

**OCONEE COUNTY,
SOUTH CAROLINA**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

**ISSUED BY:
OCONEE COUNTY
Administrator and Finance Departments**

**Dale Surrett
County Administrator**

**Phyllis Lombard, CGFO
County Director of Administrative
Services and Finance**

**OCONEE COUNTY
WALHALLA, SOUTH CAROLINA**

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INTRODUCTORY SECTION
(UNAUDITED)

Dale Surrett
County Administrator

Oconee County Administrative Offices
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Walhalla, SC 29691



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(864) 638-4246
Smatheson@oconeesc.com

February 12, 2008

To the Members of the Oconee County Council and Citizens of Oconee County:

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. If a delay is anticipated, the local government must request an extension from the State Comptroller General's office and file within the timeframe of the extension. This report is published to fulfill the reporting requirement for fiscal year ended June 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Elliott Davis, LLC Certified Public Accountants, has issued an unqualified ("clean") opinion on Oconee County's financial statements for the year ended June 30, 2007. 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, and is considered to be in one of the top growth areas of the state. It currently occupies 625 square miles and serves a population of 70,567. Oconee County is empowered to levy a property tax on both real and personal property located within its boundaries.

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 the Administrator and five council members. Council members are elected by district to a four-year term and appoint the County Administrator.

Oconee County provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational and cultural activities. Sewer services are provided through a legally separate Sewer Commission. Those financial statements, ended June 30, 2007, are available for public inspection at the Commission's business office. Oconee County also is financially accountable for a legally separate school district for which it approves a tax levy each year to fund the local property tax portion of the Oconee County School District's budget. The School District's financial statements are available for review at the School District's office.

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, in an amount not to exceed \$25,000, with the approval of the County Administrator upon the recommendation of the Finance Director. County Council must approve all transfers that exceed \$25,000.

Local Economy

Major industries located within the government's boundaries or in close proximity include manufacturers of electrical controls, machine tools, and automobile components. An analysis of Oconee County employment by industry reveals that the largest industry types are manufacturing (25.5 percent), trade, transportation, and utilities (22.0 percent), and government (19.6 percent).

During the past ten years, the unemployment rate in Oconee County rose from an initial low of 4.4 percent in 1997 to a high of 9.0 percent in 2006. The increase in unemployment has been mainly attributed to textile mill closures and consolidations. However, in an effort to deal with the unreliability of a single-type manufacturer based local job market that may be subject to the vagaries of the economy as a whole, Oconee County has made great strides to address and attract a more diverse economic base.

More than 2,500 new jobs have been created in Oconee County since 1997. Additionally, announced capital investment in the County has exceeded \$471 million.

During the past five years, the government's expenses related to public safety and parks and recreation have increased by more than 27 percent and 26 percent, respectively. Both programs experienced an increase in salaries and employee benefits, as well as capital outlay.

During the same five-year period, programmatic revenues have increased, which includes charges for services. Certain fines and fees, which are included as part of the programmatic revenue, are established by federal, state, or local law. These revenues have increased by more than 50 percent since 2003.

Long-term Financial Planning

County Council recommended the County establish a goal of ninety days working capital in the general fund. The undesignated fund balance determines the future strength of the County's financial position. The County enters FY 2007-2008 with a total fund balance of \$13,468,276 in the general fund. The undesignated portion is \$8,581,893, which represents 64 percent of the total fund balance. This amount would provide coverage of approximately eighty-seven days for possible fluctuations in the economy and any unforeseen natural disasters. A concerted effort is made to achieve a balance that is at or above the ninety-day coverage provision.

With prudent management and executive control, certain cost-saving opportunities have been identified. These initiatives include realignment of staff and application of information technology resources. Various departments have been observed providing duplicate customer services roles. As a result, certain staff members have been relocated to departments that would increase the ease and efficiency with which citizens can access important information. Further, the enhancement of information technology architecture will allow for better use of the County's human resources by enabling staff to respond to more complex critical issues and an ever-demanding workload.

In an effort to improve the financial impact of future capital needs, the County will implement a five-year capital improvement plan. The analysis of historical funding requirements, property and equipment records, and other relevant operational data will aid in determining the availability of financial resources along with the urgency of providing effective services and facilities of the County.

The County's long-term debt management policy goes hand-in-hand with the capital improvement plan. In addition, the 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.

Major Initiatives

The Oconee County Airport is currently undergoing a major runway expansion effort. This will provide a significant incentive for large aircraft to utilize the facility. This project includes design of a 600 linear foot extension of Runway 25 and the design of a full parallel taxiway extension at the Runway 25 end. As the County looks forward to the completion of this project, it has been widely noted that expansion of the airport will make it more attractive to a wider market of the aviation industry.

The next facilities-related project is expected to be a new facility to house the Department of Social Services/Department of Health and Human Services. Total Council approved funding for the project totals more than \$3.8 million. Once completed, the building will consist of 79 offices, 2 board rooms, 3 training rooms, and 3 visitation rooms.

As infrastructure challenges have been brought to the attention of the Oconee County Council and Administrator, those needs have been addressed in an effort to ensure fiscal viability by incrementally funding needed projects.

Capital Items Funded FY 2006-2007

- Hazardous materials truck
- Redesign of 4th floor courtroom
- Fuel tanks at Roads Dept.
- DSS building
- Two (2) communications towers
- Animal control facility
- GIS/Mapping land parcels
- Digitize land use map
- Generators for Emergency Management

Beginning in FY 2006-2007, the County has undertaken the development of citizen-initiated, community-based zoning for the unincorporated areas of Oconee County. This will entail the establishment of districts which will be separated into sections reserved for different land usages. The County hopes to utilize zoning as a tool to help guide growth and development in an attempt to meet the goals established by the County's Comprehensive Plan.

The County will be focusing on improved emergency services during FY 2007-2008 due to the passage of Ordinance 2007-07, "An Ordinance Establishing the Oconee County Emergency Services Department." The Ordinance will create a special tax district to fund Emergency Services.

Oconee County Economic Development will be working diligently in FY 2007-2008 to devise and enhance strategies to attract new business and industry to the area as well as work to provide incentives to current industrial partners to expand their operations in our community. Economic Development will focus on promoting and marketing the natural beauty of the County while also concentrating on the education, infrastructure, and job creation in the County.

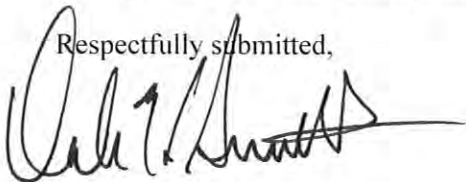
Awards and Acknowledgements

In accordance with Oconee County Council adopted Ordinance 2004-28, "An Ordinance Setting Forth the Financial Management Practices/Policies for Oconee County," the Finance Department shall attempt to prepare a comprehensive annual financial report (CAFR) in order to present annually for the award of excellence to the Governmental Finance Officers Association (GFOA). The FY 2006-2007 CAFR will be the Finance Department's first submittal to the GFOA for review and comment. It will be submitted in future years for award consideration. Such an achievement is the goal of the Finance Department as it gives the investors and credit analysts increased confidence that information disclosed in the County's CAFR is comprehensive and accurate.


In, addition, Oconee County has also made great strides in seeking GFOA's Distinguished Budget Presentation Award for the annual County budget document. During the FY 2006-2007, the FY 2007-2008 Oconee County Operating and Capital Budget was submitted to the GFOA for award consideration. While the award failed to be garnered, the Finance Department gained valuable insight on how to improve the document for future submittals.

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 Administrator and the governing council for their unfailing support for maintaining the highest standards of professionalism in the management of Oconee County finances.

