	School District of Oconee County
Assets					
Cash and cash equivalents	\$ 34,641,972	\$ 3,300,844	\$ 37,942,816	\$ 404,760	\$ 1,414,687
Investments	8,987,406	-	8,987,406	-	31,800,073
Receivables:					
Taxes - net	1,185,586	-	1,185,586	4,443	2,141,998
Accounts	209,867	233,067	442,934	-	347,332
Intergovernmental	2,740,703	-	2,740,703	90,475	12,332,209
Accrued interest receivable	114,969	756	115,725	-	-
Inventories	196,272	258,469	454,741	-	218,858
Prepaid items	1,191,904	-	1,191,904	-	6,685
Land held for sale	2,754,025	-	2,754,025	-	-
Capital assets - not being depreciated	43,620,000	27,891	43,647,891	-	5,624,738
Capital assets - net of accumulated depreciation	68,726,550	2,264,933	70,991,483	1,671,413	127,174,240
	<u>\$ 164,369,254</u>	<u>\$ 6,085,960</u>	<u>\$ 170,455,214</u>	<u>\$ 2,171,091</u>	<u>\$ 181,060,820</u>
Liabilities					
Accounts payable	\$ 3,072,558	\$ 55,832	\$ 3,128,390	\$ 93,602	\$ 970,582
Bank overdrafts	4,473	-	4,473	-	-
Retainage payable	309,739	-	309,739	-	536,241
Accrued payroll liabilities	771,864	29,296	801,160	4,935	1,629,315
Unearned revenue	803,476	-	803,476	-	610,568
Accrued interest payable	147,769	-	147,769	10,241	463,811
Other liabilities	-	-	-	-	2,324,091
Long-term liabilities:					
Due within one year	2,297,033	23,000	2,320,033	66,225	13,605,188
Due in more than one year	15,588,832	78,832	15,667,664	991,028	46,561,266
	<u>22,995,744</u>	<u>186,960</u>	<u>23,182,704</u>	<u>1,166,031</u>	<u>66,701,062</u>
Net Assets					
Invested in capital assets, net of related debt	104,968,618	2,292,824	107,261,442	616,172	86,453,690
Restricted for:					
Debt service	1,607,112	-	1,607,112	-	6,379,235
Emergency services	2,132,780	-	2,132,780	-	-
Capital outlay	15,604,473	-	15,604,473	-	824,860
Unrestricted	17,060,527	3,606,176	20,666,703	388,888	20,701,973
	<u>141,373,510</u>	<u>5,899,000</u>	<u>147,272,510</u>	<u>1,005,060</u>	<u>114,359,758</u>
	<u>\$ 164,369,254</u>	<u>\$ 6,085,960</u>	<u>\$ 170,455,214</u>	<u>\$ 2,171,091</u>	<u>\$ 181,060,820</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Keowee Fire District	School District of Oconee County
Primary Government									
Governmental activities									
General government	\$ 12,779,958	\$ 635,354	\$ 26,995	\$ -	\$ (12,117,609)	\$ -	\$ (12,117,609)	\$ -	\$ -
Public safety	15,735,352	712,860	743,587	75,758	(14,203,147)	-	(14,203,147)	-	-
Transportation	6,618,188	549,140	797,401	3,249,606	(2,022,041)	-	(2,022,041)	-	-
Public works	3,728,944	861,453	6,811	172,457	(2,688,223)	-	(2,688,223)	-	-
Culture and recreation	2,857,679	348,402	145,231	-	(2,364,046)	-	(2,364,046)	-	-
Judicial services	2,521,566	1,281,388	159,593	-	(1,080,585)	-	(1,080,585)	-	-
Education	972,117	-	-	-	(972,117)	-	(972,117)	-	-
Health and welfare	764,810	33,670	217,079	-	(514,061)	-	(514,061)	-	-
Economic development	553,264	-	1,300	753,311	201,347	-	201,347	-	-
Unallocated interest expense	384,690	-	-	-	(384,690)	-	(384,690)	-	-
	<u>46,916,568</u>	<u>4,422,267</u>	<u>2,097,997</u>	<u>4,251,132</u>	<u>(36,145,172)</u>	<u>-</u>	<u>(36,145,172)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Rock quarry	2,724,095	3,404,756	-	-	-	680,661	680,661	-	-
Total primary government	<u>\$ 49,640,663</u>	<u>\$ 7,827,023</u>	<u>\$ 2,097,997</u>	<u>\$ 4,251,132</u>	<u>\$ (36,145,172)</u>	<u>\$ 680,661</u>	<u>\$ (35,464,511)</u>	<u>\$ -</u>	<u>\$ -</u>
Component units									
Keowee Fire District	\$ 644,946	\$ 35,000	\$ 25,069	\$ 91,975				\$ (492,902)	\$ -
School District of Oconee County	109,323,459	3,601,089	43,587,259	233,867				-	(61,901,244)
Total component units	<u>\$ 109,968,405</u>	<u>\$ 3,636,089</u>	<u>\$ 43,612,328</u>	<u>\$ 325,842</u>				<u>\$ (492,902)</u>	<u>\$ (61,901,244)</u>
General Revenues									
Property taxes levied for:									
General purposes					\$ 32,418,707	\$ -	\$ 32,418,707	\$ 647,907	\$ 43,480,051
Public safety					1,294,820	-	1,294,820	-	-
Debt service					998,815	-	998,815	-	16,280,624
Capital projects					475,385	-	475,385	-	-
Economic development					483,561	-	483,561	-	-
Other taxes and licences					848,922	-	848,922	-	-
Loss on disposal					-	(460)	(460)	-	-
Unrestricted grants and contributions					3,038,376	-	3,038,376	11,754	16,636,474
Unrestricted investment earnings					498,702	7,449	506,151	5,021	208,031
Miscellaneous					161,281	-	161,281	35,143	807,009
Special Item - Courthouse Settlement					825,000	-	825,000	-	-
Transfers					687,650	(687,650)	-	-	-
Total general revenues, special items and transfers					<u>41,731,219</u>	<u>(680,661)</u>	<u>41,050,558</u>	<u>699,825</u>	<u>77,412,189</u>
Change in net assets					5,586,047	-	5,586,047	206,923	15,510,945
Net assets - beginning of year					142,618,804	5,916,810	148,535,614	767,136	98,848,813
Prior period adjustments					(6,831,341)	(17,810)	(6,849,151)	31,001	-
Net assets - end of year					<u>\$ 141,373,510</u>	<u>\$ 5,899,000</u>	<u>\$ 147,272,510</u>	<u>\$ 1,005,060</u>	<u>\$ 114,359,758</u>

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

FUND FINANCIAL STATEMENTS

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OCONEE COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

Assets	Unincorporated			Miscellaneous	Other	Total
	General	Fire District	Capital Projects	Special Revenue	Governmental Funds	Governmental Funds
Cash	\$ 12,581,439	\$ 2,178,494	\$ 16,587,736	\$ 979,222	\$ 2,315,081	\$ 34,641,972
Investments	8,987,406	-	-	-	-	8,987,406
Receivables						
Taxes - net	1,073,178	35,627	-	-	76,781	1,185,586
Accounts	148,967	-	-	18,248	42,652	209,867
Intergovernmental	1,712,655	-	815,086	118,785	94,177	2,740,703
Accrued interest receivable	110,056	-	-	-	4,913	114,969
Advances to other funds	210,000	-	-	-	-	210,000
Prepaid items	401,748	205	-	-	789,951	1,191,904
Inventories	196,272	-	-	-	-	196,272
Land held for sale	2,754,025	-	-	-	-	2,754,025
	<u>\$ 28,175,746</u>	<u>\$ 2,214,326</u>	<u>\$ 17,402,822</u>	<u>\$ 1,116,255</u>	<u>\$ 3,323,555</u>	<u>\$ 52,232,704</u>
Liabilities						
Accounts payable	\$ 1,821,369	\$ 47,404	\$ 1,144,701	\$ 31,889	\$ 27,195	\$ 3,072,558
Bank overdrafts	-	-	-	-	4,473	4,473
Retainage payable	-	-	309,739	-	-	309,739
Accrued payroll liabilities	749,639	14,447	-	-	7,778	771,864
Deferred revenue						
Property taxes	665,450	19,695	-	-	50,839	735,984
Intergovernmental	541,220	-	712,264	97,914	-	1,351,398
Unearned revenues	-	-	88,591	697,113	17,772	803,476
Advances from other funds	-	-	-	-	210,000	210,000
	<u>3,777,678</u>	<u>81,546</u>	<u>2,255,295</u>	<u>826,916</u>	<u>318,057</u>	<u>7,259,492</u>
Fund Balances						
Reserved for						
Land held for sale	2,754,025	-	-	-	-	2,754,025
Debt service	-	-	-	-	1,607,112	1,607,112
Capital outlay	-	-	10,813,554	-	456,946	11,270,500
Inventories	196,272	-	-	-	-	196,272
Prepays	401,748	205	-	-	789,951	1,191,904
Encumbrances	1,202,845	-	4,333,973	4,326	97,255	5,638,399
Interfund advances	180,000	-	-	-	-	180,000
Unreserved						
Designated						
Designated for health insurance	2,965,644	-	-	-	-	2,965,644
Designated for other purposes	463,209	-	-	-	-	463,209
Designated for dissolution of solid waste fund	2,811,628	-	-	-	-	2,811,628
Undesignated						
Reported in general fund	13,422,697	-	-	-	-	13,422,697
Reported in special revenue funds	-	2,132,575	-	285,013	54,234	2,471,822
	<u>24,398,068</u>	<u>2,132,780</u>	<u>15,147,527</u>	<u>289,339</u>	<u>3,005,498</u>	<u>44,973,212</u>
	<u>\$ 28,175,746</u>	<u>\$ 2,214,326</u>	<u>\$ 17,402,822</u>	<u>\$ 1,116,255</u>	<u>\$ 3,323,555</u>	<u>\$ 52,232,704</u>

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

OCONEE COUNTY, SOUTH CAROLINA
 RECONCILIATION OF THE TOTAL GOVERNMENTAL FUNDS BALANCE SHEET TO
 THE STATEMENT OF NET ASSETS
 JUNE 30, 2010

Fund Balances - Total Governmental Funds	\$ 44,973,212
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	112,346,550
Resources received but reflected as deferred revenues in fund statements	2,087,382
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the governmental funds.	
General obligation bonds	(6,465,000)
Capital lease obligation	(912,932)
Special source revenue bonds	(3,500,000)
Other post employment benefits	(871,160)
Post closure care liabilities	(4,947,437)
Compensated absences	(1,189,336)
Accrued interest payable	(147,769)
	<u>(18,033,634)</u>
Net Assets of Governmental Activities	<u>\$ 141,373,510</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General	Unincorporated Fire District	Capital Projects	Miscellaneous Special Revenue	Other Governmental Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 32,669,967	\$ 1,275,125	\$ -	\$ -	\$ 2,080,234	\$ 36,025,326
Other taxes	-	-	-	-	538,901	538,901
Intergovernmental	4,386,082	-	2,721,282	552,259	378,595	8,038,218
Licenses, permits and fees	3,062,181	-	-	-	-	3,062,181
Fines and forfeitures	460,477	-	-	-	122,260	582,737
Charges for services	855,538	-	-	-	-	855,538
Interest and investment income	461,059	126	276	10	37,233	498,704
Miscellaneous and other	208,990	-	75,758	168,594	-	453,342
	<u>42,104,294</u>	<u>1,275,251</u>	<u>2,797,316</u>	<u>720,863</u>	<u>3,157,223</u>	<u>50,054,947</u>
Expenditures						
Current						
General government	12,179,435	-	-	1,128	-	12,180,563
Public safety	12,968,870	1,494,052	-	464,334	515,351	15,442,607
Transportation	4,520,748	-	-	1,740	-	4,522,488
Public works	3,319,543	-	-	172,457	-	3,492,000
Culture and recreation	2,395,807	-	-	71,274	181,006	2,648,087
Judicial services	2,232,277	-	-	20,140	53,367	2,305,784
Education	-	-	-	-	972,117	972,117
Health and welfare	522,459	-	-	91,187	-	613,646
Economic development	248,696	-	-	104,508	-	353,204
Capital outlay	-	-	6,094,072	4,341	176,886	6,275,299
Debt service						
Principal retirement	-	286,590	-	-	1,693,397	1,979,987
Interest and fiscal charges	-	36,346	-	-	339,994	376,340
	<u>38,387,835</u>	<u>1,816,988</u>	<u>6,094,072</u>	<u>931,109</u>	<u>3,932,118</u>	<u>51,162,122</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,716,459</u>	<u>(541,737)</u>	<u>(3,296,756)</u>	<u>(210,246)</u>	<u>(774,895)</u>	<u>(1,107,175)</u>
Other Financing Sources (Uses)						
Sale of capital assets	18,307	-	-	-	-	18,307
Insurance recoveries	74,504	-	-	-	-	74,504
Issuance of bonds	-	-	3,500,000	-	-	3,500,000
Transfers in	731,468	23,500	5,894,995	-	122,439	6,772,402
Transfers out	(5,956,299)	-	-	(120,953)	(7,500)	(6,084,752)
	<u>(5,132,020)</u>	<u>23,500</u>	<u>9,394,995</u>	<u>(120,953)</u>	<u>114,939</u>	<u>4,280,461</u>
Special Items						
Courthouse settlement	-	-	825,000	-	-	825,000
Net Change in Fund Balances	(1,415,561)	(518,237)	6,923,239	(331,199)	(659,956)	3,998,286
Fund Balances - Beginning of Year	<u>23,423,030</u>	<u>2,651,017</u>	<u>8,224,288</u>	<u>620,538</u>	<u>2,889,134</u>	<u>37,808,007</u>
Prior Period Adjustment	2,390,599	-	-	-	776,320	3,166,919
Fund Balances - End of Year	<u>\$ 24,398,068</u>	<u>\$ 2,132,780</u>	<u>\$ 15,147,527</u>	<u>\$ 289,339</u>	<u>\$ 3,005,498</u>	<u>\$ 44,973,212</u>

The accompanying notes are an integral part of the 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 YEAR ENDED JUNE 30, 2010

Net Change in Fund Balance - Total Governmental Funds		\$ 3,998,286
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay 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. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	8,620,335	
Depreciation expense	<u>(5,806,342)</u>	<u>2,813,993</u>
<p>In the statement of activities, only the loss on the sale of assets is reported whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the assets sold or contributed:</p>		
Net book value of asset dispositions	(37,235)	
Proceeds from sale of capital assets	<u>(88,950)</u>	<u>(126,185)</u>
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	(354,036)	
Intergovernmental revenues	<u>1,351,398</u>	<u>997,362</u>
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal repayments:		
General obligation bonds	1,335,000	
Capital lease obligation	<u>645,036</u>	<u>1,980,036</u>
<p>Proceeds from debt issues are an other financing source in the funds, but a debt issue increases long-term liabilities in the statement of net assets.</p>		
		(3,500,000)
<p>Some expenses recorded in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Compensated absences	(64,526)	
Net post employment benefit obligation	(486,971)	
Post closure care expense	<u>5,110</u>	<u>(546,387)</u>
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.</p>		
		<u>(31,058)</u>
Change in Net Assets of Governmental Activities		<u>\$ 5,586,047</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
ROCK QUARRY
JUNE 30, 2010

ASSETS

Current Assets	
Cash and cash equivalents	\$ 3,300,844
Accounts receivable - net of allowance of \$123,706	233,067
Accrued interest receivable	756
Inventories	<u>258,469</u>
Total Current Assets	<u>3,793,136</u>
Capital Assets	
Land	27,891
Buildings	544,786
Equipment and vehicles	5,648,121
Other capital assets	<u>529,934</u>
	6,750,732
Less accumulated depreciation and depletion	<u>(4,457,908)</u>
Total Capital Assets	<u>2,292,824</u>
Total Assets	<u><u>\$ 6,085,960</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	\$ 55,832
Accrued payroll liabilities	29,296
Compensated absences	<u>23,000</u>
Total Current Liabilities	<u>108,128</u>
Noncurrent Liabilities	
Net post employment benefit obligation	32,103
Compensated absences	<u>46,729</u>
Total Noncurrent Liabilities	<u>78,832</u>
Total Liabilities	<u>186,960</u>
Net Assets	
Investments in capital assets, net of related debt	2,292,824
Unrestricted net assets	<u>3,606,176</u>
Total Net Assets	<u>5,899,000</u>
Total Liabilities and Net Assets	<u><u>\$ 6,085,960</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
ROCK QUARRY
FOR THE YEAR ENDED JUNE 30, 2010

Operating Revenues	
Outside customer sales	\$ 3,403,634
Miscellaneous operating revenues	1,122
	<u>3,404,756</u>
Operating Expenses	
Salaries and fringe benefits	1,008,532
Supplies	361,286
Electricity and natural gas	71,415
Petroleum, oil and lubricants	188,966
Water and sewer	5,626
Machinery, equipment repairs and maintenance	599,987
Building and grounds maintenance	6,802
Professional services	4,605
Miscellaneous	54,367
Depreciation and depletion	422,509
	<u>2,724,095</u>
Net Operating Income	<u>680,661</u>
Nonoperating Revenues (Expenses)	
Loss on disposal of assets	(460)
Interest income	7,449
	<u>6,989</u>
Increase in Net Assets, Before Transfers	687,650
Transfers out	<u>(687,650)</u>
Change in Net Assets	-
Net Assets - Beginning of Year	5,916,810
Prior Period Adjustments	<u>(17,810)</u>
Net Assets - End of Year	<u>\$ 5,899,000</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
ROCK QUARRY
FOR THE YEAR ENDED JUNE 30, 2010

Cash Flows Provided (Used by) Operating Activities	
Cash received from customers	\$ 3,376,312
Cash paid to suppliers for goods and services	(1,020,669)
Cash paid to or for the benefit of employees	<u>(980,337)</u>
	<u>1,375,306</u>
Cash Flows from Noncapital Financing Activities	
Transfers to other funds	<u>(687,650)</u>
Cash Flows from Investing Activities	
Interest income	<u>7,614</u>
Net Increase in Cash and Cash Equivalents	695,265
Cash and Cash Equivalents - Beginning of Year	<u>2,605,579</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 3,300,844</u></u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities:	
Net operating income	\$ 680,661
Adjustments to reconcile net operating loss to net cash used by operating activities	
Depreciation and depletion	422,509
(Increase) decrease in assets	
Accounts receivable	(28,444)
Inventories	237,809
Increase (decrease) in liabilities	
Accounts payable	34,576
Accrued payroll liabilities	2,046
Compensated absences	8,053
Net post employment benefit obligation	<u>18,096</u>
Net Cash Used by Operating Activities	<u><u>\$ 1,375,306</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

Assets

Cash and cash equivalents	\$ 10,443,691
Accrued interest receivable	10,895
Taxes receivable - net	<u>2,327,187</u>
	<u>\$ 12,781,773</u>

Liabilities

Due to other taxing districts and agencies	<u>\$ 12,781,773</u>
	<u>\$ 12,781,773</u>

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds provided they do not conflict with or contradict GASB pronouncements. 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 and its component units. Component units are legally separate entities that meet anyone of the following criteria: (1) the County appoints a voting majority of the board of the entity and is able to impose its will on the entity and/or is in a relationship of financial benefit or burden with the entity, (2) the entity is fiscally dependent upon the County, or (3) the financial statements would be misleading if data from the entity were not included. 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 County has no blended component units. The following discretely presented component units, each of which has a June 30 fiscal year end, are included in the reporting entity.

Keowee Fire District

The Keowee Fire District is fiscally dependent upon the County. It has a separately elected board and provides services generally within the Keowee Fire District which is located within the geographic boundaries of the County. The County must approve the tax levy each year to fund the local property tax portion of the District's budget. The financial statements for the year ended June 30, 2010 can be obtained from the District's office.

School District of Oconee County

The School District of Oconee County is fiscally dependent upon the County. It has a separately elected board and provides services generally within the geographic boundaries of the County. The County must approve the tax levy each year to fund the local property tax portion of the District's budget. The financial statements for the year ended June 30, 2010 can be obtained from the District's office.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation

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

Government-wide financial statements

The statement of net assets 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 assets 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 government reports the following major governmental funds:

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.

The *Unincorporated Fire District* is a special revenue fund used to account for funds designated to the County's fire districts.

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Basis of Presentation - Continued

The *Miscellaneous Special Revenue Fund* is a special revenue fund used to account for proceeds of various specific revenues sources that do not require a separate fund to be maintained.

The County reports the following major enterprise funds:

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

Additionally, the government reports the following fund types:

Special revenue funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital projects fund

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Debt service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Agency funds

The agency funds account for monies held on behalf of school districts, special districts and other agencies that use the County as a depository of property taxes that are collected on behalf of the other governments.

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 of 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 assets.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting - Continued

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 as soon as 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 only when payment is due.

With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental 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 assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Agency funds have no measurement focus.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Measurement Focus and Basis of Accounting - Continued

Fund financial statements - continued

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.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

Revenue – exchange and non-exchange transactions

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue – exchange and non-exchange transactions - Continued

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, fees and charges for services.

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 reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Budget

County Council adopts annual budgets for General Fund, Unincorporated Fire District, 911 Fund, State Accommodations Tax, Local Accommodations Tax, Sheriff's Victims' Assistance, Solicitor's Victims' Assistance and Library State Aid revenue and expenditures prior to the beginning of each fiscal year. The adopted budgets specify expenditure limits appropriated to each County department. Departmental expenditures may not exceed amounts appropriated without the approval of County Council and unexpended appropriations lapse at fiscal year-end. Budget amounts reflected in the accompanying financial statements represent the adopted budget and any revisions approved by Council during the fiscal year. Budget revisions of less than or equal to 10 percent of the originally approved budget amount (up to a maximum of \$5,000) with funds available are made at the discretion of the department director. Budget revisions greater than 10 percent of the originally approved budget or \$5,000 are approved by the County Administrator. The Council approves any budget revision in excess of \$25,000. The budgets are prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons. The Miscellaneous Special Revenue fund is budgeted as grants are awarded and are budgeted on a project basis, therefore, some grants span over several years.

As of June 30, 2010, the County had deficit fund balances of \$91,758 in the Local Accommodation Tax fund and \$6,341 in the Solicitor's Victims' Assistance fund.

Reclassifications

Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Cash and investments

Cash and cash equivalents include amounts in demand deposits as well as 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 in accordance with GASB 31. State statutes authorize the County to invest in:

1. obligations of the United States, it's agencies and instrumentalities;
2. obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank and the Asian Development Bank;
3. obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two (2) nationally recognized rating services;
4. certificates of deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as an escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
5. repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest;
6. guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest rating of at least two nationally recognized rating services.

The County Treasurer co-mingles cash and time deposits of some of the funds, but separate fund balance accounts are maintained for accounting purposes so that the equity of each fund is properly reflected in the overall cash. The purpose of co-mingling funds is to obtain maximum return of interest through the investment of funds considered temporarily surplus. This practice does not apply to certain funds earmarked for specific purposes, such as the school bond fund.

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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Inventories and prepaid assets

The County's inventories consist of consumable supplies. Parts inventory in the general fund is reported using the weighted average method, the inventory at the rock crusher is reported on the actual cost of production 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.

Compensated absences

It is the government'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.

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. Actual results could differ from these estimates.

Interfund transactions

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

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

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

Activity 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 funds and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital assets

Capital assets, which include property, equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 (amount not rounded) or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

Fund equity

Reservations of fund balance represent amounts that are not appropriated or are legally segregated for a specific purpose. Restrictions of net assets are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change.

Net assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of County management and that are either unusual in nature or infrequent in occurrence. The County reported a special item for the settlement received related to the remediation necessary at the Oconee County Courthouse.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash on hand consists of a checking account which has an overnight investment sweep agreement with the financial institution.

Custodial Credit Risk is the risk that in the event of bank failure, the County's deposits may not be returned to it. The County does not have a custodial credit risk policy. At June 30, 2010, the carrying amount of the County's deposits was \$48,385,894 and the bank balance was \$49,455,079. 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 \$5,662 are reflected as cash.

Investment Type	Fair Value	Investment maturities (in years)		
		Less than 1	1-5	6-10
SC State Investment Pool	\$ 1,065	\$ 1,065	\$ -	\$ -
US Government Agency Obligations	8,986,341	396,194	2,056,090	6,534,057
	<u>\$ 8,987,406</u>	<u>\$ 397,259</u>	<u>\$ 2,056,090</u>	<u>\$ 6,534,057</u>

Interest rate risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk

The County has no investment policy that would further limit its investment choices other than state law. The County's investments in U.S. Government Agency Obligations, including Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation were rated AAA by Standard and Poor's and Moody's Investors Services. As of June 30, 2010, Oconee County, South Carolina owned \$8,986,341 of government sponsored agency debt securities. These bonds are the direct obligation of FNMA, FHLMC, FHLB, and FFCD which are rated AAA or equivalent by all rating agencies. The GSE's are directly or indirectly guaranteed by the US Treasury. The South Carolina Local Government Investment Pool is classified as risk category "A."

Concentration of credit risk

The County places no limit on the amount the County may invest in anyone issuer.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 3 - PROPERTY TAXES

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

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

Property tax revenues are recognized when due or past due and collectible within the current period or soon enough thereafter (defined as sixty days) to pay liabilities of the current period. The County bills and collects its own property taxes, and also collects taxes for the Keowee Key Fire District and the 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.

Deferred revenue (property taxes) represents that portion of property taxes which is deemed not available to pay current expenditures. Property taxes receivable as of year end for the government's individual major funds, nonmajor funds in the aggregate and agency funds including the applicable allowance for uncollectible accounts are as follows:

	General	Unincorporated Fire District	Nonmajor Governmental	Agency
Property taxes receivable	\$ 1,106,369	\$ 36,729	\$ 79,156	\$ 2,399,162
Less: Allowance	(33,191)	(1,102)	(2,375)	(71,975)
Net taxes receivable	\$ 1,073,178	\$ 35,627	\$ 76,781	\$ 2,327,187

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS

Primary government capital asset activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Deletions	Transfers	Balance June 30, 2010
Capital assets not being depreciated					
Land	\$ 2,982,537	\$ -	\$ -	\$ -	\$ 2,982,537
other costs	35,809,533	66,823	-	-	35,876,356
Construction in progress	1,500,808	5,063,152	-	(1,802,853)	4,761,107
Total capital assets at historical cost not being depreciated	<u>40,292,878</u>	<u>5,129,975</u>	<u>-</u>	<u>(1,802,853)</u>	<u>43,620,000</u>
Capital assets being depreciated					
Buildings and improvements	41,271,273	151,330	71,500	654,146	42,005,249
Equipment and vehicles	31,723,461	3,277,095	528,603	1,148,707	35,620,660
Infrastructure	69,461,070	61,935	-	-	69,523,005
Other	46,675	-	-	-	46,675
Total capital assets at historical cost being depreciated	<u>142,502,479</u>	<u>3,490,360</u>	<u>600,103</u>	<u>1,802,853</u>	<u>147,195,589</u>
Less accumulated depreciation for:					
Buildings and improvements	(10,936,242)	(1,200,899)	(11,480)	-	(12,125,661)
Equipment and vehicles	(20,509,077)	(2,414,304)	(462,438)	-	(22,460,943)
Infrastructure	(41,644,621)	(2,191,139)	-	-	(43,835,760)
Other	(46,675)	-	-	-	(46,675)
Total accumulated depreciation	<u>(73,136,615)</u>	<u>(5,806,342)</u>	<u>(473,918)</u>	<u>-</u>	<u>(78,469,039)</u>
Total capital assets being depreciated, net	<u>69,365,864</u>	<u>(2,315,982)</u>	<u>126,185</u>	<u>1,802,853</u>	<u>68,726,550</u>
Governmental activities capital assets, net	<u>\$ 109,658,742</u>	<u>\$ 2,813,993</u>	<u>\$ 126,185</u>	<u>\$ -</u>	<u>\$ 112,346,550</u>

Depreciation expense was charged to functions as follows:

General government	\$ 196,074
Public safety	1,781,863
Transportation	2,613,641
Public works	536,294
Culture and recreation	283,794
Judicial services	234,722
Health and welfare	153,871
Economic development	6,083
Total Governmental Activities Depreciation Expense	<u>\$ 5,806,342</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS - Continued

Business-type Activities	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated				
Land	\$ 27,891	\$ -	\$ -	\$ 27,891
Total capital assets at historical cost not being depreciated	<u>27,891</u>	<u>-</u>	<u>-</u>	<u>27,891</u>
Capital assets being depreciated				
Buildings and improvements	544,786	-	-	544,786
Equipment and vehicles	5,665,313	-	17,192	5,648,121
Other	529,934	-	-	529,934
Total capital assets at historical cost being depreciated	<u>6,740,033</u>	<u>-</u>	<u>17,192</u>	<u>6,722,841</u>
Less accumulated depreciation for:				
Buildings and improvements	(160,589)	(26,315)	-	(186,904)
Equipment and vehicles	(3,685,056)	(389,312)	(16,732)	(4,057,636)
Other	(206,486)	(6,882)	-	(213,368)
Total accumulated depreciation	<u>(4,052,131)</u>	<u>(422,509)</u>	<u>(16,732)</u>	<u>(4,457,908)</u>
Total capital assets being depreciated, net	<u>2,687,902</u>	<u>(422,509)</u>	<u>460</u>	<u>2,264,933</u>
Business-type activities capital assets, net	<u>\$ 2,715,793</u>	<u>\$ (422,509)</u>	<u>\$ 460</u>	<u>\$ 2,292,824</u>

Included in other capital assets is \$529,934 in mineral interests associated with the rock quarry. The accumulated depletion of these interests at year end was \$213,368, and current year depletion was \$6,882.

NOTE 5 - LONG-TERM LIABILITIES

Bonds

Bonds payable at June 30, 2010 are comprised of the following individual issues:

General Obligation Bonds	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Amounts due within one year
\$2,800,000 1996 Tri-County Tech					
Bonds due in annual installments of \$213,668 to \$284,580 for principal and interest through March 2011, interest at 4.65% to 6.60%	\$ 520,000	\$ -	\$ 250,000	\$ 270,000	\$ 270,000
\$8,000,000 2001 Courthouse Construction					
Bonds due in annual installments of \$692,980 to \$746,316 for principal and interest through September 2017, interest at 4.47%	5,360,000	-	475,000	4,885,000	500,000
\$5,000,000 2002 EMS Facility Construction Phase I					
Bonds due in annual installments of \$631,420 to \$748,935 for principal and interest through April 2012, interest at 3.20% to 3.80%	1,920,000	-	610,000	1,310,000	640,000
General Obligation Bonds	<u>\$ 7,800,000</u>	<u>\$ -</u>	<u>\$ 1,335,000</u>	<u>\$ 6,465,000</u>	<u>\$ 1,410,000</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 5 - LONG-TERM LIABILITES - Continued

Bonds - continued

The annual requirements to amortize all general obligation bonds as of June 30, 2010, including interest payments, are as follows:

Year Ending June 30,	General obligation bonds		
	Principal	Interest	Total
2011	\$ 1,410,000	\$ 270,905	\$ 1,680,905
2012	1,200,000	209,624	1,409,624
2013	560,000	159,803	719,803
2014	590,000	134,100	724,100
2015	625,000	106,945	731,945
2016-2018	<u>2,080,000</u>	<u>142,817</u>	<u>2,222,817</u>
	<u>\$ 6,465,000</u>	<u>\$ 1,024,194</u>	<u>\$ 7,489,194</u>

Debt service funds of \$1,607,112 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.

In accordance with the South Carolina Constitution, the County is allowed to incur general obligations (general purpose) bonded indebtedness in an amount not exceeding eight percent of the assessed value of all taxable property of the County. Based on the taxable assessed property valuation net of exemptions of \$485,175,818 (unaudited), the legal debt limit is \$38,814,065, leaving a legal debt margin as of June 30, 2010 of \$33,956,117.

Article X, Section 14, of the Constitution of the State of South Carolina, as amended, provides that indebtedness payable solely from a special source which does not involve revenues from any tax or license, may be issued by a county. State law empowers Oconee county to receive and retain revenues from a fee in lieu of taxes, to issue special source revenue bonds secured by and payable from all or a part of such revenues, for the purpose of defraying a portion of the cost of designing, acquiring, constructing, improving, or expanding the infrastructure serving the County in order to enhance the economic development of the County.

Capital leases

The County has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2010:

Machinery and equipment and construction in progress	\$ 2,157,304
Less: Accumulated depreciation	<u>(1,490,965)</u>
	<u>\$ 666,339</u>

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 5 - LONG-TERM LIABILITES - Continued

Capital leases - continued

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2010:

Fiscal year ending June 30,	Governmental Funds
2011	\$ 322,935
2012	322,935
2013	322,935
Total minimum lease payments	968,805
Less: Amount representing interest	(55,873)
	\$ 912,932

Special source revenue bonds

During 2010, the County issued special source revenue bonds payable of \$3,500,000 to finance the infrastructure improvements for the Pointe West project. These bonds are limited obligations of the County and are payable solely from the fee in lieu of tax revenues. The bonds are payable in annual installments beginning in 2011 and have an annual interest rate of 4.6 percent and will mature in 2025. For the year ended June 30, 2010, \$22,659 of interest expense was charged as a direct expense of economic development.

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

Year Ending June 30,	Special source revenue bonds		
	Principal	Interest	Total
2011	\$ -	\$ 135,956	\$ 135,956
2012	185,000	161,000	346,000
2013	190,000	152,490	342,490
2014	200,000	143,750	343,750
2015	210,000	134,550	344,550
2016-2020	1,205,000	518,650	1,723,650
2021-2025	1,510,000	214,590	1,724,590
	\$ 3,500,000	\$ 1,460,986	\$ 4,960,986

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 5 - LONG-TERM LIABILITES - Continued

Changes in long-term liabilities

	Balance			Balance June 30, 2010	Due Within One Year
	June 30, 2009	Additions	Reductions		
Governmental Activities					
General obligation bonds	\$ 7,800,000	\$ -	\$ 1,335,000	\$ 6,465,000	\$ 1,410,000
Capital lease obligations	1,557,968	-	645,036	912,932	295,273
Special source revenue bonds	-	3,500,000	-	3,500,000	-
Post-closure care costs	4,952,547	124,317	129,427	4,947,437	130,760
Annual leave	1,124,810	525,772	461,246	1,189,336	461,000
Net post employment benefit obligation	384,189	1,179,758	692,787	871,160	-
	<u>\$ 15,819,514</u>	<u>\$ 5,329,847</u>	<u>\$ 3,263,496</u>	<u>\$ 17,885,865</u>	<u>\$ 2,297,033</u>
	Balance			Balance 6/30/10	Due Within One Year
	6/30/09	Additions	Reductions		
Business-type Activities					
Annual leave	\$ 61,676	\$ 30,729	\$ 22,676	\$ 69,729	\$ 23,000
Net post employment benefit obligation	14,007	46,771	28,675	32,103	-
	<u>\$ 75,683</u>	<u>\$ 77,500</u>	<u>\$ 51,351</u>	<u>\$ 101,832</u>	<u>\$ 23,000</u>

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

NOTE 6 - INTERFUND ASSETS AND LIABILITIES

The balances of the interfund advances to/from at June 30, 2010 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Accommodations Tax	<u>\$ 210,000</u>

Advances are used for long-term interfund loans. The general fund had one outstanding advance at June 30, 2010, for a loan to the Local Accommodations Tax Fund which was used to fund the purchase of Stumphouse Mountain by the Nature Conservancy and the City of Walhalla to be repaid over a ten year period at \$30,000 annually.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 6 - INTERFUND ASSETS AND LIABILITIES - Continued

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2010 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General Fund	Rock Quarry	\$ 626,515
General Fund	Miscellaneous Special Revenue	97,453
General Fund	Nonmajor Governmental	7,500
Unincorporated Fire District	Miscellaneous Special Revenue	23,500
Capital Projects	General Fund	5,833,860
Capital Projects	Rock Quarry	61,135
Nonmajor Governmental	General Fund	<u>122,439</u>
Total governmental fund transfers in		<u><u>\$ 6,772,402</u></u>

NOTE 7 – EMPLOYEE BENEFITS

Retirement plan

Substantially all County employees are members of the South Carolina Retirement System, (SCRS) or the Police Officers Retirement System (PORS). These systems are cost-sharing multiple-employer plans administered by the Retirement Division of the State Budget and Control Board. The Plan offers retirement and disability benefits, cost of living adjustments on an ad hoc basis, and life and survivor benefits. The Plan's provisions are established under Title 9 of the South Carolina Code of Laws. The State is authorized by statute to establish and amend all plan provisions. Covered payroll was \$16,053,849, \$16,231,313, and \$15,886,904 for the years ended June 30, 2010, 2009 and 2008, respectively.

Generally all employees are required to participate in the SCRS or PORS as a condition of employment.

Under South Carolina Retirement System (SCRS), employees are eligible for normal retirement with no reduction of benefits upon reaching age 65 or completion of 28 years credited service regardless of age. The benefit formula effective July 1, 1989, for the System is 1.82 percent of an employee's average final compensation multiplied by the number of years of credited service. An early retirement option with reduced compensation benefits is available as early as age 60. Employees are vested for a deferred annuity after 5 years service and qualify for a survivor's benefit upon completion of 15 years credited service. A group-life insurance benefit equal to an active employee's annual rate of compensation is payable upon the death of an employee with a minimum of one year of credited service. Employees are required to contribute 6.5 percent of their salary for the year ended June 30, 2010 (6.5 percent for the years ended June 30, 2009 and 2008). The County is required to contribute 9.24 percent of employees' salary for the years ended June 30, 2010 (9.24 percent and 9.06 percent for the years ended June 30, 2009 and 2008, respectively). In addition, the County pays 0.15 percent of payroll for group life contributions.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 7 – EMPLOYEE BENEFITS - Continued

Retirement plan – continued

Police Officers Retirement System (PORS) - Participating employees contribute 6.5 percent of their annual covered payroll. The County contributes on their behalf 10.65 percent of annual payroll plus an additional 0.2 percent of payroll for accidental death contributions and another 0.2 percent of payroll for group life contributions.

The Pension Plans provide death and disability as well retirement benefits. Both employees and employers are required to contribute to the Plan at rates established under authority of Title 9 of the SC Code of Laws. Contribution information for the year ended June 30, 2010 and the two years prior were equal to the required contribution for each year end are as follows:

	Employee Amount	Required Contributions % of Wages	Employer Amount	Required Contributions % of Wages	Total Contributions
SCRS					
June 30, 2010	\$ 693,886	6.50%	\$ 990,731	9.24%	\$ 1,684,617
June 30, 2009	687,492	6.50%	993,615	9.24%	1,681,107
June 30, 2008	685,840	6.50%	975,643	9.06%	1,661,483
PORS					
June 30, 2010	\$ 347,520	6.50%	\$ 569,398	10.65%	\$ 916,918
June 30, 2009	353,346	6.50%	582,783	10.65%	936,129
June 30, 2008	332,684	6.50%	527,176	10.30%	859,860

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

Ten year historical trend information presenting the retirement system's progress in accumulating sufficient assets to pay benefits when due is presented in the Component Unit Financial Report issued annually by the South Carolina Retirement Systems.

A Comprehensive Annual Financial Report containing financial statements and required supplementary information for the South Carolina Retirement System is issued and publicly available by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, S.C. 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.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 7 – EMPLOYEE BENEFITS - Continued

Deferred compensation plan – continued

ING, PO Box 9182, Boston MA 02209, (under state contract) is the program administrator of the 457 plan as well as the 401k plan and 401k Roth plan which is also available to County and component unit employees at their option.

Post-employment health care benefits

In addition to providing pension benefits through the South Carolina Retirement System, the County provides certain health care benefits for qualified retired employees who elect health care coverage through the County upon retirement. All of the County's employees may become eligible for those benefits if they attain age sixty (60) while working for the County, retire and draw benefits from SCRS or SCPORS system, and have a minimum of twenty (20) years service. An employee retiring from the County with 28 years of service with the County and the SCRS or at least 25 years of service with the County and the SCPORS shall retain the County insurance benefits at reduced cost to the employee. If disabled as determined by SCRS, an employee may qualify with ten (10) years of County employment. To remain covered, retired employees must pay all applicable premiums and elect Medicare parts A and B at age 65, or sooner if eligible.

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The cost of these benefits is recognized as an expenditure of the general fund on a pay-as-you-go basis as provided for in the annual budget ordinance. These benefits will cease if funds are not available for appropriation. For fiscal year 2010, there were 74 retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$721,461 for the fiscal year.