Respectfully submitted,

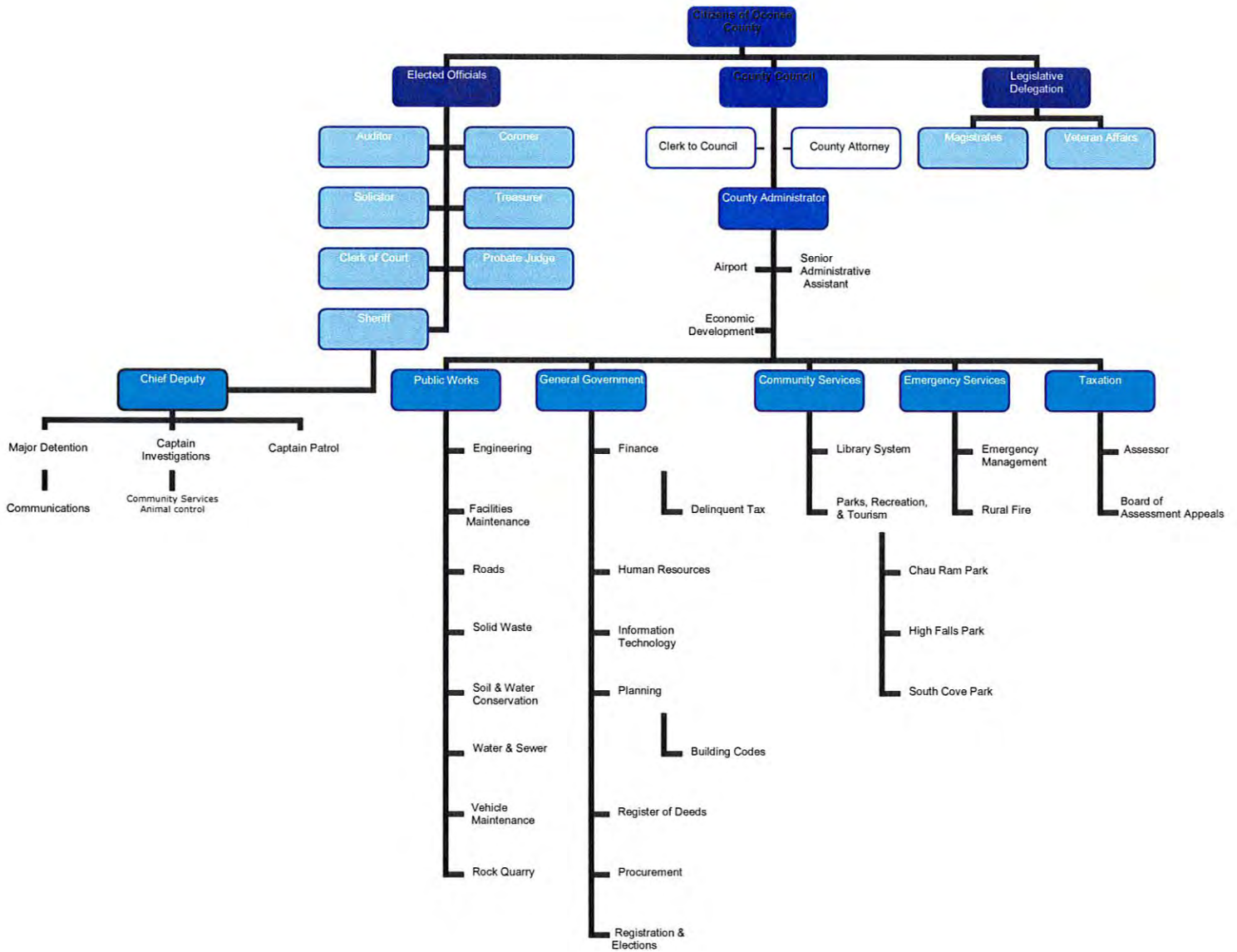


Dale Surret
County Administrator



Phyllis E. Lombard, CGFO
Director of Administrative
Services and Finance

OCONEE COUNTY, SOUTH CAROLINA ORGANIZATION CHART



***OCONEE COUNTY
WALHALLA, SOUTH CAROLINA***

COUNTY COUNCIL

MARION E. LYLES, DISTRICT V - CHAIRMAN
THOMAS S. CRUMPTON, JR., DISTRICT II - VICE CHAIRMAN
GEORGE BLANCHARD, DISTRICT I
MARIO SUAREZ, DISTRICT III
H. FRANK ABLES, JR., DISTRICT IV - CHAIRMAN PRO TEM

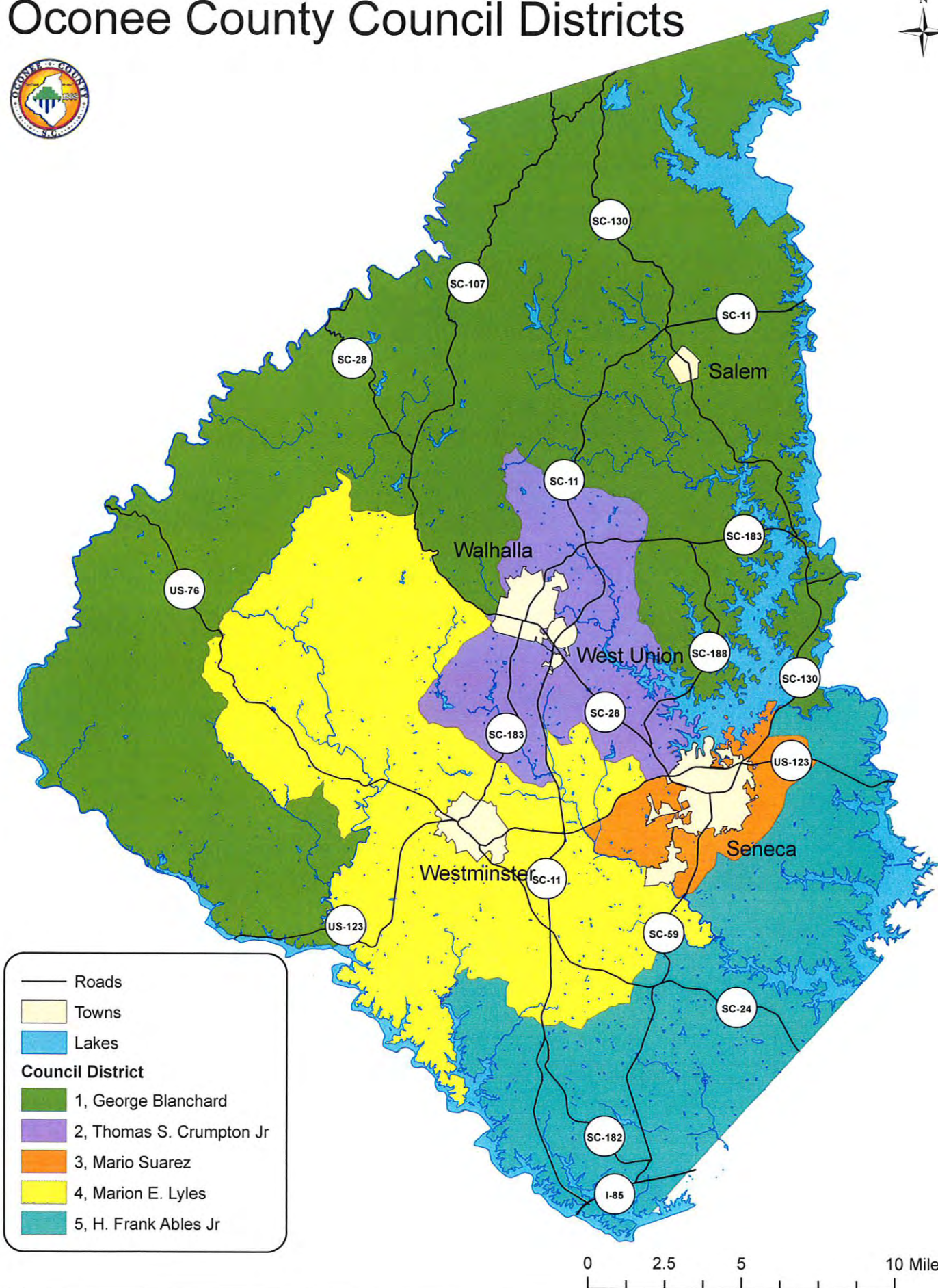
LEGISLATIVE DELEGATION

SENATOR THOMAS C. ALEXANDER
REPRESENTATIVE WILLIAM R. WHITMIRE
REPRESENTATIVE WILLIAM E. "BILL" SANDIFER, III
REPRESENTATIVE DON BOWEN