Annual OPEB costs and Net OPEB Obligation

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

	General Government	Rock Quarry	Total
Annual required contribution	\$ 1,179,758	\$ 46,771	\$ 1,226,528
Interest on OPEB obligation	-	-	-
Adjustment to annual required contribution	-	-	-
Annual OPEB costs	<u>1,179,758</u>	<u>46,771</u>	<u>1,226,528</u>
Contributions made	<u>(692,787)</u>	<u>(28,674)</u>	<u>(721,461)</u>
Increase in net OPEB obligation	486,971	18,096	505,067
Net OPEB obligation - beginning of year	<u>384,189</u>	<u>14,007</u>	<u>398,196</u>
Net OPEB obligation - end of year	<u>\$ 871,160</u>	<u>\$ 32,103</u>	<u>\$ 903,263</u>

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 7 – EMPLOYEE BENEFITS - Continued

Post-employment health care benefits – continued

Annual OPEB costs and Net OPEB Obligation – continued

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 were as follows:

<u>For the Year Ended June 30</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$ 1,226,528	58.90%	\$ 903,263
2009	855,300	53.44%	398,196

Funding status and progress

As of June 30, 2009, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$14,201,310. The covered payroll (annual payroll of active employees covered by the plan) was \$16,053,849; the ratio of the UAAL to the covered payroll was 88.46 percent. Actuarial valuations of an ongoing plan involve estimates of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial methods and assumptions

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

In the June 2009 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is consistent with the investment return earned on the employer's general assets, and an annual medical cost trend increase of 4.5 percent to 9.0 percent annually in excess of general inflation. General inflation is assumed to be 3.0 percent per year. The actuarial value of assets was set equal to the reported market value of assets. The UAAL is being amortized as a level percent of payroll required to fully amortize the UAAL over a 30 year period.

Oconee County has not established a trust fund for GASB 45 funding therefore, there is no separate audit report available.

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 8 - 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, 2010, 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 9 - LITIGATION

The County is party to a number of lawsuits arising in the course of operations. One of the lawsuits pending at June 30, 2010 was settled on December 30, 2010. Terms of the settlement require the County to refund approximately \$250,000 of taxes on the specific properties involved in the lawsuit. Except for the settlement noted above, 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.

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries insurance through the State Budget and Control Board Office of Insurance Reserve Fund. The County pays premiums to the Fund for its general insurance coverage. The agreement for formation of the Fund provides that the Fund will be self-sustaining through member premiums and will reinsure through commercial companies for each insured event. Additionally, the County participates in a self-funded program to provide workers' compensation insurance through the South Carolina Association of Counties, which works in a similar way as the Insurance Reserve Fund.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 11 – 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
2011	\$ 101,062
2012	97,828
2013	89,516
2014	33,778
2015	22,182
2016	2,234
	\$ 346,600

The construction work in progress amounts in Note 4 relate to construction costs. Construction commitments at June 30, 2010 totaled approximately \$2,953,208.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 12 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

The County has recorded a liability in the government-wide statement of net assets for the total estimated closure and post-closure care costs for the portion of the landfills filled at June 30, 2010, calculated as follows:

	MSW	C&D I	C&D II	Total
Total estimated current closure and post closure care cost	\$ 3,224,048	\$ 1,501,811	\$ 2,516,140	
Percentage of landfill capacity used to date	100%	98%	10%	
Reported liability for closure and post-closure care cost	<u>\$ 3,224,048</u>	<u>\$ 1,471,775</u>	<u>\$ 251,614</u>	<u>\$ 4,947,437</u>
Total estimated current closure and post-closure care cost remaining to be recognized	<u>\$ -</u>	<u>\$ 30,036</u>	<u>\$ 2,264,526</u>	
Landfill's approximate remaining life in years	<u>-</u>	<u>2</u>	<u>20</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, 2010. 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.

NOTE 13 - 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 with a maximum cost to the County of \$5,240,109 for the year. At year-end claims due and payable equal approximately \$584,570 and are recorded as a liability and expenditure within the general fund. The following indicates claims versus premiums for the past three fiscal years:

For the Year Ended June 30	Beginning Liability	Current Year Claims and Changes in Estimate	Claim Payments	Ending Liability
2010	\$ 1,102,366	\$ 3,691,805	\$ 4,209,601	\$ 584,570
2009	587,776	4,626,019	4,111,429	1,102,366
2008	397,935	4,297,683	4,107,842	587,776

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 14 – ECONOMIC DEPENDENCY

Duke Energy provides a major source of property tax revenues. During the year ended June 30, 2010, the company paid property taxes in the amount of \$25.8 million based on assessed property value of \$131.4 million. This represents approximately 23.7 percent of the 2009 levy. Approximately \$19.0 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

The accompanying financial statements reflect adjustments resulting from a restatement of beginning fund balances of the governmental funds as of June 30, 2010 as follows:

- Net increase in fund balance of the General Fund of \$2,390,599 to reflect adjustments for accounting errors. Land held for sale purchased in prior years had been classified as capital assets and has now be reclassified resulting in an increase to fund balance of \$2,754,025. Funds due to the Agency funds had been previously classified in error as funds of the General Fund resulting in a decrease to fund balance of \$323,706. Payroll withholdings were recorded for accrued payroll resulting in an increase to fund balance of \$195,651. Accounts receivable were improperly reversed in the prior year resulting in an increase to fund balance of \$55,468. Investment income was over accrued last year resulting in a decrease to fund balance of \$290,839.
- Net decrease in fund balance of the Debt Service fund of \$9,021 to reflect an adjustment for an accounting error. Investment income was over accrued resulting in a decrease to fund balance of \$9,021.
- Net increase in fund balance of the Tri-County Tech fund of \$785,341 to reflect adjustments for accounting errors. Tri-County Tech was handled as an agency fund and has been reclassified as a special revenue fund. In addition a prepaid item has now been recorded to reflect previous overpayments, increasing fund balance \$785,341.

The following schedule summarizes the effect of the prior period adjustments to beginning fund balances at June 30, 2010.

	General Fund	Debt Service Fund	Tri-County Tech Fund
Fund balance at beginning of year, as previously reported	\$ 23,423,030	\$ 2,210,845	\$ -
Increases(decreases) to fund balance for:			
Land held for sale	2,754,025	-	-
Due to Agency funds	(323,706)	-	-
Payroll withholdings	195,651	-	-
Accounts receivable adjustments	55,468	-	-
Investment income	(290,839)	(9,021)	-
Prepaid item	-	-	785,341
	<u>\$ 25,813,629</u>	<u>\$ 2,201,824</u>	<u>\$ 785,341</u>
Fund balance at beginning of year as restated	<u>\$ 25,813,629</u>	<u>\$ 2,201,824</u>	<u>\$ 785,341</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 15 – PRIOR PERIOD ADJUSTMENTS - Continued

The adjustments reflected the governmental funds resulted in a restatement of the net assets of the governmental activities of \$412,894. The land held for sale was a reclassification to land held for sale from capital assets, and therefore, restatement is not necessary for that item. Other adjustments were necessary to restate net assets for correction of accounting errors. Some items were included in construction in progress in prior years that were not capital assets resulting in an overstatement of capital assets and a decrease of \$1,913,907. Other capital assets were acquired in prior years and not included in capital assets resulting in an understatement of capital assets and an increase of \$156,044. Completed capital assets were included in construction in progress and were not being depreciated resulting in an overstatement of capital assets and a decrease of \$2,589,254. The estimate for the municipal solid waste landfills had not been adjusted for an estimate for inflation resulting in the liability being understated and a decrease of \$1,298,045. A liability had not been accrued for the C&D landfills resulting in an understatement of the liability and a decrease of \$1,599,072.

The accompanying financial statements reflect adjustments resulting from a restatement of net assets of the Rock Quarry. An adjustment of a net decrease of \$17,810 was done to correct accounting errors. Accounts receivable was not properly recorded resulting in an understatement of the receivable and an increase of \$196,731. Inventory was improperly valued for the fiscal year ending June 30, 2009, overstating inventory and requiring a decrease of \$214,541.

The following schedule summarizes the effect of the prior period adjustments to the beginning net assets at June 30, 2010.

	Governmental Activities	Business-type Activities
	<u>\$</u>	<u>\$</u>
Net assets at beginning of year, as previously reported	142,618,804	5,916,810
Increases(decreases) to net assets for:		
Due to Agency funds	(323,706)	-
Payroll withholdings	195,651	-
Accounts receivable adjustments	55,468	196,731
Investment income	(299,860)	-
Prepaid item	785,341	-
Inventory valuation	-	(214,541)
Capital assets	(4,347,117)	
Landfill liability	(2,897,117)	
	<u>\$</u>	<u>\$</u>
Fund balance at beginning of year as restated	<u>135,787,464</u>	<u>5,899,000</u>

NOTE 16 – SUBSEQUENT EVENT

Subsequent to June 30, 2010, the County Council issued \$5.3 million of General Obligation Refunding Bonds, refunding all currently outstanding General Obligations Bonds and paying costs of issuance of the bonds.

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the component units have been included in the financial reporting entity. The Keowee Fire District and the School District of Oconee County are discretely presented on the financial statements and the following are the associated note disclosures.

School District of Oconee County's cash and investments for the year ended June 30, 2010 was as follows:

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

At June 30, 2010, the carrying amount of the district's deposits was \$2,389,613 and the bank balance was \$2,678,227. All of the School District's deposits at year end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the School District's name.

As of June 30, 2010, the School District had the following investments:

Investment Type	Fair Value	Investment maturities (in years)		
		Less than 1	1-5	6-10
SC State Investment Pool	\$ 31,800,073	\$ 31,800,073	\$ -	\$ -
Certificates of Deposit	134,060	134,060	-	-
	<u>\$ 31,934,133</u>	<u>\$ 31,934,133</u>	<u>\$ -</u>	<u>\$ -</u>

The South Carolina Local Government Investment Pool is not rated.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION - Continued

School District of Oconee County’s capital asset activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets not being depreciated				
Land	\$ 1,980,921	\$ -	\$ 20,463	\$ 1,960,458
Construction in progress	26,206,348	12,610,182	35,152,250	3,664,280
Total capital assets at historical cost not being depreciated	<u>28,187,269</u>	<u>12,610,182</u>	<u>35,172,713</u>	<u>5,624,738</u>
Capital assets being depreciated				
Buildings and improvements	154,956,085	35,125,538	2,662,394	187,419,229
Equipment and vehicles	7,699,161	273,271	128,581	7,843,851
Infrastructure	1,090,792	-	35,036	1,055,756
Total capital assets at historical cost being depreciated	<u>163,746,038</u>	<u>35,398,809</u>	<u>2,826,011</u>	<u>196,318,836</u>
Less accumulated depreciation for:				
Buildings and improvements	(59,828,111)	(4,995,941)	(1,674,720)	(63,149,332)
Equipment and vehicles	(5,301,097)	(569,676)	(102,672)	(5,768,101)
Infrastructure	(517,791)	(50,300)	(32,403)	(535,688)
Total accumulated depreciation	<u>(65,646,999)</u>	<u>(5,615,917)</u>	<u>(1,809,795)</u>	<u>(69,453,121)</u>
Total capital assets being depreciated, net	<u>98,099,039</u>	<u>29,782,892</u>	<u>1,016,216</u>	<u>126,865,715</u>
Governmental activities capital assets, net	<u>\$ 126,286,308</u>	<u>\$ 42,393,074</u>	<u>\$ 36,188,929</u>	<u>\$ 132,490,453</u>
Business-type Activities				
Capital assets being depreciated				
Equipment and vehicles	\$ 2,055,862	\$ 24,440	\$ 37,625	\$ 2,042,677
Less accumulated depreciation	<u>(1,716,371)</u>	<u>(55,406)</u>	<u>(37,625)</u>	<u>(1,734,152)</u>
Business-type activities capital assets, net	<u>\$ 339,491</u>	<u>\$ (30,966)</u>	<u>\$ -</u>	<u>\$ 308,525</u>

School District of Oconee County’s long term liability activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Bonds payable					
(net of deferred cost)	\$ 57,225,179	\$ 11,753,973	\$ 14,443,250	\$ 54,535,902	\$ 13,310,000
Notes payable	-	577,956	-	577,956	94,177
Annual leave	4,971,891	80,705	-	5,052,596	201,011
	<u>\$ 62,197,070</u>	<u>\$ 12,412,634</u>	<u>\$ 14,443,250</u>	<u>\$ 60,166,454</u>	<u>\$ 13,605,188</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION - Continued

The annual requirements to amortize all bonds outstanding as of June 30, 2010, including interest payments, are as follows:

Year Ending June 30,	Governmental activities		
	Principal	Interest	Total
2011	\$ 13,310,000	\$ 1,790,886	\$ 15,100,886
2012	8,565,000	1,555,800	10,120,800
2013	8,900,000	1,250,713	10,150,713
2014	7,735,000	902,013	8,637,013
2015	5,570,000	593,763	6,163,763
2016	4,115,000	368,825	4,483,825
2017	4,295,000	199,900	4,494,900
2018	960,000	26,400	986,400
	<u>\$ 53,450,000</u>	<u>\$ 6,688,300</u>	<u>\$ 60,138,300</u>

The School District entered into two notes payables this year for the purpose of purchasing a new chiller system at the West Oak High School. The first was for \$500,000 at 3 percent interest and is payable in five years. The second note for \$77,956 is payable in three years and is interest free.

The annual requirements to amortize all notes payable outstanding as of June 30, 2010, including interest payments, are as follows:

Year Ending June 30,	Governmental activities		
	Principal	Interest	Total
2011	\$ 94,177	\$ 15,000	\$ 109,177
2012	122,988	12,175	135,163
2013	125,898	9,265	135,163
2014	128,896	6,267	135,163
2015	105,997	3,180	109,177
	<u>\$ 577,956</u>	<u>\$ 45,887</u>	<u>\$ 623,843</u>

School District of Oconee County's retirement for the year ended June 30, 2010 was as follows:

The School District offers full-time employees a choice between the traditional South Carolina Retirement System (SCRS), which is a defined benefit plan, and the South Carolina State Optional Retirement Plan (ORP), which is a defined contribution plan. Eligible employees have 30 days from their date of hire to select a plan. If an employee does not make a selection, he or she will automatically become a member of SCRS. For more details of the SCRS see as described in Note 7.

OCONEE COUNTY, SOUTH CAROLINA
 NOTES TO FINANCIAL STATEMENTS - Continued
 JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION - Continued

The School District's contributions to SCRS were as follows:

SCRS	Total Payroll	Covered Payroll	Employer Contribution	Required Contributions % of Wages
June 30, 2010	\$ 65,861,881	\$ 57,948,038	\$ 7,382,580	12.74%
June 30, 2009	66,748,125	58,889,754	7,502,555	12.74%
June 30, 2008	63,215,495	53,451,824	7,025,098	12.48%

Each employee participating in the ORP contributes 6.5 percent of their annual earnings to the ORP. The School District is required to contribute at the rate of 9.24 percent of the employees' earnings of which 5 percent is directed to an approved investment provider to the employee's account and 4.24 percent to the SCRS to cover the unfunded accrued liability. An additional 3.5 percent is contributed to SCRS for post-retirement health care benefits for a total employer contribution to SCRS of 7.74 percent. The School District's contributions to ORP for were as follows:

ORP	Total Payroll	Covered Payroll	Employer Contribution	Required Contributions % of Wages
June 30, 2010	\$ 6,609,968	\$ 6,609,968	\$ 842,110	12.74%
June 30, 2009	6,629,126	6,629,126	844,701	12.74%
June 30, 2008	5,985,875	5,985,875	747,100	12.48%

School District of Oconee County's other commitments for the year ended June 30, 2010 was as follows:

The District has construction commitments totaling \$14,393,740 at June 30, 2010. Costs of \$1,620,092 had been incurred on these contracts as of June 30, 2010.

School District of Oconee County's subsequent events for the year ended June 30, 2010 was as follows:

On August 16, 2010, the School District's Board of Trustees approved the purchase of 92 acres of land from JEBO, LLC. The land is located approximately one mile north of Highway 183 on Highway 11. The land will be the site of a new Walhalla High School.

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION - Continued

Keowee Fire District's capital asset activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Deletions	Balance June 30, 2010
Capital assets being depreciated				
Buildings and improvements	\$ 1,463,864	\$ 93,603	\$ -	\$ 1,557,467
Equipment and vehicles	145,341	103,692	-	249,033
Total capital assets at historical cost being depreciated	<u>1,609,205</u>	<u>197,295</u>	<u>-</u>	<u>1,806,500</u>
Less accumulated depreciation for:				
Buildings and improvements	(43,752)	(37,934)	-	(81,686)
Equipment and vehicles	(36,166)	(17,235)	-	(53,401)
Total accumulated depreciation	<u>(79,918)</u>	<u>(55,169)</u>	<u>-</u>	<u>(135,087)</u>
Total capital assets being depreciated, net	<u>1,529,287</u>	<u>142,126</u>	<u>-</u>	<u>1,671,413</u>
Governmental activities capital assets, net	<u>\$ 1,529,287</u>	<u>\$ 142,126</u>	<u>\$ -</u>	<u>\$ 1,671,413</u>

Keowee Fire District's long term liability activity for the year ended June 30, 2010 was as follows:

Governmental Activities	Balance June 30, 2009	Additions	Reductions	Balance June 30, 2010	Due Within One Year
Bonds payable (net of deferred cost)	\$ 1,110,000	\$ -	\$ 65,000	\$ 1,045,000	\$ 65,000
Annual leave	8,653	3,600	-	12,253	1,225
	<u>\$ 1,118,653</u>	<u>\$ 3,600</u>	<u>\$ 65,000</u>	<u>\$ 1,057,253</u>	<u>\$ 66,225</u>

The annual requirements to amortize all bonds outstanding as of June 30, 2010, including interest payments, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 65,000	\$ 40,964	\$ 105,964
2012	70,000	38,416	108,416
2013	75,000	35,672	110,672
2014	75,000	32,732	107,732
2015	80,000	29,792	109,792
2016-2020	465,000	98,196	563,196
2021-2022	215,000	12,740	227,740
	<u>\$ 1,045,000</u>	<u>\$ 288,512</u>	<u>\$ 1,333,512</u>

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS - Continued
JUNE 30, 2010

NOTE 17 – COMPONENT UNIT INFORMATION - Continued

Keowee Fire District's retirement for the year ended June 30, 2010 was as follows:

The Keowee Fire District contributes to the Police Officers Retirement System (PORS) as described in more detail in Note 7. The Fire District's contributions to PORS were as follows:

	<u>PORS</u>
June 30, 2010	\$ 23,787
June 30, 2009	23,045
June 30, 2008	20,021

A supplemental retirement plan is also contributed to each year through revenue received from the 1 percent special revenue fund. The Fire District is allowed to contribute \$6,000 a year to this plan. No contributions were made during the year ended June 30, 2010.

Keowee Fire District's prior period adjustments for the year ended June 30, 2010 was as follows:

Beginning net assets was increased a total of \$31,001 due to the capitalization of capital assets that were expensed in the prior period and recognition of a grant receivable in the prior period.

REQUIRED SUPPLEMENTARY INFORMATION

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OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Revenues				
Taxes	\$ 31,025,330	\$ 31,025,330	\$ 32,669,967	\$ 1,644,637
Intergovernmental	4,071,104	4,071,104	4,386,082	314,978
Licenses, permits and fees	3,162,372	3,162,372	3,062,181	(100,191)
Fines and forfeitures	512,000	512,000	460,477	(51,523)
Charges for services	993,639	993,639	855,538	(138,101)
Interest	550,000	550,000	461,059	(88,941)
Miscellaneous and other	153,039	153,039	208,990	55,951
	<u>40,467,484</u>	<u>40,467,484</u>	<u>42,104,294</u>	<u>1,636,810</u>
Expenditures				
Current				
General government				
County council	504,194	402,882	331,150	71,732
Legislative delegation	81,290	80,868	80,655	213
Professional engineering	60,000	64,213	46,027	18,186
Finance department	621,523	620,435	593,855	26,580
Non-departmental expenditures	682,050	682,050	730,054	(48,004)
Human resources	1,367,759	925,738	845,908	79,830
Information technology	1,009,868	1,076,519	850,502	226,017
Planning commission	196,572	195,254	189,872	5,382
Procurement	193,218	191,794	187,878	3,916
Facilities maintenance	1,536,695	1,485,036	1,344,221	140,815
Registration and elections	184,711	183,647	172,829	10,818
Soil and water conservation	52,573	51,961	47,277	4,684
Administrator's office	272,723	247,309	199,154	48,155
Vehicle maintenance	2,409,650	2,183,041	1,870,104	312,937
Zoning	6,200	6,200	4,649	1,551
Register of deeds	381,517	378,928	354,319	24,609
Assessor	1,297,755	1,669,484	1,217,692	451,792
Auditor	364,977	360,637	363,003	(2,366)
Board of assessment appeals	12,531	12,560	4,380	8,180
Computer tax center	188,730	215,401	174,592	40,809
Tax collector	416,986	415,389	410,783	4,606
Treasurer	429,345	425,584	426,184	(600)
Direct aid	1,796,519	1,856,519	1,734,347	122,172
	<u>14,067,386</u>	<u>13,731,449</u>	<u>12,179,435</u>	<u>1,552,014</u>
Public Safety				
Sheriff's department	5,965,847	5,968,383	5,918,839	49,544
Law enforcement center	2,817,751	2,781,504	2,466,697	314,807
Communications	1,734,529	1,818,565	1,233,350	585,215
Animal control	408,073	422,786	394,048	28,738
Coroner	147,294	146,446	144,531	1,915
Building codes	619,855	614,183	594,873	19,310
Emergency services	1,605,527	2,466,570	2,216,532	250,038
	<u>13,298,876</u>	<u>14,218,437</u>	<u>12,968,870</u>	<u>1,249,567</u>
Transportation				
County airport	919,785	764,679	617,109	147,570
Roads department	4,099,800	4,611,558	3,903,639	707,919
	<u>5,019,585</u>	<u>5,376,237</u>	<u>4,520,748</u>	<u>855,489</u>
Public Works				
Solid waste	3,995,077	3,919,169	3,319,543	599,626
	<u>3,995,077</u>	<u>3,919,169</u>	<u>3,319,543</u>	<u>599,626</u>

OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Culture and Recreation				
Library	1,224,953	1,196,161	1,195,724	437
Parks, recreation and tourism	459,745	469,583	439,786	29,797
High Falls Park	303,974	304,733	293,247	11,486
South Cove Park	307,945	300,003	273,351	26,652
Chau Ram Park	200,866	202,166	193,699	8,467
	<u>2,497,483</u>	<u>2,472,646</u>	<u>2,395,807</u>	<u>76,839</u>
Judicial Services				
Clerk of court	651,389	645,611	619,310	26,301
Probate judge	498,008	476,553	406,827	69,726
Solicitor	487,126	484,311	464,930	19,381
Public defender	150,000	150,000	150,000	-
Magistrate office	590,587	589,794	591,210	(1,416)
	<u>2,377,110</u>	<u>2,346,269</u>	<u>2,232,277</u>	<u>113,992</u>
Health and Welfare				
Charity medical	285,000	285,000	278,465	6,535
Department of social services	13,410	13,410	12,328	1,082
Health department	62,150	62,150	59,263	2,887
Veteran's affairs	178,308	176,288	172,403	3,885
	<u>538,868</u>	<u>536,848</u>	<u>522,459</u>	<u>14,389</u>
Economic Development				
Economic development	283,001	282,854	248,696	34,158
	<u>283,001</u>	<u>282,854</u>	<u>248,696</u>	<u>34,158</u>
	<u>42,077,386</u>	<u>42,883,909</u>	<u>38,387,835</u>	<u>4,496,074</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,609,902)</u>	<u>(2,416,425)</u>	<u>3,716,459</u>	<u>6,132,884</u>
Other Financing Sources (Uses)				
Sale of capital assets	5,000	5,000	18,307	13,307
Insurance recoveries	-	-	74,504	74,504
Capital lease transaction	750,000	-	-	-
Transfers in	1,038,087	1,038,087	731,468	(306,619)
Transfers out	(581,034)	(5,852,262)	(5,956,299)	(104,037)
Total Other Financing Sources (Uses)	<u>1,212,053</u>	<u>(4,809,175)</u>	<u>(5,132,020)</u>	<u>(322,845)</u>
Net Change in Fund Balance	<u>\$ (397,849)</u>	<u>\$ (7,225,600)</u>	<u>(1,415,561)</u>	<u>\$ 5,810,039</u>
Fund Balance - Beginning of Year			23,423,030	
Prior Period Adjustment			<u>2,390,599</u>	
Fund Balance - End of Year			<u>\$ 24,398,068</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
UNINCORPORATED FIRE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		VARIANCE
Revenues				
Taxes	\$ 1,211,610	\$ 1,211,610	\$ 1,275,125	\$ 63,515
Investment income	-	-	126	126
Total Revenues	<u>1,211,610</u>	<u>1,211,610</u>	<u>1,275,251</u>	<u>63,641</u>
Expenditures				
Current				
Public Safety				
Personnel	201,113	322,225	277,593	44,632
Municipal contracts	489,091	489,091	488,703	388
Basic station expenses	144,000	144,000	143,000	1,000
Volunteer compensation	150,000	150,000	140,488	9,512
Training	20,000	20,000	11,992	8,008
Contractual services	53,540	58,294	55,407	2,887
Supplies	27,970	27,970	26,225	1,745
Maintenance	30,500	30,500	16,088	14,412
Contingency	150,340	24,474	388	24,086
Equipment	22,120	36,178	334,168	(297,990)
	<u>1,288,674</u>	<u>1,302,732</u>	<u>1,494,052</u>	<u>(191,320)</u>
Debt Service				
Principal retirement	286,590	286,590	286,590	-
Interest and fiscal charges	36,346	36,346	36,346	-
	<u>322,936</u>	<u>322,936</u>	<u>322,936</u>	<u>-</u>
	<u>1,611,610</u>	<u>1,625,668</u>	<u>1,816,988</u>	<u>(191,320)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(400,000)</u>	<u>(414,058)</u>	<u>(541,737)</u>	<u>(127,679)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	23,500	23,500
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>23,500</u>	<u>23,500</u>
Net Change in Fund Balance	<u>\$ (400,000)</u>	<u>\$ (414,058)</u>	<u>(518,237)</u>	<u>\$ (104,179)</u>
Fund Balance - Beginning of Year			<u>2,651,017</u>	
Fund Balance - End of Year			<u>\$ 2,132,780</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
911 FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		VARIANCE
Revenues				
Other taxes	\$ 374,400	\$ 374,400	\$ 410,045	\$ 35,645
Intergovernmental	97,900	97,900	99,201	1,301
Investment income	4,000	4,000	1,302	(2,698)
Total Revenues	<u>476,300</u>	<u>476,300</u>	<u>510,548</u>	<u>34,248</u>
Expenditures				
Current				
Public Safety				
Personnel	60,000	60,000	47,693	12,307
Maintenance on equipment	181,941	181,941	102,496	79,445
Telecommunications	129,960	129,960	135,633	(5,673)
	<u>371,901</u>	<u>371,901</u>	<u>285,822</u>	<u>86,079</u>
Capital Outlay	<u>100,000</u>	<u>275,764</u>	<u>118,178</u>	<u>157,586</u>
Debt Service				
Principal retirement	358,446	358,446	358,397	49
Interest and fiscal charges	9,722	9,722	9,718	4
	<u>368,168</u>	<u>368,168</u>	<u>368,115</u>	<u>53</u>
	<u>840,069</u>	<u>1,015,833</u>	<u>772,115</u>	<u>243,665</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(363,769)</u>	<u>(539,533)</u>	<u>(261,567)</u>	<u>277,966</u>
Net Change in Fund Balance	<u>\$ (363,769)</u>	<u>\$ (539,533)</u>	<u>(261,567)</u>	<u>\$ 277,966</u>
Fund Balance - Beginning of Year			<u>820,378</u>	
Fund Balance - End of Year			<u>\$ 558,811</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
STATE ACCOMODATIONS TAX
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 102,607	\$ 2,607
Investment income	-	-	31	31
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>102,638</u>	<u>2,638</u>
Expenditures				
Current				
Culture and recreation				
Oconee County ATAX Committee	48,750	48,750	43,195	5,555
Oconee Tourism Commission	22,500	22,500	23,282	(782)
	<u>71,250</u>	<u>71,250</u>	<u>66,477</u>	<u>4,773</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>28,750</u>	<u>28,750</u>	<u>36,161</u>	<u>7,411</u>
Other Financing Sources (Uses)				
Transfers out	(28,750)	(28,750)	(7,500)	21,250
Total Other Financing Sources (Uses)	<u>(28,750)</u>	<u>(28,750)</u>	<u>(7,500)</u>	<u>21,250</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	28,661	<u>\$ 28,661</u>
Fund Balance - Beginning of Year			<u>40,949</u>	
Fund Balance - End of Year			<u>\$ 69,610</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
LOCAL ACCOMODATIONS TAX
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Revenues				
Other taxes	\$ 139,000	\$ 139,000	\$ 128,856	\$ (10,144)
Investment income	-	-	140	140
Total Revenues	<u>139,000</u>	<u>139,000</u>	<u>128,996</u>	<u>(10,004)</u>
Expenditures				
Current				
Culture and recreation				
Oconee County ATAX Committee	104,250	110,788	56,176	54,612
Oconee Tourism Commission	34,750	34,750	21,658	13,092
	<u>139,000</u>	<u>145,538</u>	<u>77,834</u>	<u>67,704</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>(6,538)</u>	<u>51,162</u>	<u>57,700</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (6,538)</u>	51,162	<u>\$ 57,700</u>
Fund Balance - Beginning of Year			<u>(142,921)</u>	
Fund Balance - End of Year			<u>\$ (91,759)</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
SHERIFF'S VICTIMS' ASSISTANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		VARIANCE
Revenues				
Fines and forfeitures	\$ 89,000	\$ 89,000	\$ 88,996	\$ (4)
Total Revenues	<u>89,000</u>	<u>89,000</u>	<u>88,996</u>	<u>(4)</u>
Expenditures				
Current				
Public Safety				
Personnel	124,797	124,797	123,556	1,241
Training	3,000	3,000	722	2,278
Small capital	600	600	-	600
Operational	3,900	3,900	-	3,900
Direct assistance	25,000	25,000	25,000	-
	<u>157,297</u>	<u>157,297</u>	<u>149,278</u>	<u>8,019</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(68,297)</u>	<u>(68,297)</u>	<u>(60,282)</u>	<u>8,015</u>
Other Financing Sources (Uses)				
Transfers in	68,297	68,297	114,692	46,395
Total Other Financing Sources (Uses)	<u>68,297</u>	<u>68,297</u>	<u>114,692</u>	<u>46,395</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	54,410	<u>\$ 54,410</u>
Fund Balance - Beginning of Year			<u>(46,395)</u>	
Fund Balance - End of Year			<u>\$ 8,015</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
SOLICITOR'S VICTIMS' ASSISTANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Revenues				
Fines and forfeitures	\$ 40,673	\$ 40,673	\$ 33,264	\$ (7,409)
Total Revenues	<u>40,673</u>	<u>40,673</u>	<u>33,264</u>	<u>(7,409)</u>
Expenditures				
Current				
Judicial Services				
Personnel	53,952	54,289	53,367	922
	<u>53,952</u>	<u>54,289</u>	<u>53,367</u>	<u>922</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(13,279)</u>	<u>(13,616)</u>	<u>(20,103)</u>	<u>(6,487)</u>
Other Financing Sources (Uses)				
Transfers in	7,747	7,747	7,747	-
Total Other Financing Sources (Uses)	<u>7,747</u>	<u>7,747</u>	<u>7,747</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (5,532)</u>	<u>\$ (5,869)</u>	<u>(12,356)</u>	<u>\$ (6,487)</u>
Fund Balance - Beginning of Year			<u>6,015</u>	
Fund Balance - End of Year			<u>\$ (6,341)</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
LIBRARY STATE AID
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2010

	BUDGETED AMOUNTS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Revenues				
Intergovernmental	\$ 77,472	\$ 77,472	\$ 87,404	\$ 9,932
Total Revenues	<u>77,472</u>	<u>77,472</u>	<u>87,404</u>	<u>9,932</u>
Expenditures				
Current				
Culture and recreation				
Telecommunications	4,257	4,257	-	4,257
Data processing	21,000	21,000	5,734	15,266
Training	2,000	2,000	2,636	(636)
Small capital	-	-	4,495	(4,495)
Operational	6,191	6,191	6,383	(192)
Library materials	34,024	34,024	17,447	16,577
	<u>67,472</u>	<u>67,472</u>	<u>36,695</u>	<u>30,777</u>
Capital Outlay	10,000	10,000	49,576	(39,576)
	<u>77,472</u>	<u>77,472</u>	<u>86,271</u>	<u>(8,799)</u>
Excess (Deficiency) of Revenues Over Expenditures	-	-	1,133	1,133
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	1,133	<u>\$ 1,133</u>
Fund Balance - Beginning of Year			<u>262</u>	
Fund Balance - End of Year			<u>\$ 1,395</u>	

Note: The budget is prepared and monitored on a U.S. generally accepted accounting principles (GAAP) basis of accounting.

OCONEE COUNTY, SOUTH CAROLINA
 SCHEDULE OF FUNDING PROGRESS -
 OTHER POST EMPLOYMENT BENEFITS
 FOR THE YEAR ENDED JUNE 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2007	\$ -	\$ 10,295,394	\$ 10,295,394	0%	\$ 16,231,313	63.43%
June 30, 2009	\$ -	\$ 14,201,310	\$ 14,201,310	0%	\$ 16,053,849	88.46%

**COMBINING AND INDIVIDUAL NONMAJOR FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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OCONEE COUNTY, SOUTH CAROLINA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Debt Service Fund	Special Revenue Funds							Total Nonmajor Governmental Funds	
		911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	ARRA Funds	Library State Aid		Tri-County Tech
Assets										
Cash	\$ 1,589,241	\$ 491,125	\$ 38,702	\$ 102,479	\$ 12,311	\$ -	\$ 17,803	\$ 3,157	\$ 60,263	\$ 2,315,081
Receivables										
Taxes - net	42,181	-	-	-	-	-	-	-	34,600	76,781
Accounts	-	31,326	29	11,297	-	-	-	-	-	42,652
Intergovernmental	35	44,545	45,131	4,466	-	-	-	-	-	94,177
Accrued interest receivable	4,913	-	-	-	-	-	-	-	-	4,913
Prepaid items	-	4,610	-	-	-	-	-	-	785,341	789,951
	<u>\$ 1,636,370</u>	<u>\$ 571,606</u>	<u>\$ 83,862</u>	<u>\$ 118,242</u>	<u>\$ 12,311</u>	<u>\$ -</u>	<u>\$ 17,803</u>	<u>\$ 3,157</u>	<u>\$ 880,204</u>	<u>\$ 3,323,555</u>
Liabilities										
Accounts payable	\$ -	\$ 11,181	\$ 14,252	\$ -	\$ -	\$ -	\$ -	\$ 1,762	\$ -	\$ 27,195
Bank overdrafts	-	-	-	-	-	4,473	-	-	-	4,473
Accrued payroll liabilities	-	1,614	-	-	4,296	1,868	-	-	-	7,778
Deferred revenue										
Property taxes	29,258	-	-	-	-	-	-	-	21,581	50,839
Unearned revenues	-	-	-	-	-	-	17,772	-	-	17,772
Advances from other funds	-	-	-	210,000	-	-	-	-	-	210,000
	<u>29,258</u>	<u>12,795</u>	<u>14,252</u>	<u>210,000</u>	<u>4,296</u>	<u>6,341</u>	<u>17,772</u>	<u>1,762</u>	<u>21,581</u>	<u>318,057</u>
Fund Balances										
Reserved for										
Debt service	1,607,112	-	-	-	-	-	-	-	-	1,607,112
Capital outlay	-	456,946	-	-	-	-	-	-	-	456,946
Prepays	-	4,610	-	-	-	-	-	-	785,341	789,951
Encumbrances	-	97,255	-	-	-	-	-	-	-	97,255
Unreserved										
Undesignated										-
Reported in special revenue funds	-	-	69,610	(91,758)	8,015	(6,341)	31	1,395	73,282	54,234
	<u>1,607,112</u>	<u>558,811</u>	<u>69,610</u>	<u>(91,758)</u>	<u>8,015</u>	<u>(6,341)</u>	<u>31</u>	<u>1,395</u>	<u>858,623</u>	<u>3,005,498</u>
	<u>\$ 1,636,370</u>	<u>\$ 571,606</u>	<u>\$ 83,862</u>	<u>\$ 118,242</u>	<u>\$ 12,311</u>	<u>\$ -</u>	<u>\$ 17,803</u>	<u>\$ 3,157</u>	<u>\$ 880,204</u>	<u>\$ 3,323,555</u>

OCONEE COUNTY, SOUTH CAROLINA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Debt Service Fund	Special Revenue Funds							Total Nonmajor Governmental Funds	
		911 Fund	State Accommodations Tax	Local Accommodations Tax	Sheriff's Victims' Assistance	Solicitor's Victims' Assistance	ARRA Funds	Library State Aid		Tri-County Tech
Revenues										
Property taxes	\$ 1,034,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,045,399	\$ 2,080,234
Other taxes	-	410,045	-	128,856	-	-	-	-	-	538,901
Intergovernmental	-	99,201	102,607	-	-	-	89,383	87,404	-	378,595
Fines and forfeitures	-	-	-	-	88,996	33,264	-	-	-	122,260
Interest and investment income	35,729	1,302	31	140	-	-	31	-	-	37,233
	<u>1,070,564</u>	<u>510,548</u>	<u>102,638</u>	<u>128,996</u>	<u>88,996</u>	<u>33,264</u>	<u>89,414</u>	<u>87,404</u>	<u>1,045,399</u>	<u>3,157,223</u>
Expenditures										
Current										
Public safety	-	285,822	-	-	149,278	-	80,251	-	-	515,351
Culture and recreation	-	-	66,477	77,834	-	-	-	36,695	-	181,006
Judicial services	-	-	-	-	-	53,367	-	-	-	53,367
Education	-	-	-	-	-	-	-	-	972,117	972,117
Capital outlay	-	118,178	-	-	-	-	9,132	49,576	-	176,886
Debt service										
Principal retirement	1,335,000	358,397	-	-	-	-	-	-	-	1,693,397
Interest and fiscal charges	330,276	9,718	-	-	-	-	-	-	-	339,994
	<u>1,665,276</u>	<u>772,115</u>	<u>66,477</u>	<u>77,834</u>	<u>149,278</u>	<u>53,367</u>	<u>89,383</u>	<u>86,271</u>	<u>972,117</u>	<u>3,932,118</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(594,712)</u>	<u>(261,567)</u>	<u>36,161</u>	<u>51,162</u>	<u>(60,282)</u>	<u>(20,103)</u>	<u>31</u>	<u>1,133</u>	<u>73,282</u>	<u>(774,895)</u>
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	114,692	7,747	-	-	-	122,439
Transfers out	-	-	(7,500)	-	-	-	-	-	-	(7,500)
	<u>-</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>	<u>114,692</u>	<u>7,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,939</u>
Net Change in Fund Balances	(594,712)	(261,567)	28,661	51,162	54,410	(12,356)	31	1,133	73,282	(659,956)
Fund Balances - Beginning of Year	2,210,845	820,378	40,949	(142,920)	(46,395)	6,015	-	262	-	2,889,134
Prior Period Adjustment	(9,021)	-	-	-	-	-	-	-	785,341	776,320
Fund Balances - End of Year	<u>\$ 1,607,112</u>	<u>\$ 558,811</u>	<u>\$ 69,610</u>	<u>\$ (91,758)</u>	<u>\$ 8,015</u>	<u>\$ (6,341)</u>	<u>\$ 31</u>	<u>\$ 1,395</u>	<u>\$ 858,623</u>	<u>\$ 3,005,498</u>

OCONEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 JUNE 30, 2010

	SCDOC General Fund	SCDOC Debt Retirement	Family Court	Clerk of Court	Municipal Tax Fund	Magistrate Cash Bond/ Juror Fund	Tax Collector Property Sold	Keowee Fire District	Sheriff's Office	Firemen's Insurance and Inspection Fund	Probate Judge	Register of Deeds	Total
Assets													
Cash and cash equivalents	\$ 349,970	\$ 6,175,865	\$ 28,420	\$ 2,894,578	\$ 34,695	\$ 83,358	\$ 470,594	\$ 3,731	\$ 365,665	\$ 23,069	\$ 13,746	\$ -	\$10,443,691
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest receivable	-	10,895	-	-	-	-	-	-	-	-	-	-	10,895
Taxes receivable - net	1,657,112	484,887	-	-	171,416	-	-	13,772	-	-	-	-	2,327,187
	<u>\$ 2,007,082</u>	<u>\$ 6,671,647</u>	<u>\$ 28,420</u>	<u>\$ 2,894,578</u>	<u>\$ 206,111</u>	<u>\$ 83,358</u>	<u>\$ 470,594</u>	<u>\$ 17,503</u>	<u>\$ 365,665</u>	<u>\$ 23,069</u>	<u>\$ 13,746</u>	<u>\$ -</u>	<u>\$12,781,773</u>
Liabilities													
Due to other taxing districts and agencies	<u>\$ 2,007,082</u>	<u>\$ 6,671,647</u>	<u>\$ 28,420</u>	<u>\$ 2,894,578</u>	<u>\$ 206,111</u>	<u>\$ 83,358</u>	<u>\$ 470,594</u>	<u>\$ 17,503</u>	<u>\$ 365,665</u>	<u>\$ 23,069</u>	<u>\$ 13,746</u>	<u>\$ -</u>	<u>\$12,781,773</u>
	<u>\$ 2,007,082</u>	<u>\$ 6,671,647</u>	<u>\$ 28,420</u>	<u>\$ 2,894,578</u>	<u>\$ 206,111</u>	<u>\$ 83,358</u>	<u>\$ 470,594</u>	<u>\$ 17,503</u>	<u>\$ 365,665</u>	<u>\$ 23,069</u>	<u>\$ 13,746</u>	<u>\$ -</u>	<u>\$12,781,773</u>

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009 Restated	Additions	Deductions	Balance June 30, 2010
SCDOC General Fund				
Assets				
Cash and cash equivalents	\$ 454,397	\$ 44,221,857	\$ 44,326,284	\$ 349,970
Accounts receivable	25,696	-	25,696	-
Taxes receivable - net	2,223,239	-	566,127	1,657,112
	<u>\$ 2,703,332</u>	<u>\$ 44,221,857</u>	<u>\$ 44,918,107</u>	<u>\$ 2,007,082</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 2,703,332</u>	<u>\$ 44,221,857</u>	<u>\$ 44,918,107</u>	<u>\$ 2,007,082</u>
SCDOC Debt Rebt Retirement				
Assets				
Cash and cash equivalents	\$ 6,267,808	\$ 16,921,188	\$ 17,013,131	\$ 6,175,865
Accounts receivable	7,205	-	7,205	-
Accrued interest receivable	52,614	-	41,719	10,895
Taxes receivable - net	621,541	-	136,654	484,887
	<u>\$ 6,949,168</u>	<u>\$ 16,921,188</u>	<u>\$ 17,198,709</u>	<u>\$ 6,671,647</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 6,949,168</u>	<u>\$ 16,921,188</u>	<u>\$ 17,198,709</u>	<u>\$ 6,671,647</u>
Family Court				
Assets				
Cash and cash equivalents	<u>\$ 23,409</u>	<u>\$ 5,180,406</u>	<u>\$ 5,175,395</u>	<u>\$ 28,420</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 23,409</u>	<u>\$ 5,180,406</u>	<u>\$ 5,175,395</u>	<u>\$ 28,420</u>
Clerk of Court				
Assets				
Cash and cash equivalents	<u>\$ 183,717</u>	<u>\$ 5,448,949</u>	<u>\$ 2,738,088</u>	<u>\$ 2,894,578</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 183,717</u>	<u>\$ 5,448,949</u>	<u>\$ 2,738,088</u>	<u>\$ 2,894,578</u>
Municipal Tax Fund				
Assets				
Cash and cash equivalents	\$ 41,688	\$ 2,892,446	\$ 2,899,439	\$ 34,695
Taxes receivable - net	161,713	9,703	-	171,416
	<u>\$ 203,401</u>	<u>\$ 2,902,149</u>	<u>\$ 2,899,439</u>	<u>\$ 206,111</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 203,401</u>	<u>\$ 2,902,149</u>	<u>\$ 2,899,439</u>	<u>\$ 206,111</u>

OCONEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009 Restated	Receipts	Disbursements	Balance June 30, 2010
Magistrate Cash Bond/Juror Fund				
Assets				
Cash and cash equivalents	\$ 161,139	\$ 1,520,131	\$ 1,597,912	\$ 83,358
Liabilities				
Due to other taxing districts and agencies	\$ 161,139	\$ 1,520,131	\$ 1,597,912	\$ 83,358
Tax Collector Property Sold				
Assets				
Cash and cash equivalents	\$ 714,759	\$ 989,278	\$ 1,233,443	\$ 470,594
Liabilities				
Due to other taxing districts and agencies	\$ 714,759	\$ 989,278	\$ 1,233,443	\$ 470,594
Keowee Fire District				
Assets				
Cash and cash equivalents	\$ 4,249	\$ 659,518	\$ 660,036	\$ 3,731
Accounts receivable	73	73	73	-
Taxes receivable - net	11,193	2,579	-	13,772
	<u>\$ 15,515</u>	<u>\$ 662,097</u>	<u>\$ 660,109</u>	<u>\$ 17,503</u>
Liabilities				
Accounts payable	\$ 4,249	\$ -	\$ 4,249	\$ -
Due to other taxing districts and agencies	11,266	662,097	655,860	17,503
	<u>\$ 15,515</u>	<u>\$ 662,097</u>	<u>\$ 660,109</u>	<u>\$ 17,503</u>
Sheriff's Office				
Assets				
Cash and cash equivalents	\$ 276,054	\$ 200,415	\$ 110,804	\$ 365,665
Liabilities				
Due to other taxing districts and agencies	\$ 276,054	\$ 200,415	\$ 110,804	\$ 365,665
Firemen's Insurance and Inspection Fund				
Assets				
Cash and cash equivalents	\$ 22,936	\$ 133,309	\$ 133,176	\$ 23,069
Liabilities				
Due to other taxing districts and agencies	\$ 22,936	\$ 133,309	\$ 133,176	\$ 23,069
Probate Judge				
Assets				
Cash and cash equivalents	\$ 13,704	\$ 3,359	\$ 3,317	\$ 13,746
Liabilities				
Due to other taxing districts and agencies	\$ 13,704	\$ 3,359	\$ 3,317	\$ 13,746

OCONEE COUNTY, SOUTH CAROLINA
 AGENCY FUNDS
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	Balance July 1, 2009 Restated	Receipts	Disbursements	Balance June 30, 2010
Register of Deeds				
Assets				
Cash and cash equivalents	\$ 8,910	\$ 15	\$ 8,925	\$ -
Liabilities				
Due to other taxing districts and agencies	\$ 8,910	\$ 15	\$ 8,925	\$ -
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 8,172,770	\$ 78,170,871	\$ 75,899,950	\$ 10,443,691
Accounts receivable	32,974	-	32,974	-
Accrued interest receivable	52,614	-	41,719	10,895
Taxes receivable - net	3,017,686	12,282	702,781	2,327,187
	<u>\$ 11,276,044</u>	<u>\$ 78,183,153</u>	<u>\$ 76,677,424</u>	<u>\$ 12,781,773</u>
Liabilities				
Due to other taxing districts and agencies	<u>\$ 11,271,795</u>	<u>\$ 78,183,153</u>	<u>\$ 76,673,175</u>	<u>\$ 12,781,773</u>

**SUPPLEMENTARY INFORMATION REQUIRED
BY STATE OF SOUTH CAROLINA**

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OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF COURT FINES, ASSESSMENTS AND SURCHARGES
CLERK OF COURT AND MAGISTRATE COURT
JUNE 30, 2010

	<u>Collections</u>	<u>Amount Remitted to County Treasurer</u>	<u>Amount Remitted to State Treasurer</u>	<u>Amount Allocated to Victims' Services</u>
Clerk of Court:				
Fines and Fees	\$ 19,266	\$ -	\$ 19,266	\$ -
Assessments	12,165	-	8,172	3,993
Surcharges	<u>39,084</u>	<u>-</u>	<u>16,957</u>	<u>22,127</u>
Totals	<u>\$ 70,515</u>	<u>\$ -</u>	<u>\$ 44,395</u>	<u>\$ 26,120</u>
 Magistrate Court:				
Fines and Fees	\$ 472,623	\$ 472,623	\$ -	\$ -
Assessments	484,567	-	431,355	53,212
Surcharges	<u>218,503</u>	<u>-</u>	<u>182,820</u>	<u>35,683</u>
Totals	<u>\$ 1,175,693</u>	<u>\$ 472,623</u>	<u>\$ 614,175</u>	<u>\$ 88,895</u>
 Victims' Assistance				
Balance for victims' assistance - beginning of year				\$ (40,380)
Plus: Amounts allocated for victims' assistance - 7/1/09 - 6/30/10				
Assessments and surcharges			115,015	
Miscellaneous			7,245	
Transfers			<u>122,439</u>	244,699
Less: Amounts spent for victims' assistance in the fiscal year 2010 from assessments and surcharges:				
Salaries and benefits			176,923	
Operating expenditures			<u>25,722</u>	<u>(202,645)</u>
Balance for victims' assistance - end of year				<u>\$ 1,674</u>

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STATISTICAL SECTION

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STATISTICAL SECTION

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

Contents	Page
Financial Trends Information	87-92
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity Information	93-96
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity Information	97-100
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	101-104
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	
Operating Information	105-111
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	

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Oconee County, South Carolina
 Net Assets by Component
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Governmental Activities										
Invested in capital assets, net of related debt	\$ 104,968,618	\$ 107,401,916	\$ 106,195,121	\$ 95,790,297	\$ 43,464,806	\$ 31,090,351	\$ 29,641,543	\$ 24,052,990	\$ -	\$ -
Restricted	19,344,365	13,906,528	11,265,793	10,196,048	1,382,218	2,048,916	2,327,107	4,091,840	-	-
Unrestricted	17,060,527	21,310,360	20,014,132	13,833,247	19,461,663	11,764,876	7,356,900	4,247,343	-	-
Total Governmental Activities Net Assets	141,373,510	142,618,804	137,475,046	119,819,592	64,308,687	44,904,143	39,325,550	32,392,173	-	-
Business-type Activities										
Invested in capital assets, net of related debt	2,292,824	2,715,788	2,908,740	7,503,708	8,043,088	8,905,344	8,786,497	8,757,999	-	-
Unrestricted	3,606,176	3,201,022	3,008,070	5,987,762	5,420,623	4,442,223	4,378,532	7,377,743	-	-
Total Business-type Activities Net Assets	5,899,000	5,916,810	1,310,885	13,491,470	13,463,711	13,347,567	13,165,029	16,135,742	-	-
Primary Government										
Invested in capital assets, net of related debt	107,261,442	110,117,704	109,103,861	103,294,005	51,507,894	39,995,695	38,428,040	32,810,989	-	-
Restricted	19,344,365	13,906,528	11,265,793	10,196,048	1,382,218	2,048,916	2,327,107	4,091,840	-	-
Unrestricted	20,666,703	24,511,382	23,022,202	19,821,009	24,882,286	16,207,099	11,735,432	11,625,086	-	-
Total Primary Government Net Assets	\$ 147,272,510	\$ 148,535,614	\$ 143,391,856	\$ 133,311,062	\$ 77,772,398	\$ 58,251,710	\$ 52,490,579	\$ 48,527,915	\$ -	\$ -

Note: This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Oconee County, South Carolina
Change in Net Assets
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Expenses										
<u>Governmental Activities:</u>										
General government	\$ 12,779,958	\$ 18,548,180	\$ 16,628,618	\$ 13,295,214	\$ 9,703,484	\$ 10,633,510	\$ 10,684,415	\$ 8,565,435	\$ -	\$ -
Public safety	15,735,352	15,313,777	10,671,085	12,018,828	11,385,230	10,442,183	9,275,364	9,420,466	-	-
Transportation	6,618,188	5,036,913	5,327,716	693,254	3,073,462	2,590,376	3,031,502	3,624,861	-	-
Public works	3,728,944	-	-	-	-	-	-	-	-	-
Culture and recreation	2,857,679	2,037,675	3,069,785	2,859,466	3,102,417	2,318,058	2,378,922	2,268,503	-	-
Judicial services	2,521,566	2,197,316	2,179,220	2,188,858	2,144,967	2,260,841	2,280,117	1,886,421	-	-
Education	972,117	-	-	-	-	-	-	-	-	-
Health and welfare	764,810	785,094	790,730	6,009,235	717,572	1,001,238	1,137,429	5,222,929	-	-
Economic development	553,264	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	899,571	-	-	-	-	-
Unallocated interest expense	384,690	447,120	445,295	560,882	722,418	1,365,084	918,428	1,010,485	-	-
Total Governmental Activities Expenses	46,916,568	44,366,075	39,112,449	37,625,737	31,749,121	30,611,290	29,706,177	31,999,100	-	-
<u>Business-type Activities:</u>										
Rock Quarry	2,724,095	2,246,791	2,352,819	2,260,482	2,480,151	1,820,869	1,954,729	1,822,609	-	-
Solid Waste	-	-	-	4,700,221	4,429,812	3,703,326	3,440,710	3,940,812	-	-
Total Business-type Activities Expense	2,724,095	2,246,791	2,352,819	6,960,703	6,909,963	5,524,195	5,395,439	5,763,421	-	-
Total Primary Government Expenses	49,640,663	46,612,866	41,465,268	44,586,440	38,659,084	36,135,485	35,101,616	37,762,521	-	-
Program Revenues										
<u>Governmental Activities:</u>										
Charges for services										
General government	635,354	4,657,574	5,138,752	4,473,204	4,272,850	2,338,113	1,998,099	1,615,153	-	-
Public safety	712,860	133,514	153,435	125,180	137,139	572,175	139,713	136,472	-	-
Transportation	549,140	-	-	-	-	-	-	-	-	-
Public works	861,453	-	-	-	-	-	-	-	-	-
Culture and recreation	348,402	-	-	-	-	274,896	286,017	295,930	-	-
Judicial services	1,281,388	1,730	2,460	2,889	1,860	1,108,509	1,104,109	996,250	-	-
Education	-	-	-	-	-	-	-	-	-	-
Health and welfare	33,670	-	-	-	-	19,967	19,066	18,711	-	-
Economic development	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	2,097,997	1,994,989	1,292,982	1,424,205	1,366,838	1,462,414	1,809,439	1,344,873	-	-
Capital grants and contributions	4,251,132	2,394,832	2,498,147	898,741	2,149,799	644,983	2,292,924	1,765,114	-	-
Total Governmental Activities Program Revenues	10,771,396	9,182,639	9,085,776	6,924,219	7,928,486	6,421,057	7,649,367	6,172,503	-	-
<u>Business-type Activities:</u>										
Charges for services										
Rock Quarry	3,404,756	3,037,173	3,082,349	2,771,383	2,993,067	2,985,868	3,294,420	2,917,458	-	-
Solid Waste	-	-	-	1,125,509	1,014,610	1,411,017	883,830	774,774	-	-
Operating grants and contributions	-	-	-	-	25,062	7,388	6,853	25,058	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities Program Revenues	3,404,756	3,037,173	3,082,349	3,896,892	4,032,739	4,404,273	4,185,103	3,717,290	-	-

Oconee County, South Carolina
Change in Net Assets
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Primary Government Program Revenues	14,176,152	12,219,812	12,168,125	10,821,111	11,961,225	10,825,330	11,834,470	9,889,793	-	-
Net (Expense) Revenue										
Governmental Activities	(36,145,172)	(35,183,436)	(30,026,673)	(30,701,518)	(23,820,635)	(24,190,233)	(22,056,810)	(25,826,597)	-	-
Business-type Activities	680,661	790,382	729,530	(3,063,811)	(2,877,224)	(1,119,922)	(1,210,336)	(2,046,131)	-	-
Total Primary Government	<u>\$ (35,464,511)</u>	<u>\$ (34,393,054)</u>	<u>\$ (29,297,143)</u>	<u>\$ (33,765,329)</u>	<u>\$ (26,697,859)</u>	<u>\$ (25,310,155)</u>	<u>\$ (23,267,146)</u>	<u>\$ (27,872,728)</u>	<u>\$ -</u>	<u>\$ -</u>
General Revenues and Other Changes in Net Assets										
<u>Governmental Activities:</u>										
Taxes										
Property taxes	\$ 35,671,288	\$ 33,947,622	\$ 32,121,201	\$ 30,079,163	\$ 29,468,762	\$ 23,424,084	\$ 21,674,814	\$ 21,322,657	\$ -	\$ -
Other taxes and licences	848,922	1,231,011	1,221,173	1,203,630	1,241,952	1,038,757	1,030,042	975,016	-	-
Unrestricted grants and contributions	3,038,376	3,639,338	3,816,253	3,431,519	3,119,522	2,992,182	2,955,527	2,931,443	-	-
Unrestricted investment earnings	498,702	1,061,380	1,485,206	1,523,229	1,117,714	465,943	211,288	579,433	-	-
Sale of capital assets	-	(740,289)	(18,678)	(253,191)	(1,112)	9,048	-	-	-	-
Capital contributions	-	-	-	-	7,567,013	-	-	-	-	-
Miscellaneous	161,281	287,463	641,535	762,775	4,286,662	541,575	399,956	981,957	-	-
Special items	825,000	-	-	-	-	-	-	-	-	-
Transfers	687,650	900,669	800,878	(2,846,497)	(3,021,235)	1,297,237	1,817,093	(1,799,274)	-	-
Total Governmental Activities	<u>41,731,219</u>	<u>40,327,194</u>	<u>40,067,568</u>	<u>33,900,628</u>	<u>43,779,278</u>	<u>29,768,826</u>	<u>28,088,720</u>	<u>24,991,232</u>	<u>-</u>	<u>-</u>
<u>Business-type Activities:</u>										
Sale of capital assets	(460)	-	-	20,115	-	-	-	-	-	-
Investment earnings	7,449	110,287	111,247	224,958	208,908	98,239	56,716	108,550	-	-
Miscellaneous	-	-	-	-	-	2,501,458	-	-	-	-
Transfers	(687,650)	(900,669)	(800,878)	2,846,497	3,021,235	(1,297,237)	(1,817,093)	1,799,274	-	-
Total Business-type Activities	<u>(680,661)</u>	<u>(790,382)</u>	<u>(689,631)</u>	<u>3,091,570</u>	<u>3,230,143</u>	<u>1,302,460</u>	<u>(1,760,377)</u>	<u>1,907,824</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>41,050,558</u>	<u>39,536,812</u>	<u>39,377,937</u>	<u>36,992,198</u>	<u>47,009,421</u>	<u>31,071,286</u>	<u>26,328,343</u>	<u>26,899,056</u>	<u>-</u>	<u>-</u>
Change in Net Assets										
Governmental Activities	5,586,047	5,143,758	10,040,895	3,199,110	19,958,643	5,578,593	6,031,910	(835,365)	-	-
Business-type Activities	-	-	39,899	27,759	352,919	182,538	(2,970,713)	(138,307)	-	-
Total Primary Government	<u>\$ 5,586,047</u>	<u>\$ 5,143,758</u>	<u>\$ 10,080,794</u>	<u>\$ 3,226,869</u>	<u>\$ 20,311,562</u>	<u>\$ 5,761,131</u>	<u>\$ 3,061,197</u>	<u>\$ (973,672)</u>	<u>\$ -</u>	<u>\$ -</u>

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

2 - Increase due to collection of Duke Energy taxes.