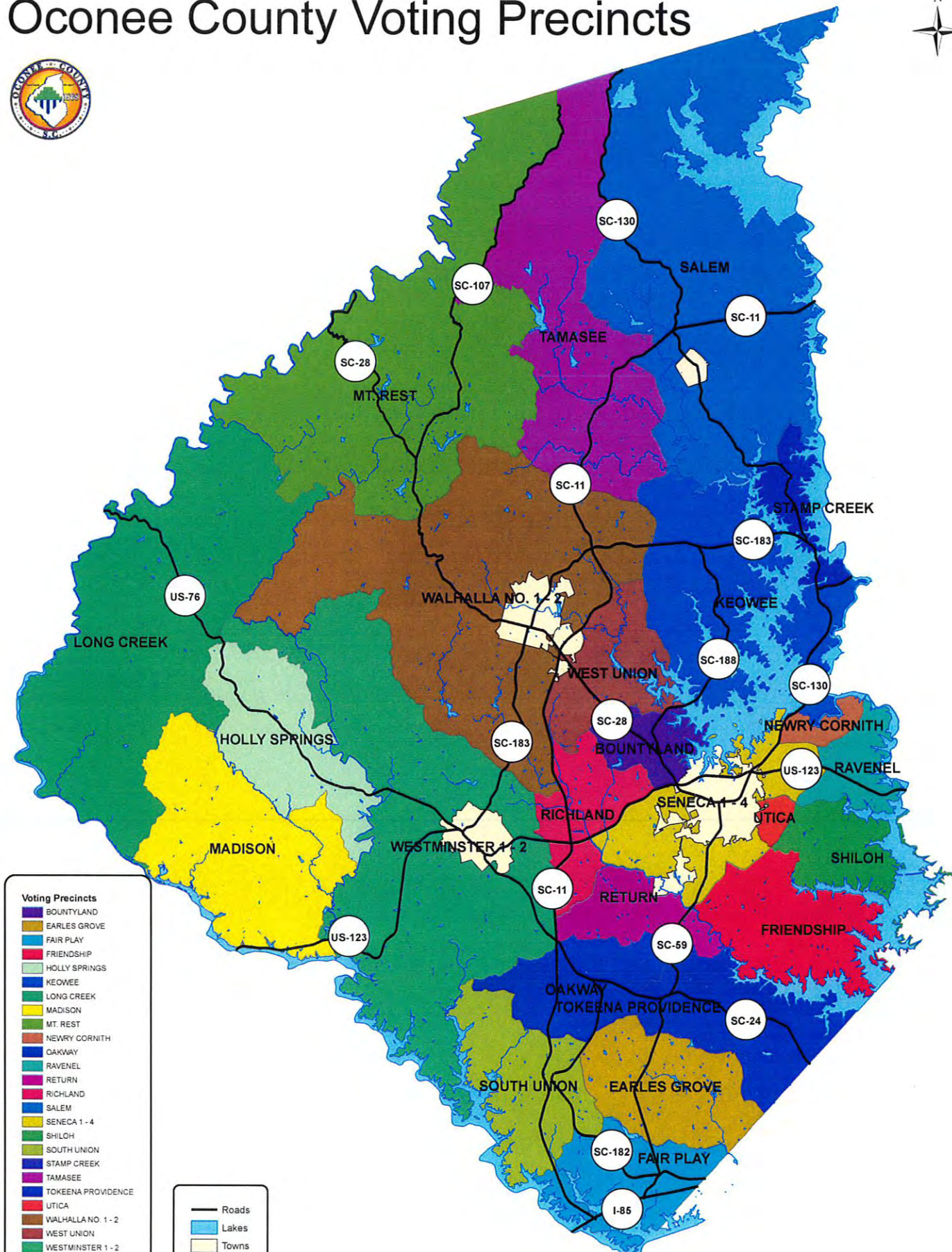
COUNTY ADMINISTRATOR

DALE SURRETT

Oconee County Council Districts

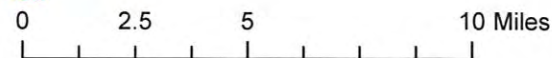


Oconee County Voting Precincts

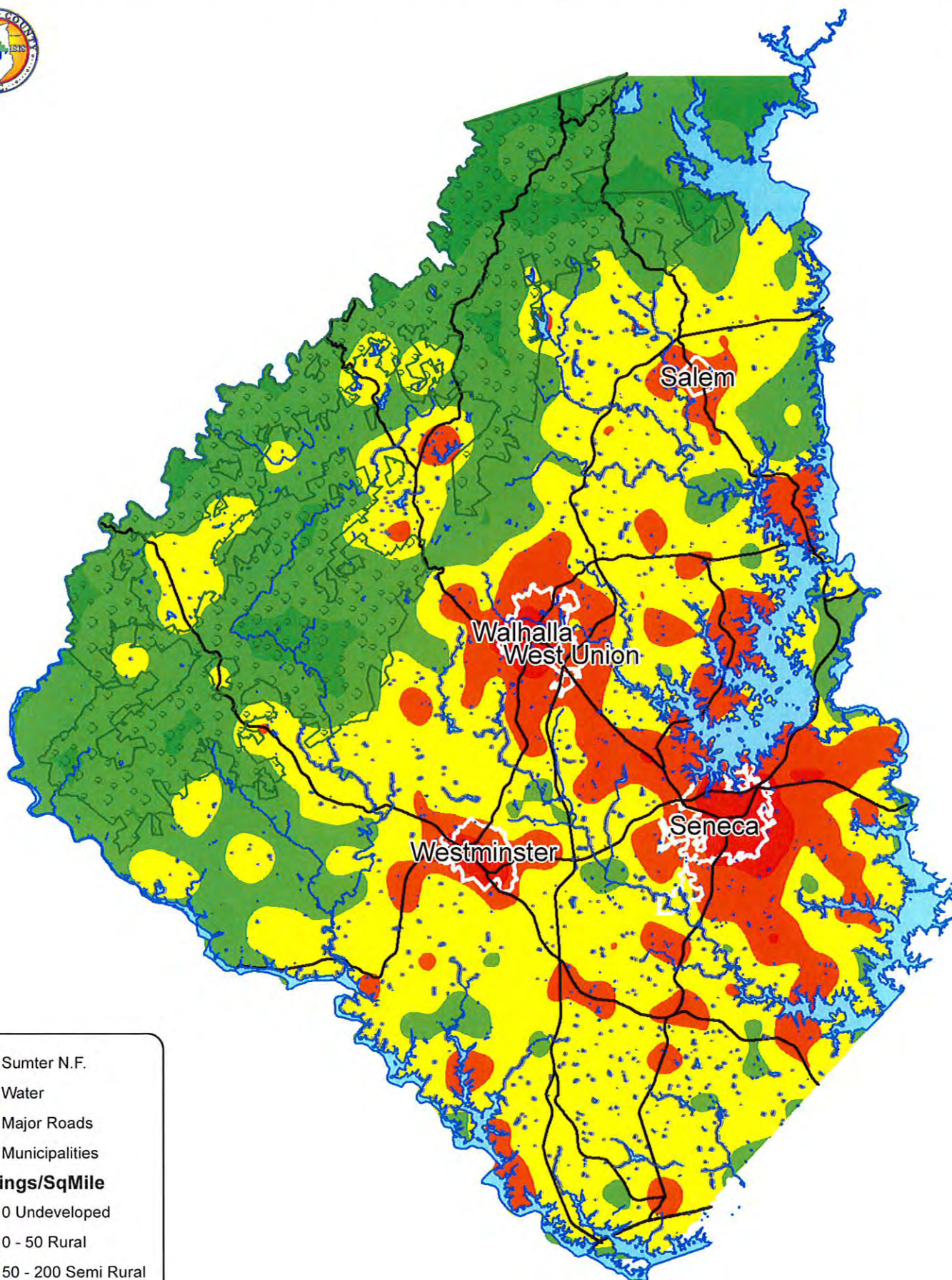


- Voting Precincts**
- BOUNTYLAND
 - EARLES GROVE
 - FAIR PLAY
 - FRIENDSHIP
 - HOLLY SPRINGS
 - KEOWEE
 - LONG CREEK
 - MADISON
 - MT. REST
 - NEWRY CORNITH
 - OAKWAY
 - RAVENEL
 - RETURN
 - RICHLAND
 - SALEM
 - SENECA 1 - 4
 - SHILOH
 - SOUTH UNION
 - STAMP CREEK
 - TAMASEE
 - TOKEENA PROVIDENCE
 - UTICA
 - WALHALLA NO. 1 - 2
 - WEST UNION
 - WESTMINSTER 1 - 2

- Roads
- Lakes
- Towns



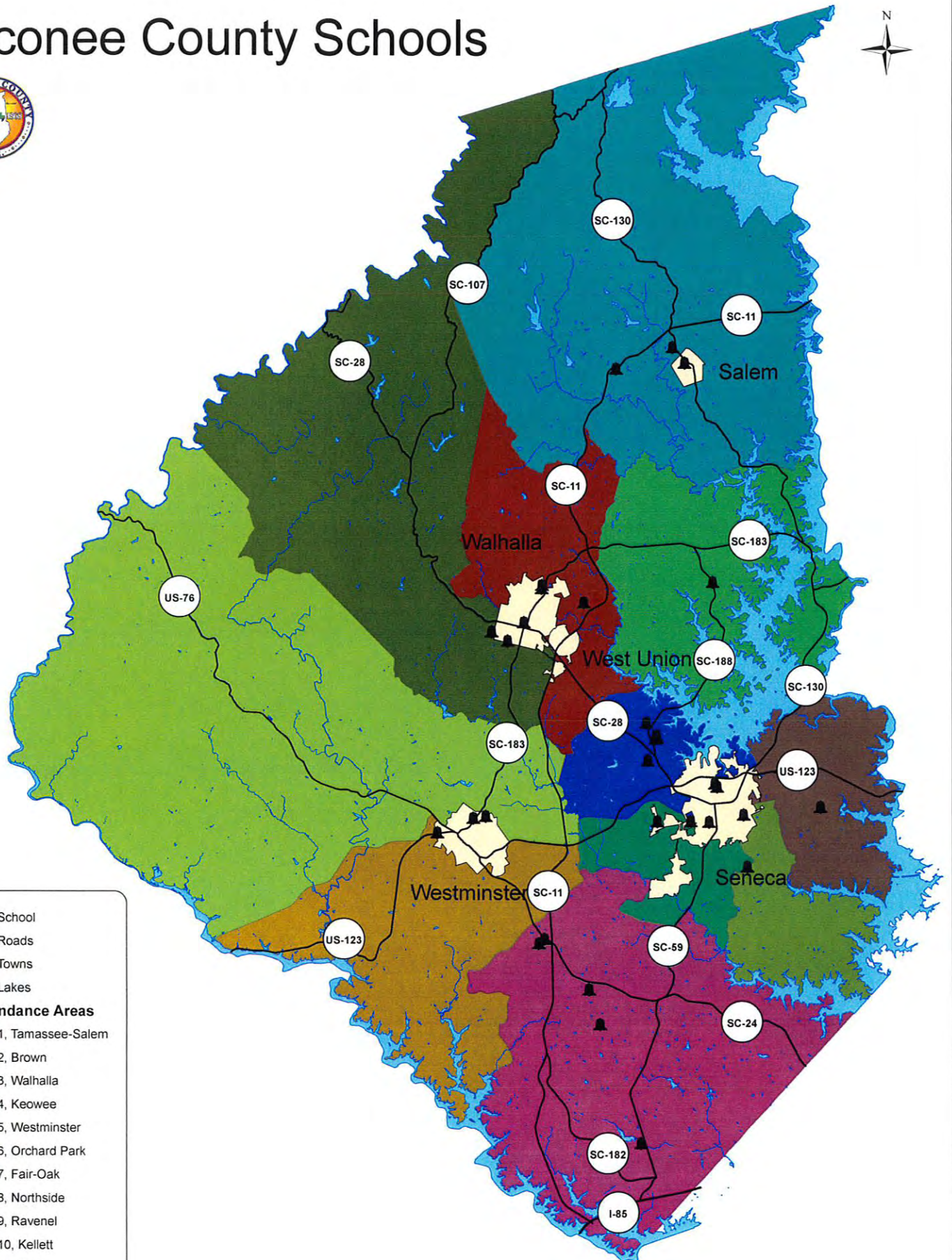
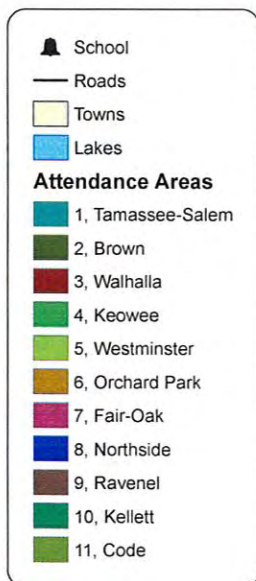
Oconee County Development



- Sumter N.F.
- Water
- Major Roads
- Municipalities
- Buildings/SqMile**
- 0 Undeveloped
- 0 - 50 Rural
- 50 - 200 Semi Rural
- 200 - 500 Suburban
- 500 - 1,385 Urban