Note: This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Oconee County, South Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 4,734,890	\$ 590,626	\$ 179,781	\$ 599,901	\$ 679,695	\$ 891,340	\$ 1,663,936	\$ 2,335,930	\$ 4,853,590	\$ 1,344,588
Unreserved	19,663,178	22,832,404	18,107,692	12,868,375	13,918,914	10,530,439	8,888,837	7,910,410	7,272,779	12,296,324
Total General Fund	<u>24,398,068</u>	<u>23,423,030</u>	<u>18,287,473</u>	<u>13,468,276</u>	<u>14,598,609</u>	<u>11,421,779</u>	<u>10,552,773</u>	<u>10,246,340</u>	<u>12,126,369</u>	<u>13,640,912</u>
All Other Governmental Funds										
Reserved	18,103,322	11,422,123	11,265,793	10,196,048	1,885,917	1,181,612	2,664,108	6,067,052	7,572,480	4,085,943
Unreserved, reported in:										
Capital projects	-	2,962,854	4,459,452	965,737	1,026,126	999,227	699,946	670,992	741,270	218,163
Debt service funds	-	-	-	-	-	1,193,315	1,950,290	3,836,757	-	-
Special revenue funds	2,471,822	-	-	-	3,847,185	5,646,333	3,798,916	1,189,989	5,285,591	4,310,782
Total All Other Governmental Funds	<u>20,575,144</u>	<u>14,384,977</u>	<u>15,725,245</u>	<u>11,161,785</u>	<u>6,759,228</u>	<u>9,020,487</u>	<u>9,113,260</u>	<u>11,764,790</u>	<u>13,599,341</u>	<u>8,614,888</u>
Total Governmental Fund Balance	<u>\$ 44,973,212</u>	<u>\$ 37,808,007</u>	<u>\$ 34,012,718</u>	<u>\$ 24,630,061</u>	<u>\$ 21,357,837</u>	<u>\$ 20,442,266</u>	<u>\$ 19,666,033</u>	<u>\$ 22,011,130</u>	<u>\$ 25,725,710</u>	<u>\$ 22,255,800</u>

Table 4

Oconee County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues										
Property taxes	\$ 36,025,326	\$ 33,495,553	\$ 31,864,429	\$ 30,124,122	\$ 29,054,678	\$ 23,424,083	\$ 21,674,813	\$ 21,322,657	\$ 21,544,114	\$ 21,071,922
Other taxes	538,901	-	-	-	-	-	-	-	-	-
Intergovernmental	8,038,218	7,783,703	7,963,754	5,840,225	6,920,124	5,207,115	5,851,569	6,619,463	6,787,749	6,067,843
Local sources	-	-	-	-	-	-	-	-	893,738	413,781
Licenses, permits and fees	3,062,181	3,041,597	3,649,173	3,163,299	2,992,392	2,864,269	2,078,369	1,706,902	-	-
Fines and forfeitures	582,737	639,085	704,937	581,574	584,120	534,514	574,901	545,475	-	-
Charges for services	855,538	-	-	-	-	-	-	-	3,161,064	2,841,176
County airport	-	475,413	649,305	585,237	570,288	499,601	496,575	408,065	-	-
PRT commission	-	300,169	291,232	271,163	265,049	238,384	251,514	255,405	-	-
Fee in lieu of taxes and franchise fees	-	971,447	771,530	897,146	967,047	776,413	793,200	758,995	-	-
Interest and investment income	498,704	1,061,380	1,486,802	1,523,229	1,117,714	465,942	211,288	579,431	956,816	1,461,377
Miscellaneous and other	453,342	1,129,037	844,500	942,750	4,399,713	559,655	795,676	379,180	-	-
Total Revenues	50,054,947	48,897,384	48,225,662	43,928,745	46,871,125	34,569,976	32,727,905	32,575,573	33,343,481	31,856,099
Expenditures										
General government	12,180,563	17,363,947	17,607,979	12,869,727	11,049,484	10,325,962	10,303,363	8,261,688	9,280,753	9,825,408
Public safety	15,442,607	13,760,420	12,185,492	10,691,330	10,289,924	9,381,796	8,235,944	8,486,939	7,995,188	9,620,245
Transportation	4,522,488	2,524,563	3,730,728	4,206,562	4,377,000	2,293,659	2,710,659	3,276,007	3,728,019	5,097,052
Public works	3,492,000	-	-	-	-	-	-	-	-	-
Culture and recreation	2,648,087	3,120,019	2,855,483	2,599,308	2,788,495	2,055,322	2,086,792	2,028,110	1,799,463	1,829,031
Judicial services	2,305,784	2,108,667	2,175,997	1,952,033	1,913,542	2,021,352	2,047,691	1,811,856	-	-
Education	972,117	-	-	-	-	-	-	-	-	-
Health and welfare	613,646	638,131	680,787	640,455	675,870	933,955	1,068,048	5,180,992	1,510,022	1,248,629
Economic development	353,204	-	-	-	-	-	-	-	-	52,821
Nondepartmental	-	-	-	-	899,571	-	-	-	-	-
Capital outlay	6,275,299	4,269,999	5,209,551	2,698,752	3,836,198	6,953,668	8,334,381	10,441,404	9,644,760	2,139,926
Debt service										
Principal retirement	1,979,987	1,902,090	1,539,768	2,681,649	5,735,001	1,590,939	2,860,858	2,254,623	1,352,742	1,161,307
Interest and fiscal charges	376,340	447,120	460,619	555,532	828,607	1,353,157	1,084,336	867,458	813,330	297,579
Bond issue costs	-	-	-	-	-	-	12,622	29,414	-	-
Total Expenditures	51,162,122	46,134,956	46,446,404	38,895,348	42,393,692	36,909,810	38,744,694	42,638,491	36,124,277	31,271,998
Excess of Revenues Over (Under) Expenditures	(1,107,175)	2,762,428	1,779,258	5,033,397	4,477,433	(2,339,834)	(6,016,789)	(10,062,918)	(2,780,796)	584,101

Oconee County, South Carolina
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Other Financing Sources (Uses)										
Sale of capital assets	18,307	132,196	13,210	1,085,324	13,472	9,915	-	-	-	-
Contributions - capital assets	-	-	-	-	-	108,915	1,254,599	467,847	101,052	-
Insurance recoveries	74,504									
Bonds and capital leases	3,500,000	-	1,477,683	-	-	1,700,000	600,000	7,677,015	8,000,000	5,298,710
Bond premium	-	-	-	-	-	-	-	2,750	-	-
Transfer in	6,772,402	3,535,668	9,062,204	8,918,044	2,899,534	4,840,005	7,805,463	2,304,753	756,978	1,589,446
Transfer out	(6,084,752)	(2,634,999)	(8,261,326)	(11,764,541)	(5,920,769)	(3,542,768)	(5,988,370)	(4,104,027)	(2,607,324)	(3,411,298)
Total Other Financing Sources (Uses)	<u>4,280,461</u>	<u>1,032,865</u>	<u>2,291,771</u>	<u>(1,761,173)</u>	<u>(3,007,763)</u>	<u>3,116,067</u>	<u>3,671,692</u>	<u>6,348,338</u>	<u>6,250,706</u>	<u>3,476,858</u>
Special Items										
Courthouse settlement	825,000	-	-	-	-	-	-	-	-	-
Total Special Items	<u>825,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 3,998,286</u>	<u>\$ 3,795,293</u>	<u>\$ 4,071,029</u>	<u>\$ 3,272,224</u>	<u>\$ 1,469,670</u>	<u>\$ 776,233</u>	<u>\$ (2,345,097)</u>	<u>\$ (3,714,580)</u>	<u>\$ 3,469,910</u>	<u>\$ 4,060,959</u>
Debt Service as a Percentage of Noncapital Expenditures*	5.25%	5.61%	4.85%	8.94%	17.02%	9.83%	13.01%	9.79%	8.18%	5.01%

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

Note: Revenue categories changed for fiscal year ended June 30, 2003 as a result of GASB 34 implementation.

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.

Table 5

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
2001	\$ 113,612,500	\$ 43,687,214	\$ 147,985,585	\$ 305,285,299	69.1	\$ 4,520,063,562	6.75%
2002	146,565,820	44,667,212	151,397,122	342,630,154	62.2	5,541,328,450	6.18%
2003	153,714,440	42,937,485	153,188,478	349,840,403	63.3	5,794,628,310	6.04%
2004	163,279,640	41,923,931	136,897,152	342,100,723	65.8	6,001,869,805	5.70%
2005	173,662,370	42,187,445	136,610,252	352,460,067	68.5	6,126,381,738	5.75%
2006	183,221,480	40,272,285	183,827,876	407,321,641	73.5	6,925,984,344	5.88%
2007	255,586,460	39,243,746	141,572,055	436,402,261	70.4	7,787,962,417	5.60%
2008	274,733,180	39,153,407	143,279,238	457,165,825	70.2	8,240,526,066	5.55%
2009	295,542,685	37,818,501	139,742,088	473,103,274	70.2	8,465,109,305	5.59%
2010	309,318,820	34,204,632	141,652,366	485,175,818	67.3	8,780,990,487	5.53%

Source: Oconee County Auditor

Note: Property in the County was reassessed in fiscal year ended June 30, 2007.

Table 6

Oconee County, South Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Oconee County Direct Rates										
Operating	63.9	64.1	64.1	64.3	68.0	64.0	61.8	54.7	55.1	61.3
Debt service	1.4	4.1	4.1	4.1	4.5	3.5	3.0	7.6	7.1	7.8
Economic development	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	-	-
Bridges and culverts	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Tri-County Tech Operations	2.7	2.1	2.1	2.6	2.1	2.1	2.2	1.8	1.8	1.6
Total County Millage	70.0	72.3	72.3	73.0	75.6	70.6	68.0	65.1	64.0	70.7
Overlapping Rates										
School District										
Operating	111.4	110.5	109.8	113.0	123.0	120.5	126.0	117.3	116.3	118.6
Debt service	31.0	31.0	31.0	18.0	18.0	13.9	11.0	14.6	14.7	5.7
School technology	-	-	-	-	-	-	-	-	1.0	1.0
Total School Millage	142.4	141.5	140.8	131.0	141.0	134.4	137.0	131.9	132.0	125.3
Special District Rates										
City of Seneca	52.3	52.3	50.0	50.0	50.0	50.0	50.0	50.0	50.0	50.0
City of Salem	32.4	31.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0	30.0
City of Walhalla	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	84.0	79.0
City of West Union	41.3	40.3	39.0	39.0	39.0	39.0	39.0	39.0	39.0	34.0
City of Westminster	90.7	90.7	88.0	88.0	88.0	88.0	88.0	88.0	88.0	86.0
Unincorp. Fire Special District	2.9	2.9	2.9	-	-	-	-	-	-	-
Keowee Fire Special District	14.5	13.5	14.0	13.7	14.5	14.5	14.5	-	-	-
Total Direct and Overlapping Rates	530.5	528.5	521.0	508.7	522.1	510.5	510.5	488.0	487.0	475.0

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).

Table 7

Oconee County, South Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2010			2001		
	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corporation	\$ 130,506,940	1	26.90%	\$ 115,387,660	1	37.80%
Blue Ridge Electric Coop Inc.	5,809,890	2	1.20%	3,799,520	4	1.24%
Sandvik Inc.	4,127,177	3	0.85%			
BASF Catalyst LLC	3,493,460	4	0.72%			
Cryovac Inc.	3,088,330	5	0.64%	4,243,490	3	1.39%
Bellsouth Telecom Inc.	3,077,960	6	0.63%	3,328,370	5	1.09%
Itron Electricity Metering Inc.	2,564,572	7	0.53%			
Borg Warner Torq Systems	2,200,428	8	0.45%			
Johnson Controls Battery	1,569,695	9	0.32%			
US Engine Valve Company	1,544,930	10	0.32%	1,677,520	10	0.55%
Westpoint Stevens Inc.				6,401,449	2	2.10%
Engelhard Corp.				3,277,480	6	1.07%
Square D Co.				2,234,340	7	0.73%
Valenite Inc.				1,867,130	8	0.61%
Dunlop Slazenger Group America				1,851,180	9	0.61%
Total	<u>\$ 157,983,382</u>		<u>32.56%</u>	<u>144,068,139</u>		<u>47.19%</u>

* in thousands

Source: Oconee County Auditor

Table 8

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
2001	\$ 21,583,671	\$ 20,096,771	93.11%	\$ 479,853	\$ 20,576,624	95.33%
2002	22,063,984	20,585,519	93.30%	513,203	21,098,722	95.63%
2003	23,694,113	21,287,292	89.84%	419,972	21,707,264	91.61%
2004	23,698,683	21,766,648	91.85%	645,300	22,411,948	94.57%
2005	23,967,285	23,150,413	96.59%	574,694	23,725,107	98.99%
2006	29,734,480	28,537,940	95.98%	898,377	29,436,317	99.00%
2007	31,713,210	30,738,875	96.93%	758,149	31,497,024	99.32%
2008	33,109,438	32,008,545	96.67%	649,634	32,658,179	98.64%
2009	33,769,581	32,376,414	95.87%	737,626	33,114,040	98.06%
2010	35,142,666	33,697,683	95.89%	647,573	34,345,256	97.73%

Source: Oconee County Treasurer

Table 9

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	Capital Leases	Revenue Bond	State Revolving Fund Loan	Capital Leases			
2001	\$ 8,740,000	\$ 372,231	\$ 1,183,710	\$ -	\$ 6,577,042	\$ -	\$ 16,872,983	1.1%	255
2002	15,665,000	297,884	980,314	-	-	-	16,943,198	1.0%	253
2003	19,215,000	231,127	2,919,464	-	-	-	22,365,591	1.3%	329
2004	17,165,000	772,639	2,167,094	-	-	-	20,104,733	1.1%	294
2005	15,940,000	716,394	3,082,399	-	-	-	19,738,793	1.0%	286
2006	11,415,000	640,977	1,947,815	-	-	-	14,003,792	0.7%	201
2007	10,275,000	-	1,047,143	-	-	-	11,322,143	0.5%	160
2008	9,075,000	-	2,185,058	-	-	-	11,260,058	0.5%	159
2009	7,800,000	-	1,557,968	-	-	-	9,357,968	0.4%	131
2010	6,465,000	3,500,000	912,932	-	-	-	10,877,932	n/a	152

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

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

Oconee County, South Carolina
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property ¹	Per Capita ²
	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total		
2001	\$ 8,740,000	\$ 2,704,542	\$ 6,035,458	1.98%	\$ 91
2002	15,665,000	3,326,793	12,338,207	3.60%	184
2003	19,215,000	3,836,757	15,378,243	4.40%	226
2004	17,165,000	2,302,062	14,862,938	4.34%	217
2005	15,940,000	1,193,315	14,746,685	4.18%	214
2006	11,415,000	1,382,218	10,032,782	2.46%	144
2007	10,275,000	1,613,985	8,661,015	1.98%	123
2008	9,075,000	1,880,690	7,194,310	1.57%	102
2009	7,800,000	2,210,845	5,589,155	1.18%	78
2010	6,465,000	1,607,112	4,857,888	1.00%	68

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² Population data can be found on the Schedule of Demographic and Economic Statistics.

Table 11

Oconee County, South Carolina
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2010

Jurisdiction	Debt Outstanding	Estimated Percent Applicable ¹	Estimated Share of Direct and Overlapping Debt
Direct Debt:			
Oconee County	\$ 6,465,000	100.00%	<u>\$ 6,465,000</u>
Overlapping Debt:			
School District of Oconee County	53,450,000	100.00%	53,450,000
Keowee Fire Special District	1,045,000	8.76%	91,542
Total Overlapping Debt			<u>53,541,542</u>
Total Direct and Overlapping Debt			<u><u>\$ 60,006,542</u></u>

Sources: Oconee County Auditor and Oconee County Treasurer

Note: ¹ Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the County.

Oconee County, South Carolina
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed valuation	\$ 485,175,818
Debt limit - 8 percent of total assessed value	\$ 38,814,065
Debt applicable to limit:	
General obligation bonds	6,465,000
Less: amount set aside for repayment of general obligation bonds	<u>(1,607,112)</u>
Debt qualifying for margin	<u>4,857,888</u>
Legal debt margin	<u>\$ 33,956,177</u>

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	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt Limit*	\$38,814,065	\$37,768,262	\$ 36,573,266	\$34,912,181	\$32,585,731	\$28,186,805	\$27,368,058	\$28,012,006	\$27,410,412	\$24,422,824
Total Net Debt Applicable to Limit	<u>4,857,888</u>	<u>5,589,155</u>	<u>7,194,310</u>	<u>8,661,015</u>	<u>10,032,782</u>	<u>15,940,000</u>	<u>17,165,000</u>	<u>19,215,000</u>	<u>15,665,000</u>	<u>8,740,000</u>
Legal Debt Margin	<u>\$33,956,177</u>	<u>\$32,179,107</u>	<u>\$ 29,378,956</u>	<u>\$26,251,166</u>	<u>\$22,552,949</u>	<u>\$12,246,805</u>	<u>\$10,203,058</u>	<u>\$ 8,797,006</u>	<u>\$11,745,412</u>	<u>\$15,682,824</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	12.52%	14.80%	19.67%	24.81%	30.79%	56.55%	62.72%	68.60%	57.15%	35.79%

Source: Oconee County Auditor and Oconee County Treasurer

* Calculated at eight percent of assessed value.

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

Table 13

Oconee County, South Carolina
Demographic and Economic Statistics
Last Ten Years

Year	Population ¹	Personal Income* ²	Per Capita Personal Income ¹	Median Age ³	School Enrollment ⁴	Unemployment Rate ¹
2001	66,215	\$ 1,604,384	\$ 24,106	39.5	9,913	3.4%
2002	67,029	1,686,129	25,155	39.5	10,070	5.6%
2003	67,918	1,745,446	25,700	39.5	10,097	6.7%
2004	68,430	1,797,946	26,274	39.5	10,344	7.5%
2005	68,949	1,908,276	27,677	39.5	10,406	7.4%
2006	69,676	1,989,996	28,561	39.5	10,474	8.6%
2007	70,567	2,079,867	21,458	39.5	10,411	9.0%
2008	70,753	2,238,128	29,715	39.2	10,377	7.9%
2009	71,274	2,307,417	31,675	41.2	10,402	7.5%
2010	71,514	n/a	32,456	39.5	10,629	14.2%

* in thousands

Data Sources:

¹ Upstate Alliance, Inc.

² U. S. Bureau of Economic Analysis,

³ Oconee County Economic Development

⁴ School District of Oconee County, SC

Note: Data not available for some previous years and some current years.