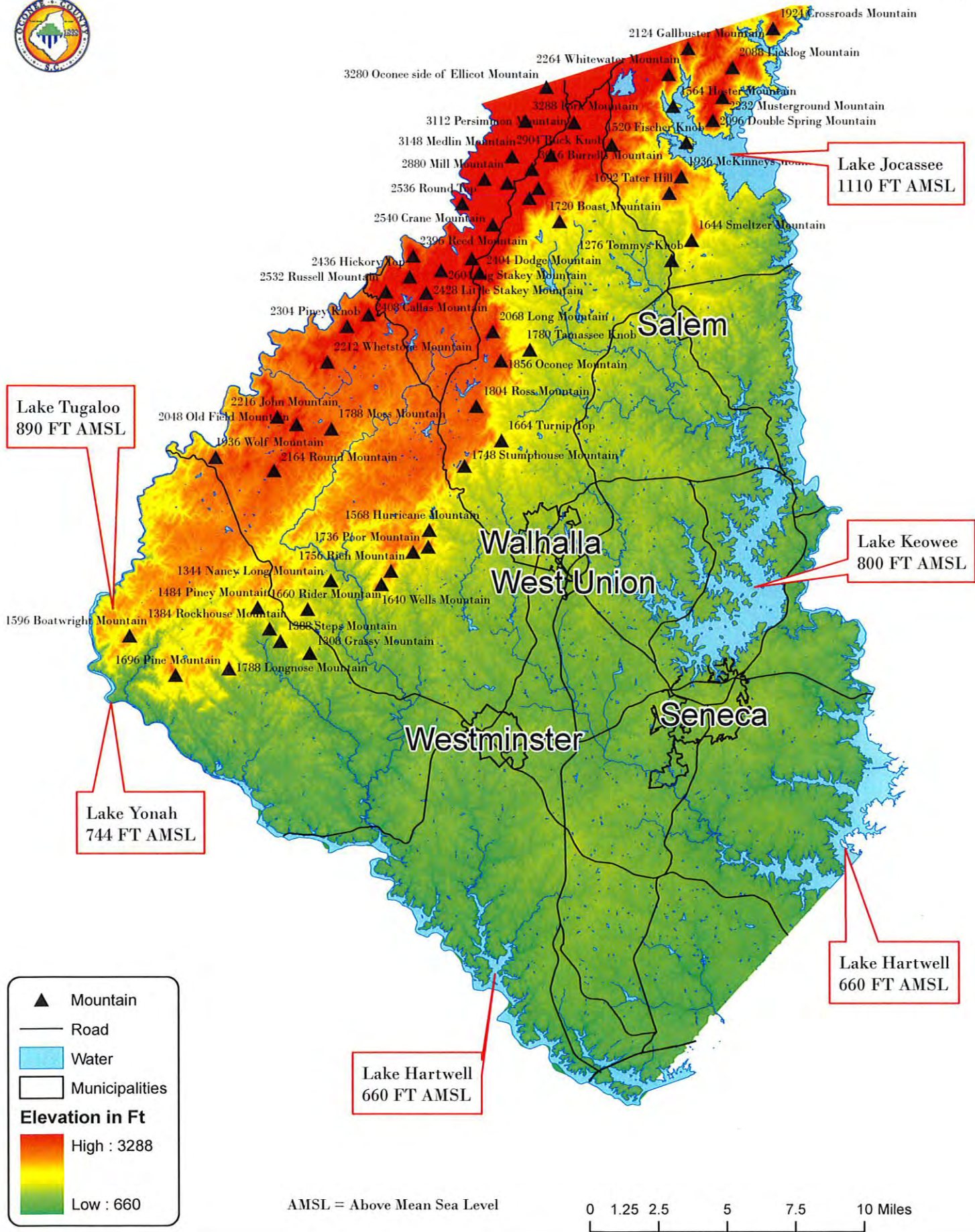
0 2.5 5 10 Miles

Oconee County Schools



0 2.5 5 10 Miles

Oconee County Elevation Map



FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Oconee County Council
Oconee County
Walhalla, South Carolina

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Oconee County, South Carolina as of and for the year ended June 30, 2007, 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 Oconee County Sewer Commission 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 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 *Governmental 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 and the report of other auditors provide 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 as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17 to the financial statements, the County changed its method of accounting related to retroactive reporting of infrastructure assets to comply with the provisions of Governmental Accounting Standards Board Statement No. 34.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated February 8, 2008 on our consideration of Oconee County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with government auditing standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison Information, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oconee County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, schedule of fines and assessments, and statistical tables as listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, schedule of fines and assessments, and accompanying schedule of expenditures of federal awards have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion based on our audit and the reports of other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied by us and other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Greenwood, South Carolina
February 8, 2008

Ernst Davis, LLC

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, 2007. 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, 2007 by \$133,311,062, which was an increase from prior year of 71.4 percent which was primarily a result of the retroactive recording of governmental infrastructure assets in accordance with Governmental Accounting Standards Board Statement No. 34. Of this amount, \$19,821,009 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's overall increase in net assets was \$3,226,869 with the business-type activities reporting an increase of \$27,759 and the governmental activities reporting an increase of \$3,199,110.
- During the year, the County had expenditures in governmental activities that were \$6,045,607 less than the \$43,671,344 generated in tax and other revenues for governmental programs (before transfers). For comparison, the 2006 revenues were more than the 2006 expenditures by \$22,979,878 as reflected in the Changes in Net Assets (Figure 2).
- In the County's business-type activities, revenues decreased to \$4,141,965 (or -2.4 percent change), while expenses were increased by a total of \$50,740, or 0.7 percent from the previous year.
- The total cost of the County's governmental programs increased by \$5,876,616 with no deletions in programs from the prior year. The increase from 2006 to 2007 was 18.5 percent, which reflected an increase of 14.8 percent from the 2005 to 2006 percent change of 3.7 percent.
- The General Fund reported a deficit this year of \$1,130,333 in net change in fund balances, a decrease of \$4,861,262 from the previous year's surplus.
- The actual revenue sources available for appropriation were \$2,712,544 more than anticipated due primarily to revenues from interest income, payments in lieu of taxes and franchise fees, and property taxes. Expenditures were under budget by \$6,725,835, leaving 18.1 percent unspent. The excess of actual revenues over the actual expenditures was \$8.4 million, creating a favorable variance span from the final budget of almost \$9.4 million.

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.

BASIC FINANCIAL STATEMENTS, NOTES AND REQUIRED SUPPLEMENTARY INFORMATION OVERVIEW

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, Judicial Services, Public Safety, Health and Welfare, Highways and Streets, and Culture and Recreation.
- Business-type activities – The County charges fees to cover the cost of providing certain services and the production of certain products made available to its customers. The Rock Quarry and the Solid Waste Division are reported here.
- Component units – The County includes two legally separate entities in this section, the Oconee County Sewer Commission 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 16. 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.

- 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 two enterprise funds. The reporting for these enterprise funds is the same as the business-type activities reported in the government-wide statements, but contains more detail and additional information such as the Statement of Cash Flows.
- Fiduciary funds – Fiduciary funds consist of 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 Schedule of Expenditures by Department Budget and Actual Statement 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 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

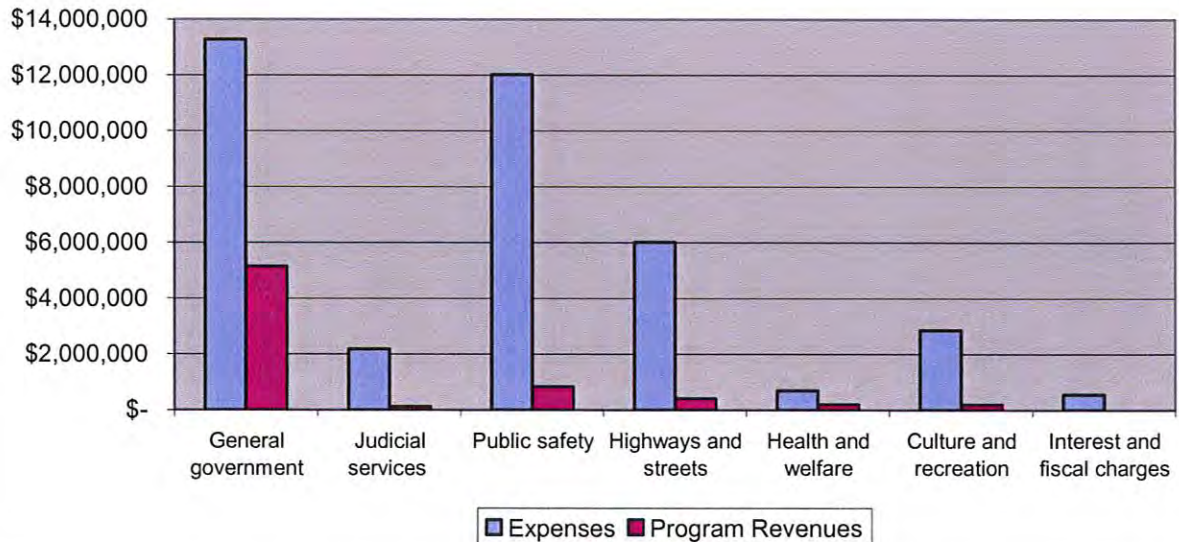
	Governmental Activities			Business-type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Current and other assets	\$ 28,933,762	\$ 24,688,453	\$ 23,540,912	\$ 8,813,015	\$ 8,736,697	\$ 7,241,176	\$ 37,746,777	\$ 33,425,150	\$ 30,782,088
Capital assets	107,112,440	57,468,598	45,092,706	7,503,708	8,043,088	8,905,344	114,616,148	65,511,686	53,998,050
Total assets	\$ 136,046,202	\$ 82,157,051	\$ 68,633,618	\$ 16,316,723	\$ 16,779,785	\$ 16,146,520	\$ 152,362,925	\$ 98,936,836	\$ 84,780,138
Long-term liabilities outstanding	\$ 10,626,503	\$ 12,096,745	\$ 18,004,397	\$ 2,250,765	\$ 2,441,108	\$ 2,364,200	\$ 12,877,268	\$ 14,537,853	\$ 20,368,597
Other liabilities	5,600,107	5,751,619	5,725,078	574,488	874,966	434,753	6,174,595	6,626,585	6,159,831
Total liabilities	\$ 16,226,610	\$ 17,848,364	\$ 23,729,475	\$ 2,825,253	\$ 3,316,074	\$ 2,798,953	\$ 19,051,863	\$ 21,164,438	\$ 26,528,428
Net assets:									
Invested in capital assets, net of related debt	\$ 95,790,297	\$ 43,464,806	\$ 31,090,351	\$ 7,503,708	\$ 8,043,088	\$ 8,905,344	\$ 103,294,005	\$ 51,507,894	\$ 39,995,695
Restricted	10,196,048	1,382,218	2,048,916	-	-	-	10,196,048	1,382,218	2,048,916
Unrestricted	13,833,247	19,461,663	11,764,876	5,987,762	5,420,623	4,442,223	19,821,009	24,882,286	16,207,099
Total net assets	\$ 119,819,592	\$ 64,308,687	\$ 44,904,143	\$ 13,491,470	\$ 13,463,711	\$ 13,347,567	\$ 133,311,062	\$ 77,772,398	\$ 58,251,710

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, 2007 display combined net assets of \$133.3 million, or 71.4 percent above 2006, which has continued to increase from the 33.5 percent change noted in 2005. The largest portion of the net assets (77.5 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 (7.6 percent) represents resources that are subject to external restrictions on how they may be used. The final portion of net assets (14.9 percent) is unrestricted net assets, with a balance of \$19,821,009 at June 30, 2007.

Oconee County's Changes in Net Assets
Figure 2

	Governmental Activities			Business-Type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Revenues									
Program revenues:									
Charges for services	\$ 4,601,273	\$ 4,411,849	\$ 4,313,660	\$ 3,896,892	\$ 4,007,677	\$ 4,396,885	\$ 8,498,165	\$ 8,419,526	\$ 8,710,545
Operating grants and contributions	1,424,205	1,366,838	1,462,414	-	25,062	7,388	1,424,205	1,391,900	1,469,802
Capital grants and contributions	898,741	2,149,799	644,983	-	-	-	898,741	2,149,799	644,983
General revenues:									
Property taxes	30,079,163	29,468,762	23,424,084	-	-	-	30,079,163	29,468,762	23,424,084
Other taxes	1,203,630	1,241,952	1,038,757	-	-	-	1,203,630	1,241,952	1,038,757
Grants and contributions not restricted to specific programs	3,431,519	3,119,522	2,992,182	20,115	-	-	3,451,634	3,119,522	2,992,182
Interest income	1,523,229	1,117,714	465,943	224,958	208,908	98,239	1,748,187	1,326,622	564,182
Gain (loss) on sale of fixed assets	(253,191)	(1,112)	9,048	-	-	-	(253,191)	(1,112)	9,048
Reduction in post closure liability estimate	-	-	-	-	-	2,501,458	-	-	2,501,458
Miscellaneous	762,775	4,286,662	541,575	-	-	-	762,775	4,286,662	541,575
Capital contributions	-	7,567,013	-	-	-	-	-	7,567,013	-
Total revenues	\$ 43,671,344	\$ 54,728,999	\$ 34,892,646	\$ 4,141,965	\$ 4,241,647	\$ 7,003,970	\$ 47,813,309	\$ 58,970,646	\$ 41,896,616
Expenses									
General government	\$ 13,295,214	\$ 9,703,484	\$ 10,633,510	\$ -	\$ -	\$ -	\$ 13,295,214	\$ 9,703,484	\$ 10,633,510
Judicial services	2,188,858	2,144,967	2,260,841	-	-	-	2,188,858	2,144,967	2,260,841
Public safety	12,018,828	11,385,230	10,442,183	-	-	-	12,018,828	11,385,230	10,442,183
Health and welfare	693,254	717,572	1,001,238	-	-	-	693,254	717,572	1,001,238
Highways and streets	6,009,235	3,073,462	2,590,376	-	-	-	6,009,235	3,073,462	2,590,376
Culture and recreation	2,859,466	3,102,417	2,318,058	-	-	-	2,859,466	3,102,417	2,318,058
Nondepartmental	-	899,571	-	-	-	-	-	899,571	-
Interest and fiscal charges	560,882	722,418	1,365,084	-	-	-	560,882	722,418	1,365,084
Rock quarry	-	-	-	2,260,482	2,480,151	1,820,869	2,260,482	2,480,151	1,820,869
Solid waste	-	-	-	4,700,221	4,429,812	3,703,326	4,700,221	4,429,812	3,703,326
Total expenses	\$ 37,625,737	\$ 31,749,121	\$ 30,611,290	\$ 6,960,703	\$ 6,909,963	\$ 5,524,195	\$ 44,586,440	\$ 38,659,084	\$ 36,135,485
Increase in net assets before transfers	\$ 6,045,607	\$ 22,979,878	\$ 4,281,356	\$ (2,818,738)	\$ (2,668,316)	\$ 1,479,775	\$ 3,226,869	\$ 20,311,562	\$ 5,761,131
Transfers	(2,846,497)	(3,021,235)	1,297,237	2,846,497	3,021,235	(1,297,237)	-	-	-
Increase in net assets	\$ 3,199,110	\$ 19,958,643	\$ 5,578,593	\$ 27,759	\$ 352,919	\$ 182,538	\$ 3,226,869	\$ 20,311,562	\$ 5,761,131

Expenses and Program Revenues - Governmental Activities
Chart 1



The Statement of Activities on page 15 shows that the County's total revenues decreased to \$47.8 million, or (18.9) percent from the prior year. This was attributed to the fact that there were no subdivision roads accepted by the County, as would normally be indicated in capital contributions. The total cost of all programs and services increased 15.3 percent. The largest spending increase was in the highways and streets program, which contributed approximately \$2.9 million to the increase in the total expenses. The General government and judicial services programs experienced a combined increase of \$3,635,621. While other programs' expenditures were less than the prior year, the resulting overall increase in total expenditures was \$5.9 million. The analyses in figure 2 and chart 1 above provide more detailed information on the governmental and business-type activities separately.