Table 14

Oconee County, South Carolina
Principal Employers
Current Year and Nine Years Ago

Company or Organization	2010			2001		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
School District of Oconee County	1,605	1	7.70%	1,400	3	5.52%
Duke Energy Corporation	1,500	2	7.20%	1,797	2	7.09%
Oconee Memorial Hospital	1,370	3	6.58%	1,142	4	4.50%
Itron, Inc.	665	4	3.19%			
Schneider Electric - Square D	655	5	3.14%			
Timken U.S. Corporation	640	6	3.07%			
Oconee County	450	7	2.16%			
Covidien	423	8	2.03%			
BASF Catalysts, LLC	389	9	1.87%			
Sandvik	347	10	1.67%			
West Point Stevens, Inc.-Finishing				2,000	1	7.89%
West Point Stevens, Inc.-Fabrication				935	5	3.69%
Schlumberger Industries				855	6	3.37%
Square D				750	7	2.96%
Jacobs Chuck Manufacturing Co.				491	8	1.94%
Kendall Healthcare Products Co.				430	9	1.70%
Beacon Mfg Co.				426	10	1.70%
	<u>8,044</u>		<u>38.61%</u>	<u>10,226</u>		<u>40.35%</u>

Source: U.S. Bureau of Labor Statistics

Source: Economic Development

Table 15

Oconee County, South Carolina
County Employees by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Administrator	2	2	2	2	3	4	2	2	2	2
County Council	1	1	1	1	1	1	1	1	1	1
Facilities Maintenance	10	10	11	11	10	10	10	10	10	9
Finance	9	8	8	7	7	7	8	7	6	5
Human Resources	4	4	4	5	5	5	5	5	5	3
Information Technology	10	8	8	13	11	11	9	3	3	2
Planning	3	3	4	3	2	2	2	2	2	2
Procurement	3	3	3	4	4	5	5	5	4	4
Register of Deeds	4	5	5	5	5	5	5	5	4	3
Registration and Elections	2	2	2	2	2	2	2	2	2	1
Vehicle Maintenance	14	14	15	15	15	16	15	15	15	14
Assessor	17	21	18	14	14	13	13	15	16	16
Auditor	7	7	7	7	7	7	6	16	6	5
Delinquent Tax Collector	3	3	3	4	4	4	4	4	4	4
Treasurer	7	7	6	6	6	6	6	6	6	5
Public Safety										
Animal Control	6	6	6	6	6	5	3	3	3	3
Building Codes	9	11	11	10	10	9	9	10	9	9
Communications	18	18	18	19	17	17	16	16	16	18
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	36	36	28	27	25	25	25	25	25	24
Emergency Services	12	16	3	3	3	4	3	3	3	3
Rural Fire	-	-	4	4	4	4	4	3	3	2
Sheriff's Office	90	89	87	88	84	83	80	80	77	54
Transportation										
Airport	5	5	5	5	5	5	5	5	5	5
Roads and Bridges	38	38	38	37	37	36	40	39	39	39

Table 15 - Continued

Oconee County, South Carolina
 County Employees by Function
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Judicial Services										
Clerk of Court	10	10	11	10	10	10	10	9	9	9
Magistrate	9	9	9	9	9	10	11	11	11	9
Probate Court	6	6	5	5	5	5	5	5	5	5
Solicitor	10	8	7	7	6	6	6	6	7	7
Health and Welfare										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veteran's Affairs	3	3	3	3	3	3	3	2	2	2
Public Works										
Soil and Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	36	39	42	43	43	49	49	49	49	47
Culture and Recreation										
Library	18	18	18	18	18	18	18	18	18	10
Parks, Recreation, and Tourism	14	13	13	13	10	15	14	14	13	17
Economic Development	2	2	2	2	2	2	2	2	2	2
Enterprise Fund										
Rock Quarry	16	16	16	17	17	18	17	17	17	16
	<u>4,457</u>	<u>4,462</u>	<u>4,442</u>	<u>4,442</u>	<u>4,425</u>	<u>4,435</u>	<u>4,424</u>	<u>4,424</u>	<u>4,406</u>	<u>4,362</u>

Oconee County, South Carolina
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
County Council										
Regular Meetings	24	24	24	24	24	24	24	24	-	-
Special Meetings	18	12	8	8	6	6	4	4	-	-
Finance										
Accounts Payable Disbursements	11,000	10,939	10,767	10,516	9,541	10,100	10,025	-	-	-
Payroll Disbursements	12,360	12,303	12,256	11,748	11,530	11,858	11,619	-	-	-
Human Resources										
Applications Processed	3,215	2,832	2,621	2,568	1,656	2,182	1,503			
Terminations	82	90	74	82	72	80	65			
Planning										
Formal Subdivision Reviews	10	-	25	25	20	11	-	-	-	-
Procurement										
Number of Requests for Proposals (RFP)	5	6	7	2	8	6	-	15	20	15
Number of Purchase Orders	1,000	1,000	1,020	875	698	712	-	12	20	10
Register of Deeds										
Recorded Documents	15,215	15,832	20,226	23,458	23,884	21,758	23,761	21,819	20,401	16,815
Registration and Elections										
Current Registered Voters	46,785	50,000	44,233	39,244	38,391	36,076	33,076	-	-	-
Vehicle Maintenance										
Repair Orders Processed	2,600	2,633	2,600	2,600	2,421	2,800	2,700	-	-	-
Assessor										
Agricultural Forms Processed	1,450	1,625	1,700	1,500	1,400	1,184	1,400	-	-	-
Residential Forms Processed	2,640	2,800	3,300	3,000	2,600	2,045	2,000	-	-	-
Assessment Appeals Processed	800	650	500	300	6,500	800	-	-	-	-
Auditor										
Airplanes	68	-	82	77	-	-	-	-	-	-
Real Estate Notices	71,835	-	74,000	72,896	-	-	-	-	-	-
Board of Assessment and Appeals										
Appeals Filed	6	29	180	131	8	7	7	179	-	-
Hearings Held	2	6	-	25	3	2	1	75	-	-

Oconee County, South Carolina
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government - continued										
Delinquent Tax Collector										
Tax Payments Processed	6,325	5,526	6,981	6,634	5,620	4,741	5,097	-	-	-
Redemptions Processed	183	190	225	264	335	353	-	-	-	-
Treasurer										
Real Estate Tax Notices Mailed	71,835	-	-	70,630	69,000	66,900	-	-	-	-
Vehicle Notices Mailed	72,969	-	-	58,507	72,805	79,000	-	-	-	-
Public Safety										
Animal Control										
Animals Received	5,500	5,200	5,500	5,198	5,234	5,198	5,234	-	-	-
Responses to Complaints	2,700	2,000	2,560	2,266	1,936	2,266	1,936	-	-	-
Animals Adopted	1,200	1,200	721	-	-	-	-	-	-	-
Building Codes										
Permits Issued	1,200	932	2,500	2,100	2,100	2,197	2,200	1,996	-	-
Inspections Performed	3,000	2,428	6,806	10,000	10,000	10,890	12,000	11,541	-	-
Coroner (Based on a calendar year.)										
Deaths	-	547	496	366	362	329	198	195	184	158
Detention Center										
Number of Inmates	4,217	3,853	3,817	3,779	4,591	3,782	3,832	3,363	-	-
Average Daily Population	170	166	154	139	130	118	96	86	-	-
Emergency Services (Based on a calendar year.)										
Structure Fires	-	143	117	113	294	255	355	-	-	-
Woods/Grass Fires	-	174	138	148	237	181	188	-	-	-
Alarms	-	498	352	430	400	491	456	-	-	-
Control Burns	-	48	29	112	5	36	63	-	-	-
Vehicle Accident/Fire Calls	-	788	252	314	526	493	534	-	-	-
Bomb Threats	-	2	0	0	3	0	15	-	-	-
Other Calls	-	480	418	695	789	822	709	-	-	-

Oconee County, South Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Safety - continued										
Sheriff's Office										
Service Calls	3,800	37,666	48,000	36,322	261,668	254,047	88,785	-	-	-
Incident Reports	6,400	6,023	6,034	8,873	8,869	6,144	5,431	-	-	-
Drug Arrests	316	608	450	402	366	372	422	-	-	-
Meth Labs	25	2	3	6	8	16	-	-	-	-
Traffic Unit - Citations	2,740	1,805	3,675	1,938	2,864	2,163	2,785	-	-	-
Warrants Units - Arrest	3,100	3,700	3,382	3,548	3,840	2,236	2,867	-	-	-
Transportation										
Roads and Bridges										
Work Orders	4,700	5,268	3,825	3,017	2,514	1,900	1,467	-	-	-
Tons of Gravel Hauled	19,700	21,185	32,763	42,400	42,007	35,006	-	-	-	-
Judicial Services										
Clerk of Court										
Foreclosure Auctions	423	63	118	150	138	177	182	-	-	-
Common Pleas New Cases	2,047	774	1,126	1,090	1,087	1,089	-	-	-	-
Family Court New Cases	848	421	901	900	879	944	929	-	-	-
Juvenile Cases	182	95	130	140	139	167	214	-	-	-
General Sessions Court Warrants Filed	1,893	1,026	2,728	3,100	3,060	3,104	2,700	-	-	-
Indicted Cases	1,868	1,650	1,925	1,650	1,604	1,826	2,162	-	-	-
Magistrate										
Municipal Arrest Warrants	2,236	1,162	6,670	5,526	4,753	5,524	3,575	-	-	-
Municipal Traffic Tickets	14,903	7,250	11,752	9,794	10,297	9,996	7,641	-	-	-
Health and Welfare										
Department of Social Services										
Food Stamps Cases	4,250	3,100	2,975	2,908	2,787	2,460	-	-	-	-
Family Independence Cases	260	190	190	199	188	163	-	-	-	-
Child Protective Services Investigations	200	275	250	207	331	271	-	-	-	-
Child Protective Services Cases	175	254	250	256	275	269	-	-	-	-

Oconee County, South Carolina
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Public Works										
Solid Waste										
Municipal Solid Waste (MSW)	36,000	37,250	37,773	35,816	36,880	39,641	40,441	38,764	-	-
Construction and Demolition (C&D)	22,330	26,255	25,014	23,440	19,594	20,393	15,549	13,638	-	-
Recyclables	3,800	4,356	4,784	5,581	4,871	5,845	5,180	4,784	-	-
Yard Waste	3,880	6,650	3,735	4,361	3,450	2,929	2,594	1,859	-	-
Culture and Recreation										
Library										
Computer Users	60,607	53,164	44,556	399	27,880	25,344	20,143	17,725	7,950	-
Registered Patrons	37,370	32,941	33,428	33,131	41,665	28,329	35,007	31,865	-	-
Enterprise Fund										
Rock Quarry										
Tons Shot	450,000	450,000	552,517	489,316	481,097	479,907	469,105	446,261	-	-
Tons Sold/Used	458,000	458,000	493,165	435,554	488,917	446,835	493,263	413,715	-	-

Note: Not all departments have maintained workload indicator data for each year above. Beginning with fiscal year end 2004, the departments have been strongly encouraged to maintain this data.

Source: Oconee County Finance Department

Oconee County, South Carolina
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Government										
Nondepartmental										
Buildings	6	6	7	6	6	6	6	6	-	-
Vehicles	30	29	34	30	31	41	37	38	-	-
Solid Waste ²										
Construction and Demolition Landfill Facility	-	1	1	-	-	-	-	-	-	-
Buildings - Transfer Station	-	1	1	-	-	-	-	-	-	-
Buildings - Materials Recovery Facility	-	1	1	-	-	-	-	-	-	-
Buildings - Manned Convenience Centers	-	11	11	-	-	-	-	-	-	-
Equipment and Vehicles	-	71	99	-	-	-	-	-	-	-
Taxation										
Vehicles	13	8	8	7	7	6	6	6	-	-
Public Safety										
Nondepartmental										
Buildings	2	2	2	2	2	2	1	1	-	-
Animal Control										
Vehicles	8	7	8	6	6	5	5	4	-	-
Building Codes										
Vehicles	6	7	13	11	10	9	6	6	-	-
Coroner										
Vehicles	1	1	1	2	1	1	1	1	-	-
Emergency Services ¹										
Vehicles	101	92	26	24	23	21	18	18	-	-
Rescue Boats	3	3	3	3	2	2	1	1	-	-
Rural Fire ¹										
Vehicles	-	-	64	62	63	60	60	60	-	-
Sheriff's Department										
Vehicles	118	105	116	109	108	96	98	93	-	-
Patrol Boats	2	2	1	1	1	1	1	1	-	-
Helicopters	1	1	1	1	1	1	1	1	-	-

Table 17 - Continued

Oconee County, South Carolina
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Transportation										
Airport										
Land (acres)	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	300.7216	-	-
Buildings	4	4	6	7	7	7	7	7	-	-
Equipment and Vehicles	10	10	11	9	9	9	9	9	-	-
Roads and Bridges										
Bridges	24	24	24	24	-	-	-	-	-	-
Roads	1572	1569	1553	1439	136	75	51	37	-	-
Vehicles and Heavy Equipment	103	93	100	86	92	92	98	98	-	-
Judicial Services										
Nondepartmental										
Buildings	3	3	2	2	2	2	2	2	-	-
Health and Welfare										
Department of Social Services										
Buildings	1	1	1	2	1	1	1	1	-	-
Health Clinic										
Buildings	1	1	1	1	1	1	1	1	-	-
Health Department										
Buildings	2	2	2	2	2	2	2	2	-	-
Nursing Home										
Buildings	1	1	1	1	1	1	1	1	-	-
Public Works										
Solid Waste ²										
Construction and Demolition Landfill Facility	1	-	-	-	-	-	-	-	-	-
Buildings - Transfer Station	1	-	-	-	-	-	-	-	-	-
Buildings - Materials Recovery Facility	1	-	-	-	-	-	-	-	-	-
Buildings - Manned Convenience Centers	11	-	-	-	-	-	-	-	-	-
Equipment and Vehicles	71	-	-	-	-	-	-	-	-	-

Table 17 - Continued

Oconee County, South Carolina
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Culture and Recreation										
Library										
Buildings - Branches	3	3	3	3	3	3	3	3	-	-
Parks, Recreation, and Tourism										
Land (acres)	119.171	119.171	119.171	119.171	119.171	119.171	119.171	119.171	-	-
Vehicles	10	10	12	10	9	8	11	10	-	-
Economic Development										
Economic Development										
Commerce Park Land (acres)	430.396	430.396	430.396	33.17	40.58	40.58	40.58	40.58	-	-
Enterprise Fund										
Solid Waste ²										
Construction and Demolition Landfill Facility	-	-	-	1	1	1	1	1	-	-
Buildings - Transfer Station	-	-	-	1	1	1	1	1	-	-
Buildings - Materials Recovery Facility	-	-	-	1	1	1	1	1	-	-
Buildings - Manned Convenience Centers	-	-	-	11	11	11	11	11	-	-
Equipment and Vehicles	-	-	-	34	30	32	28	26	-	-
Rock Quarry										
Land (acres)	26.429	26.429	26.429	26.429	26.429	26.429	26.429	26.429	-	-
Buildings	3	3	5	5	5	5	5	5	-	-
Equipment and Vehicles	28	28	39	32	37	37	34	34	-	-

Note: This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

¹ In fiscal year 2008-2009, Emergency Services and Rural Fire merged and became Emergency Services

² During fiscal year end 2008, Solid Waste was reclassified from an enterprise fund to a department in the General Fund

Source: Oconee County Finance Department

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COMPLIANCE SECTION

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SINGLE AUDIT SECTION

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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
Oconee County
Walhalla, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Oconee County, South Carolina as of and for the year ended June 30, 2010, which collectively comprise Oconee County's basic financial statements and have issued our report thereon dated January 25, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of the Keowee Fire District and the School District of Oconee County, as described in our report of 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 separately by those auditors. The financial statements of the Keowee Fire District were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2010-01, 2010-02, 2010-03 and 2010-04 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 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*.

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, County Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
January 25, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Oconee County Council
Oconee County
Walhalla, South Carolina

Compliance

We have audited the compliance of Oconee County, South Carolina, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a 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. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Oconee County, South Carolina, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the County, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, County Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

McAbee, Talbert, Halliday & Co.

Spartanburg, South Carolina
January 25, 2011

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>
US Department of Transportation			
Airport Improvement Program	20.106	3-45-0016-015-2007	\$ 6,064
Airport Improvement Program	20.106	3-45-0016-016-2008	107,030
Airport Improvement Program	20.106	3-45-0016-017-2008	1,266,211
Airport Improvement Program	20.106	3-45-0016-018	98,129
Airport Improvement Program	20.106	3-45-0016-019	1,187,238
			<u>* 2,664,672</u>
US Department of Justice			
Passed through SC Department of Public Safety			
Bulletproof Vest Partnership Program	16.607		291
Bulletproof Vest Partnership Program	16.607		6,923
Edward Byrne Memorial Formula Grant Program	16.579	2007-DJ-BX-0847	4,341
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0847	24,251
Recovery Act - Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Governments	16.804	2009-SB-B9-3014	89,383
Violence Against Women Formula Grants	16.588	1K09007	8,155
			<u>133,344</u>
US Department of Agriculture			
Passed through the SC State Treasurer's Office			
Secure Payments for States and Counties Containing Federal Land	10.665		<u>* 389,213</u>
US Department of Housing and Urban Development			
Passed through the SC Department of Commerce			
Community Development Block Grant	14.228	4-W-01-005	<u>* 649,804</u>
US Department of Education			
Passed through the SC State Library			
State Fiscal Stabilization Fund - Government Services, Recovery Act	84.397		<u>27,810</u>
US Homeland Security Administration			
Passed through the SC Emergency Management Division			
Emergency Management Performance Grants	97.042	9EMPG01	37,144
Emergency Management Performance Grants	97.042	8EMPG01	38,302
Passed through the SC State Law Enforcement Division			
Citizens Corp	97.067	8CCP01	4,646
			<u>80,092</u>
Total federal assistance expended			<u><u>\$ 3,944,935</u></u>

* Major Program

1. Summary of Significant Accounting Policies

Basis of Accounting

The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Oconee County, South Carolina.
2. Four significant deficiencies disclosed during the audit of the financial statements are reported in the Schedule of Findings and Questioned Costs. These deficiencies are reported as material weaknesses.
3. No instances of noncompliance material to the financial statements of Oconee County, South Carolina, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Schedule of Findings and Questioned Costs.
5. The auditor's report on compliance for the major federal award program for Oconee County, South Carolina expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs included:

Program Name	CFDA Number
Airport Improvement Program	20.106
Community Development Block Grant	14.228
Secure Payments for State and Counties Containing Federal Lands	10.665

8. The threshold for distinguishing between Type A and B programs was \$300,000.
9. Oconee County, South Carolina did not qualify as a low-risk auditee.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

B. FINDINGS – FINANCIAL STATEMENT AUDIT

2010-1

Conditions and Criteria

During the year, the County discovered that the prior year financial statements contained material misstatements related to the Oconee County Rock Quarry. The misstatements resulted from errors in recording the accounts receivable and related allowance for uncollectible accounts and the valuation of the inventory. Upon discovery of the errors, the County has recorded prior period adjustments to correct the misstatements. However, the County's system of internal control over financial reporting did not prevent the errors from being made or detect it prior to the issuance of the financial statements.

Cause

The County had not recorded the accounts receivable and related allowance for uncollectible amounts as of June 30, 2009. In the previous year, the inventory valuation included "shot rock on the ground" which is unprocessed rock and has minimal costs in it.

Effect

As of the beginning of the year, the accounts receivable and related allowance for uncollectible amounts was understated by approximately \$196,000 and the inventory was overstated by approximately \$214,000.

Recommendation

We recommend that the County implement policies and procedures to reconcile the general ledger to the Rock Quarry accounts receivable aging reports on at least annually. In addition, we recommend that the County review the year-end calculation of the rock quarry inventory costs to ensure that the valuation is accurate.

Management's Response

The Rock Quarry will submit reports, detailing the customer accounts receivable balances and the uncollectible accounts, to the Finance Department on an annual basis. In addition to these reports, the Rock Quarry will provide a detailed calculation resulting in the customer accounts receivable, net of the allowance for uncollectible accounts, to be reported on the financial statements. This calculation will be used to reconcile and adjust the general ledger to the actual accounts receivable at fiscal year-end.

In previous years, the Rock Quarry inventory had been recorded using a survey from an external engineering firm. In order to ensure the accuracy of the inventory recorded, management will review the survey and use it as a tool for calculating the Rock Quarry inventory. The general ledger will be reconciled and adjusted to the calculated inventory at fiscal year-end.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

B. FINDINGS – FINANCIAL STATEMENT AUDIT – continued

2010-02

Conditions and Criteria

Monthly bank reconciliations are the primary internal control procedure relating to the County's cash accounts. During the year, bank account reconciliations were prepared; however, the accounts were not completely reconciled and unreconciled differences had not been investigated. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Cause

The operating bank account had not been completely reconciled and reviewed during the year.

Effect

As of June 30, 2010, there were unreconciled differences of approximately \$700,000 in the County operating account.

Recommendation

We recommend that the monthly bank reconciliations be completed and reviewed for accuracy and completeness on a timely basis. The composition of unreconciled differences should be determined and followed up on, and any journal entries deemed necessary as a result should be recorded. Unreconciled differences should be investigated and not be allowed to roll forward from month to month.

Management's Response

During 2010, the County encountered unexpected problems with posting deposits into the CSI accounting software. This resulted in multiple reconciliation differences. In addition, the bank reconciliations were being prepared bi-weekly rather than monthly. Changes in posting deposits into the CSI accounting software have been implemented and the bank reconciliations are being prepared monthly, reducing the number of reconciling items. In addition, the bank reconciliation format has been revised to allow for the reconciliation of the bank statement to the general ledger. This allows for all necessary adjusting journal entries to be recorded in the CSI accounting software and ensures that the general ledger reflects the correct balance.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

B. FINDINGS – FINANCIAL STATEMENT AUDIT – continued

2010-03

Conditions and Criteria

An analysis of the County's capital asset accounts resulted in a restatement of the beginning of the year balances. Upon discovery of the errors, the County has recorded prior period adjustments to correct the misstatements. However, the County's system of internal control over financial reporting did not prevent the errors from being made or detect it prior to the issuance of the financial statements.

Cause

Certain capital expenditures had not been properly recorded or classified in the County's capital asset ledger.

Effect

The County's capital asset balances were overstated by approximately \$7,000,000. This resulted in prior period adjustments to correct asset classifications and to record assets purchased in previous years that had not been recorded in the capital asset ledger.

Recommendation

We recommend that the capital asset expenditures be reconciled to the capital asset additions to ensure that all capital assets have been capitalized. In addition, the construction in progress should be reviewed on a periodic basis to ensure that as projects are completed, the assets are placed in service and depreciated.

Management's Response

The general ledger expenditures are reviewed periodically, by the Finance Department, for possible capital asset purchases that have not been previously reported by the departments. Any items identified as capital assets are then added to the capital assets ledger. On a quarterly basis, a capital asset listing is sent to the departments for review. The Finance Department plans to visit the various departments to conduct internal audits of capital assets. These internal audits will enhance the accuracy of the capital asset ledger by identifying assets omitted from the ledger while safeguarding the County's assets and increasing accountability of the departments responsible for these assets.