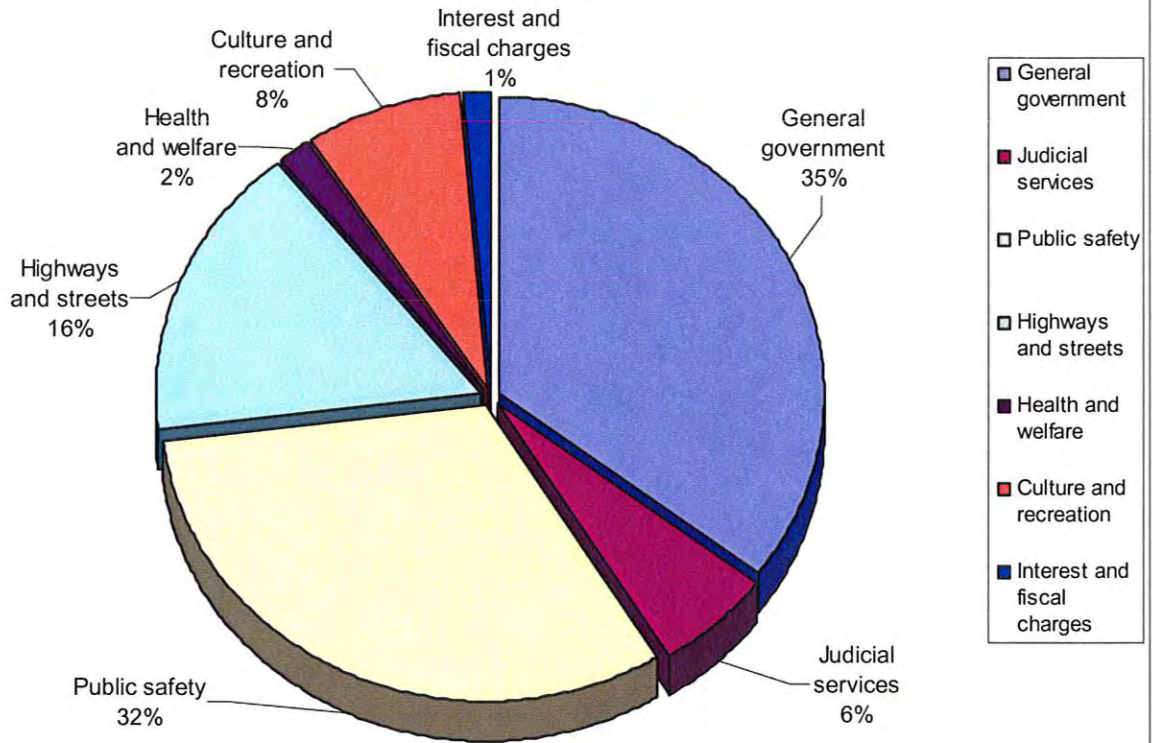
Governmental Activities

Net assets of only the County's governmental activities increased from almost \$64.3 million to \$119.8 million or by 86.3 percent from 2006 to 2007. In addition to normal operations, the completion of Governmental Accounting Standards Board (GASB) Statement 34 for retroactive infrastructure reporting required an adjustment to the net assets of \$60.6 million. The net assets were decreased by \$8.3 million for a prior period adjustment that corrected the amounts reported for land right capital assets. Further, 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 the surplus from the prior year by \$5.6 million for a total of \$13.8 million.

The cost of all governmental activities this year was \$37.6 million compared to \$31.7 million last year. However, as shown in the Statement of Activities, the amount that our taxpayers paid in County taxes to finance these activities were only \$30 million. Some of the costs were paid either by those who directly benefited from the programs (\$4.6 million through charges for services) or other governments or organizations that subsidized certain programs with both operating and capital grants and contributions (\$898,741). Overall, the County's governmental program revenues, consisting of both fees for services and intergovernmental aid, decreased from \$7.9 million in 2006 to \$6.9 million in 2007, principally based on the decrease in capital grants and contributions. The capital grants and contributions contain donated roads of which there were none causing a portion of the \$1.3 million decrease. The County paid for the remaining "public benefit" portion of governmental activities with \$37 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 general revenues totaling \$3.4 million is the intergovernmental grants and contributions not restricted to specific programs. The County had a loss on the sale of capital assets that further reduced the total revenues for the governmental activities. Chart 2 and 3 provide a visual perspective.

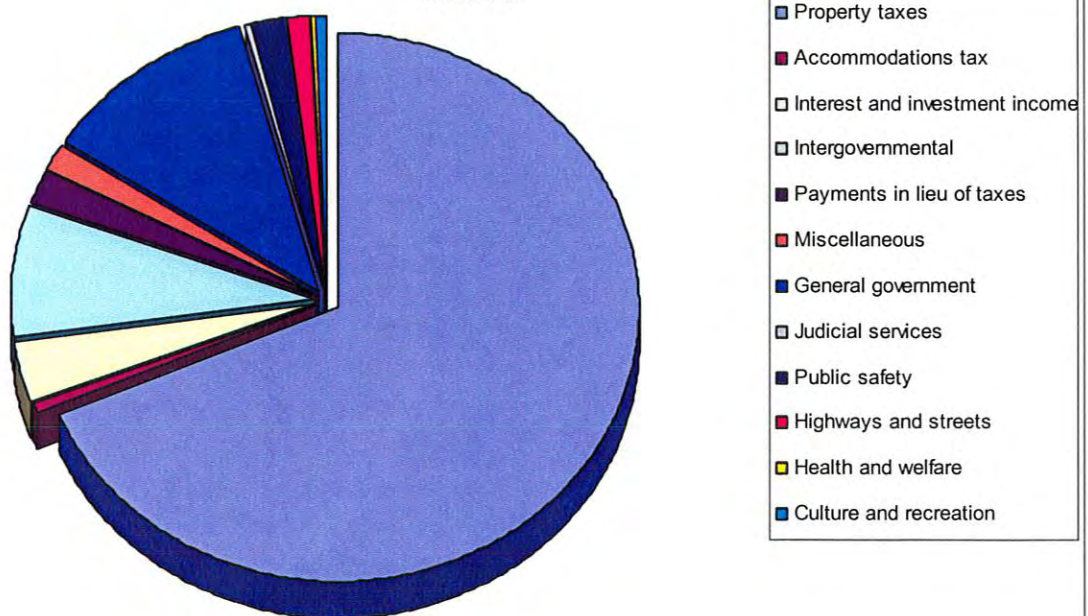
Governmental Activities Expenses by Program

Chart 2



Governmental Activities Revenue by Source

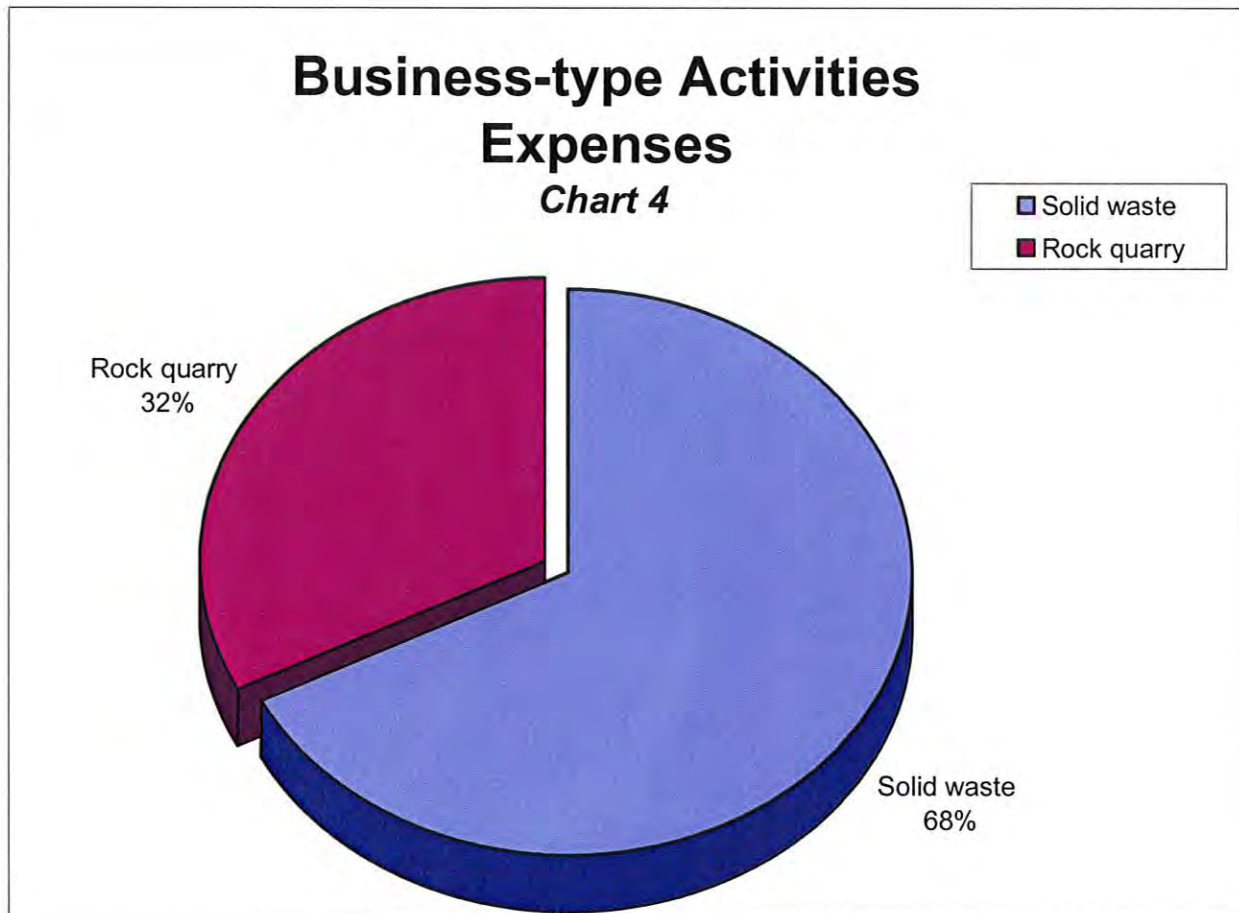
Chart 3



Business-type Activities

In comparison to the prior year, the total net assets of the business-type activities increased by \$27,759 or 0.2 percent. The increase was minimal due to a decrease in the capital assets of \$539,380. Furthermore, capital assets were reduced mainly because of normal depreciation for both enterprise funds and depletion for the Rock Quarry. Even with the small increase of 0.2 percent in the business-type activities net assets, the unrestricted net assets grew by approximately \$567,139, reducing the annual upward trend of approximately \$1 million by a little more than half in the business-type unrestricted net assets.