Certain parcels of land had been previously misclassified as capital assets when those assets should have been reported as land held for resale. In the future, any land purchased for economic development commerce centers or industrial parks will be classified as land held for resale. The land held for resale will be recorded on the general ledger and not reported on the capital asset ledger.

Construction in process (CIP) projects will be reviewed annually with the Facilities Maintenance Department to access the status of the projects. If a project has been completed, a copy of the occupancy certificate, if applicable, will be requested. Projects remaining on CIP list for over three years will be reviewed by the County's management to determine status and projected completion. Once a CIP is deemed to be completed, the asset will be added to the capital asset ledger and depreciated over its useful life.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

B. FINDINGS – FINANCIAL STATEMENT AUDIT – continued

2010-04

Conditions and Criteria

Upon analysis of the accrued liability for landfill closure and post-closure costs, it was discovered that no inflation factor had been used in the calculation. In addition, no closure and post-closure costs had been accrued for the County's C&D landfills. Upon discovery of the errors, the County has recorded prior period adjustments to correct the misstatements. However, the County's system of internal control over financial reporting did not prevent the errors from being made or detect it prior to the issuance of the financial statements.

Cause

No inflation factor had been used because amounts were picked up from the wrong column in the engineering cost estimate. New monitoring regulations became effective that required monitoring of C&D landfills.

Effect

The accrued liability for landfill closure and post-closure costs was understated.

Recommendation

We recommend that County obtain an updated cost estimate for the closure and post-closure costs for all the County's landfills.

Management's Response

The County will obtain new engineering estimates for closure and post-closure costs that will include the inflation factors in the annual totals for both the MSW and the C&D landfills.

**OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None

**OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

FINDINGS – FINANCIAL STATEMENT AUDIT

Finding 2009-01

Conditions and Criteria

This finding was material weaknesses stating that the unauthorized system changes and activities could take place without the County's management approval or knowledge.

Recommendation

The auditor recommended that the County limit current employee access rights to only those financial applications needed to perform their specific job requirements and remove former employees' access rights to the financial system.

Current Status

During FY 2010, the County has reviewed the CSI user list and has removed employees who no longer need access. The Finance Office and the Information Technology Department are continuing to improve security on all county systems and to develop standard procedures to ensure that changes to user profiles are made in a timely manner.

Finding 2009-02

Conditions and Criteria

This finding was a material weakness stating that the County's capital asset required additional analysis to correctly state the capital asset additions.

Recommendation

The auditor recommended that capital expenditures be reconciled to capital asset additions at year-end to determine that all capital assets are properly capitalized.

Current Status

During FY 2010, the County established general ledger codes for capital assets that included a field that identifies the expenditure as a capital outlay. This allowed for easier identification of capital items and the County to reconcile capital outlay expenditures to capital outlay additions.

Finding 2009-03

Conditions and Criteria

This finding was a material weakness stating that the County, without proper investment account reconciliations, cannot produce accurate internal financial information.

Recommendation

The auditor recommended timely review of investment reconciliations to ensure that all balances are properly stated.

Current Status

In order to ensure accurate records for the School District, the County sent monthly general ledgers to the School District to review and arranged for the School District Finance Office to have access to view their bank statements online.

**OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

US Department of Agriculture

Finding 2009-04 Secure Payments for States and Counties Containing Federal Lands

Conditions and Criteria

This finding was a significant deficiency stating that the County failed to include all federal expenditures in the Schedule of Expenditures of Federal Programs.

Recommendation

The auditor recommended that the County review all state and federal funds expended during the year to ensure all federal funds are properly reported on the Schedule of Expenditures of Federal Awards.

Current Status

This has been corrected by the County and no similar findings were noted during the fiscal year 2010 audit.



Community Development Block Grant

Program Description

Public Comment Draft

Program Year

April 1, 2011 - March 31, 2012

South Carolina

State of South Carolina
Department of Commerce
Grants Administration

LMI - low to medium income (30,000 - 42,000)

Community Development Programs

Total Funds: \$ 19,610,339

Description

This program is designed to produce outcomes that improve citizens' quality of life and create a competitive environment for jobs and investment by addressing priority community development needs. Communities must demonstrate how they are ensuring healthy and safe neighborhoods. The grants will especially improve quality of life for distressed and LMI communities. Community Development projects will compete within the following subcategories that have the same general submission requirements, except that the Ready to Go Program will not be funded in a competitive funding round. Applications for this program will be considered eligible once all required application information is received and if they qualify for the minimum score using the non-comparative scoring criteria of the Community Development Programs. All other Community Development requirements will apply.

Community Infrastructure

Funds Available: \$7,610,339

Grant Maximum: \$500,000*

Grant Minimum: \$50,000

* Waivers of the grant maximum up to \$1,000,000 will be considered based on an urgent and compelling need, regional solutions, system-wide improvements (i.e., treatment plant), leveraging and a reasonable CDBG cost per beneficiary of \$10,000 per household or less. A written waiver request explaining the rationale must be submitted for consideration with the application request.

Outcome and Priorities

A Community Infrastructure application must contribute to creation of healthy and sustainable residential communities through water, sewer, roads, drainage or other activities that address one or more of the priorities listed in order of importance:

Significant improvements to existing infrastructure to address health concerns, meet required quality standards and ensure community sustainability

Projects that result in a more viable regional infrastructure solution or that provide new access to services near business centers where it is cost effective to address a documented health threat

Upgrades to infrastructure to address quality standards or provide new services where it is cost effective to address a documented health threat

Community Enrichment

<u>Funds Available:</u>	\$3,000,000
<u>Grant Maximum:</u>	\$500,000 Public Facilities* \$300,000 Public Services** or Other Activities
<u>Grant Minimum:</u>	\$50,000

* Waivers of the grant maximum up to \$1,000,000 will be considered based on an urgent and compelling need, regional solutions, leveraging and a reasonable CDBG cost per beneficiary of \$10,000 per household or less. A written waiver request explaining the rationale must be submitted for consideration with the application request.

** Due to federal caps on public services/equipment, the number and amount of grants for this purpose may be limited to no more than a total of \$2 million.

Outcome and Priorities

This program is designed to fund facilities, services and other activities that strengthen existing communities and support a high quality of life within the following state priority areas:

1. Workforce development
2. Safe and healthy communities
3. Obstacles to economic competitiveness

Project investments will result in more sustainable development opportunities that contribute to the long term vitality of communities and business centers. Activities must have the broad support of local businesses. Generally, buildings must be owned by the local government. Long term financial viability of the facilities/services will be carefully reviewed to ensure that it does not add an undue, new operating burden on local taxpayers.

A variety of activities are eligible but consideration for funding will be based on state priorities listed below and in the Community Development Selection Criteria:

- First priority - Workforce Development
 - Libraries – facilities or computer equipment with broadband capability to enhance skills training and education
 - Workforce Quick Jobs Training Centers - facilities or equipment for skills training and development
 - Publically owned facilities (non school facilities) that offer extended educational opportunities for at risk LMI children or youth (includes Boys & Girls Clubs)
- Second priority – Safe and Healthy Communities
 - Public safety facilities and services in LMI neighborhoods - police substations, multi-service centers designed to address crime risk factors
 - Demolition of vacant, dilapidated structures to address and support crime prevention efforts in targeted LMI neighborhoods

- Firefighting facilities or equipment serving LMI residential areas that provide a significant improvement in service for in town locations or near business centers
- Health clinic facilities or equipment in underserved areas
- Third priority - Obstacles to Economic Competitiveness
 - Public facilities modifications to ensure accessibility for disabled persons or for energy efficiency improvements for CDBG eligible public facilities that will significantly reduce operating burdens and promote sustainability (i.e., replacing windows, upgrading HVAC, etc)
 - Brownfield projects or demolition of obsolete buildings
 - Building re-use/ conversion of existing, vacant buildings served by existing infrastructure to new eligible uses, so long as the project does not add undue operating expenses on existing taxpayers
 - Downtown streetscape infrastructure where there is significant business activity and substantial prior investments. Projects must include a plan for retail/small business support.
 - Transportation-oriented public facilities to serve LMI populations
 - Planning for regional infrastructure, smart growth or sustainable development (subject to a cost reasonableness cap)

Equipment for public service activities must be for new or expanded services associated with a significant capital investment in facilities. Only major pieces of equipment that have a durable life of five years will be considered for funding.

Village Renaissance Program *(JL Dept. of Commerce)*

Funds Available: \$7,000,000

Grant Maximum: \$500,000

Grant Minimum: \$50,000

Outcome

This program is designed to assist in the development of sustainable communities through revitalization of in town residential neighborhoods. Projects must incorporate comprehensive strategies for linking commercial revitalization successes with improvements to neighborhoods that are generally adjacent to downtown or business centers. Such neighborhoods should be within walking distance to downtown or business centers (typically no more than ½ mile from the downtown or business center). A local government may address no more than one neighborhood at a time.

Each project should involve a five year, three phased program of planning and implementation that may be funded with CDBG and/or other funds. Phase 1 requires a neighborhood revitalization plan. Phases 2 and 3 involve activities designed to implement the revitalization plan.

Phase 1

The targeted neighborhood must submit an acceptable comprehensive revitalization plan that involves neighborhood residents in identifying needs and solutions. If a neighborhood revitalization study has not been previously undertaken, the local government may apply for a maximum of \$25,000 to conduct a study that sets out a realistic plan for implementation of CDBG eligible activities in two possible grant phases of 24 months each. Planning activities must be concluded within one year and bring projects to a "ready to be implemented" stage with all preliminary work completed. Plan elements must include but are not limited to:

- Comprehensive needs assessment and prioritization
 - Land use and housing existing conditions
 - Infrastructure and public facilities existing conditions
 - Public services (police, fire, health, education)
- Comprehensive strategies for revitalization that guide investments to achieve the following outcomes
 - Improve neighborhood involvement and interaction
 - Provide safety and neighborhood pride
 - Address infrastructure and public facilities needs
 - Identify in fill housing opportunities
 - Improve physical appearance and property values
 - Promote sustainability and conservation
- PER cost estimates and preliminary design
- Analysis of acquisition requirements - title search, surveys
- Complete ERR for all revitalization activities (good for 3 years)
- LMI survey determination
- Roles and responsibilities –neighborhood and local government involvement and commitment in planning and implementation
- Time frame for phased implementation activities

The neighborhood revitalization plan will be reviewed, and through negotiation with GA, activities to be funded by CDBG in the next phase will be identified in an application to be submitted and approved without further competition. The next phase application must be submitted concurrently with the close out package for the previous phase.

Phase 2

If there is an acceptable existing neighborhood revitalization plan, an application may be submitted for the CDBG funded activities needed to implement the plan up to a maximum of \$500,000. The application will be competitively ranked if it is not associated with an approved, phased Village Renaissance Program. If funded, activities will be identified through negotiation with Grants Administration. Activities must be completed and the project closed within a 24 month grant period.

Implementation of comprehensive neighborhood revitalization must involve multiple activities including a public safety component. Activities may include:

- Infrastructure - water, sewer, roads, drainage
- Public facilities- sidewalks, security lighting and cameras, police substation, technology, multi-service centers designed to address crime risk factors, walking trails, green space, landscaping
- Housing - infrastructure or other activities to support affordable or workforce housing; exterior only improvements including facades, minor repairs, energy efficiency improvements, handicap accessibility
- Demolition and clearance of vacant and dilapidated properties
- Public services - crime watch program, drug or gang education, awareness or prevention programs. Note: Services are limited to 15% of the CDBG project activity costs, must be new or expanded services, and applicant must commit to continue such services after the grant is closed without creating an operating burden on the local government.

Phase 3

If the grantee can document achievement of Phase 2 performance goals for beneficiaries, timely completion of activities and satisfactory program compliance then up to \$500,000 may be requested in an application and will be approved without further competition to complete implementation of the revitalization plan. The next phase application must be submitted concurrently with the close out package for the previous phase. Activities to be undertaken in Phase 3 will be negotiated and awarded by Grants Administration based on the approved revitalization plan.

Ready to Go Program

Funds Available: \$2,000,000

Grant Maximum: \$500,000*

Grant Minimum: \$50,000

* Waivers of the grant maximum up to \$1,000,000 will be considered based on an urgent and compelling need, regional solutions, system wide infrastructure improvements (i.e., treatment plant), leveraging and a reasonable CDBG cost per beneficiary of \$10,000 per household or less. A written waiver request explaining the rationale must be submitted for consideration with the application request.

Outcome

This program is designed to stimulate the local economy by addressing urgent or compelling community needs and encouraging the timely implementation of CDBG eligible projects. The project requires an upfront investment of local and other funds for planning, project design and permitting that is substantially equivalent to the required 10% local match.

The project must be an eligible public facility improvement under the Community Infrastructure or Community Enrichment program. All required project activities leading up to bidding must be complete prior to submission of the application including but not limited to: project design, environmental review, acquisition and permits. CDBG funds may only be used for construction.

Local and other funds must be used for pre-bid activities and will count toward the match requirements of the program. Projects must be advertised for bid within 60 days of grant award.

Applications will be accepted on an ongoing basis and funding will occur throughout the year, based on funding availability, when all application documentation has been received. No grant award will be made until evidence is submitted that all pre-bid activities are complete. Projects will be reviewed using the non comparative scoring factors as listed in the Community Development Program Selection Criteria section. The project must obtain a minimum score of 150 points to be considered eligible for funding. In the event there are more eligible applications than funds available, the highest scoring eligible projects will be funded. Application requests that do not meet all program requirements may be considered in the appropriate competitive program.

Community Development Program Requirements

A unit of local government, filing individually or as a lead applicant, may submit only one application per Community Development Program category. A Community Development Program project may consist of one primary activity and associated activities as appropriate and necessary to implement the primary activity in one or more eligible target areas, or a project may consist of multiple activities which address priority needs in one defined LMI neighborhood or target area.

The grant award limits for each category may be waived at the discretion of Grants Administration in order to provide the level of assistance required where other resources are not reasonably available to the unit of local government to address the need in a timely manner or where Grants Administration determines the amount is necessary and appropriate to achieve the State's CDBG Program objectives.

Performance Threshold

As a performance-based incentive, a unit of local government can apply for an additional Community Development grant if it has no more than two open CDBG grants (excluding CDBG-R, Business Development or Regional Planning grants). However, the open grants must not have exceeded a 30 month grant period.

There are additional program category threshold limits:

- A unit of local government may not have more than one Village Renaissance project.
- A unit of local government may not have more than two Ready to Go projects.
- A unit of local government may only apply for one Ready to Go project per program year.
- A unit of local government may not have more than one project for the same general target area/neighborhood. (i.e., phase 1 and phase 2 of an activity).

For threshold purposes, a grant is considered open if it is not programmatically closed at the time of application submission. The applicant must submit a request for waiver prior to or with the application request. At the discretion of Grants Administration, a performance threshold waiver may be considered only for the following reasons:

- There is an urgent or compelling need for immediate assistance, such as an imminent health threat to the public, or
- It is determined that lack of performance on an open grant is due to unavoidable circumstances or conditions beyond the control of the local government. If problems are determined to be administrative, the local government may be allowed to apply if a different grant administrator is responsible for the new application/project.

A unit of local government may not apply for Community Development funds if it has any open grant which has not been programmatically closed due to the local government's lack of compliance with significant programmatic or financial requirements of the program. A grant may not be awarded to a local government which has a serious, outstanding audit or monitoring finding involving the potential for significant monetary restitution or non-responsiveness on any previously funded CDBG grant.

Application Requests and Deadlines

Units of local government that are interested in applying for Community Development Programs must request an application from Grants Administration and provide a brief, written description of the proposed project, the proposed number of beneficiaries and an estimate of the percentage of beneficiaries who are LMI (if appropriate), the project location and map, total project costs, all funding sources, the amount of CDBG funds to be requested, and the proposed use of such funds. Signed application requests must be submitted by the chief elected or administrative official of the unit of local government by the application request due date. Application requests will be reviewed to determine whether the proposed project appears to meet eligibility, national objective and threshold requirements. Grants Administration may request a meeting with the potential applicant or conduct a site visit to determine eligibility and feasibility prior to mailing an application.

Community Infrastructure

Application Requests due:	March 18, 2011 at 5:00 p.m.
Applications due:	April 18, 2011 at 5:00 p.m.

Community Enrichment and Village Renaissance

Application Requests due:	August 19, 2011 at 5:00 p.m.
Applications due:	September 19, 2011 at 5:00 p.m.

Local Match/ Leveraging

CDBG projects are expected to leverage other public and private investments and serve as a catalyst for future development. Projects that traditionally have the greatest long term impact are those that have an investment by the community. Leveraging of CDBG funds is also considered a scoring factor in the selection of projects for funding.

There must be a 10% match of the total CDBG request, unless otherwise approved, which can come from a variety of committed sources including other, non-Commerce grants, loans, waiver of fees, public or private investments, and documented volunteer or in-kind contributions.

Public Notice Regarding
2011-2015 State Consolidated Plan for Housing and Community Development and
2011 Annual Action Plan

Notice is hereby given that the State of South Carolina proposes to submit its 2011-2015 Consolidated Plan and 2011 Annual Action Plan for Housing and Community Development to the US Department of Housing and Urban Development (HUD) on February 15, 2011. The Consolidated Plan's purpose is to satisfy HUD's statutory requirements for South Carolina to receive funding allocations from four HUD programs: 1) Community Development Block Grant Program administered by the SC Department of Commerce, Grants Administration; 2) HOME Investment Partnerships administered by the SC State Housing Finance and Development Authority; 3) Emergency Shelter/Solutions Grant Program administered by the Governor's Office, Office of Economic Opportunity; and 4) Housing Opportunities for Persons with AIDS administered by the SC Department of Health and Environmental Control, STD/HIV Division. The state's Citizen Participation Plan is also being updated, is incorporated in Part VIII of the 2011-2015 Consolidated Plan, and is available for public review and comment.

Public review and comment are encouraged during the 30-day comment period that begins Thursday, January 13, 2011. An online public forum and a public hearing will be held to obtain input on the 2011-2015 Consolidated Plan. The online public forum will be held on January 25, 2011 at 2:00 pm. Participation will be limited to the first 75 people to register, but the presentations included in the forum will be posted online afterwards. The online forum will allow written submission of comments. The public hearing will be held on January 26, 2011 at 2:00 p.m. in Columbia, SC at the SC Department of Commerce, 1201 Main Street, 15th Floor Presentation Center. The public hearing format will allow oral comments. To register for the online forum or get directions to the public hearing location in Columbia, call (803) 734-0429 or email cjones@sccommerce.com.

Copies of the proposed 2011-2015 Consolidated Plan will be available for public review during the comment period, during normal business hours at the ten regional councils of governments and at the four state agencies listed above. In addition, the Consolidated Plan can be downloaded from the SC Department of Commerce website at <http://sccommerce.com/cdbg-forms-and-documents>.

For more information or to request a copy of the Plan, please contact the SC Department of Commerce, Grants Administration, 1201 Main Street, Suite 1600, Columbia, SC 29201, email cjones@sccommerce.com, or call (803) 734-0429 / TDD (803) 734-1046. Written or email comments regarding the Plan may also be submitted to these addresses through February 11, 2011.

Assistance will also be provided to accommodate the special needs of disabled persons. Please contact Dick Scott at the address and telephone listed above with a description of the accommodation needed at least two working days prior to the hearing. For assistance for those with limited English language proficiency, please contact the SC Department of Commerce at the address above. The State of South Carolina does not discriminate on the basis of age, race, color, religion, sex, national origin, familial status or disability in the admission or access to, or treatment or employment in, its federally assisted programs or activities.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This ensures transparency and allows for easy auditing of the accounts.

In the second section, the author details the various methods used to collect and analyze data. This includes both primary and secondary research techniques. The primary data was gathered through direct observation and interviews with key stakeholders. Secondary data was obtained from industry reports and public databases.

The third section provides a comprehensive overview of the findings. It highlights several key trends and patterns observed in the data. For instance, there is a significant increase in digital adoption across all sectors, which is reshaping the competitive landscape. Additionally, the study identifies a growing concern among consumers regarding data privacy and security.

Finally, the document concludes with a series of recommendations for future research and practical applications. It suggests that further exploration into the long-term effects of digitalization is warranted. Moreover, it advises organizations to implement robust data protection measures to build trust with their customers.