Compared to the revenue of 2006, the business-type activities revenue decreased by \$99,682 or -2.4 percent, while expenses increased by less than 1 percent or \$50,740. Solid Waste continues to operate at a loss, resulting in the business-type activities overall decrease in net assets before transfers of \$2.8 million.



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 16.

Governmental Funds

At completion of fiscal year end 2007, the County's governmental funds reported total fund balances of \$24.6 million, which is an increase over last year's total by \$3.3 million.

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 \$8.6 million, while its total fund balance was \$13.5 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 28.2 percent of the total General Fund expenditures, while the total fund balances represent 44.2 percent of that same amount. The General Fund revenues have increased by \$1,274,721 accompanied by a decrease of \$4.2 million in the governmental funds combined revenues.

Proprietary Funds

The combined net assets of the County's two enterprise funds realized a small increase of 0.2 percent from 2006 to 2007. This is mainly due to the fact that the Rock Quarry is budgeted to transfers its profits to the General Fund. In addition, Solid Waste had a slight increase of \$27,759 from 2006.

The operating revenues of both enterprise funds have decreased 3.4 percent from the previous year. In addition, the operating expenses for both these funds have increased 0.7 percent. Before transfers, the Rock Quarry had a profit of \$566,755 while Solid Waste followed its historical pattern with a \$3.4 million loss. The County usually budgets annually for a transfer to Solid Waste to offset its estimated losses and for a transfer from the Rock Quarry for its anticipated profits. This year the transfer to Solid Waste from the General Fund was \$3.4 million. Additionally, the Rock Quarry only transferred \$566,755 compared to the \$508,523 in 2006. This transfer was \$1.4 million short of the \$1.9 million budgeted to transfer to the General Fund.

General Fund Budgetary Highlights

In the 2007 adopted budget, the General Fund's original budget totaled \$36,054,708, not including the General Fund transfer to Solid Waste. During the 2006-2007 fiscal year, there were budget expenditure revisions. Normal transfers between departmental line items and funds were made to shift approved funds as allowed in the budget provisos.

By the end of the year, General Fund actual revenues totaled \$38,867,314, creating a favorable budget variance of \$2.7 million. On the other hand, the actual expenditures totaled \$30,458,890, thus creating a favorable budget variance in total expenditures of \$6.7 million. Overall, the actual excess of revenues over the expenditures of \$8.4 million and the final budget excess of revenues over the expenditures of negative \$1 million created a variance span in excess of \$9.4 million.

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, 2007, totals \$114.6 million (net of accumulated depreciation and depletion). These assets include land, buildings and improvements, vehicles and equipment, construction in progress, and infrastructure. The net increase (including additions and deductions) is \$49.1 million, or 75 percent, over last year.

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

	Governmental Activities			Business-Type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
Land	\$ 4,962,600	\$ 4,983,800	\$ 2,655,509	\$ 803,044	\$ 803,044	\$ 1,333,038	\$ 5,765,644	\$ 5,786,844	\$ 3,988,547
Mineral Interests	-	-	-	337,291	344,173	-	337,291	344,173	-
Building and Improvements	23,479,519	16,868,422	16,776,906	3,551,523	3,786,677	4,030,861	27,031,042	20,655,099	20,807,767
Infrastructure Land Rights	34,177,355	11,059,724	2,816,860	-	-	-	34,177,355	11,059,724	2,816,860
Construction in Progress	4,631,283	11,036,267	10,425,691	26,589	26,589	26,589	4,657,872	11,062,856	10,452,280
Construction in Progress - Infrastructure	-	-	173,031	-	-	-	-	-	173,031
Equipment and Vehicles	8,068,269	8,556,980	8,652,860	2,785,261	3,082,605	3,514,856	10,853,530	11,639,585	12,167,716
Infrastructure	31,793,414	4,963,405	3,591,850	-	-	-	31,793,414	4,963,405	3,591,850
Total	\$ 107,112,440	\$ 57,468,598	\$ 45,092,706	\$ 7,503,708	\$ 8,043,088	\$ 8,905,344	\$ 114,616,148	\$ 65,511,686	\$ 53,998,050

Major capital asset transactions during the year include:

- Completion of the GASB Statement 34 requirement the infrastructure assets (roads, bridges, and corresponding site preparation) be reported retroactively back to fiscal year 1980-1981,
- Completion of the Emergency Services Facility,
- Purchase of a 74,937 square foot building, formerly the Next Day Apparel factory in Walhalla, and the accompanying 9.472 acres to be renovated and converted into Department of Social Service (DSS) offices,
- Continuation of the construction in progress on the Oconee County 911 Communications Center, and renovations to the new DSS offices and continued renovations at the Heritage Center Museum,
- Acquisition of twenty-one vehicles for various departments and one boat, motor, and trailer and one travel trailer for Emergency Management,
- Paving of the Haz-Mat parking lot and the Mountain Rest Rescue Squad/Fire Department parking lot,
- Continued acquirement of furnishings, various equipment, and software packages necessary for the 911 Communications Center,
- And acquisition of eight compactor receiver containers with a hopper for the Solid Waste.

Additional information on the County's capital assets can be found in Note 4 on pages 33 - 34 of the basic financial statements.

Long-term Debt Obligations

As of June 30, 2007, the County had total bonded debt outstanding of approximately \$10.3 million, all of which is backed by the full faith and credit of the County.

Oconee County's Outstanding Debt
General Obligation Bonds and Other Bonds
Figure 4

	Governmental Activities			Business-Type Activities			Total		
	2007	2006	2005	2007	2006	2005	2007	2006	2005
General obligation and special source revenue bonds	\$ 10,275,000	\$ 12,055,977	\$ 16,656,394	\$ -	\$ -	\$ -	\$ 10,275,000	\$ 12,055,977	\$ 16,656,394

The County's bond rating continues to remain at an A1 bond rating from Moody's Investor Service and an A+ rating from Standard and Poor's Corporation for the seventh consecutive year. This bond rating is 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 \$26.3 million, which is a 16 percent increase from the prior year. In addition, the County takes 20 percent from the debt limit as a self-imposed contingency to prevent borrowing the entire \$26.3 million as allowed by the State.

At June 30, 2007, the County's total outstanding general obligation bonded debt in the governmental funds was \$10,275,000. The County has no bonds authorized, but un-issued at June 30, 2007.

On April 10, 2007, the County issued general obligation bonds for the Keowee Fire Tax District in the amount of \$1.2 million. Because this debt was issued by the County for a special tax district and payable from the taxes paid within that district, as opposed to the entire County, it will not count against the County's debt limit. This debt is considered conduit debt where the debt was issued for the express purpose of providing capital financing for a specific third party that is not part of the County's financial reporting entity even though the obligation bears the County's name. The County has no obligation for the debt beyond the resources provided by the special tax district. The funds will be used to finance the costs of constructing a new substation and renovating the existing headquarters for the Keowee Fire Tax District.

Additionally, both the Borg-Warner expansion and the Economic Development industrial shell building special source revenue bonds matured and were paid in full.

Furthermore, the capital lease obligations at the close of 2007 totaled \$1,047,143. Two lease purchases for fire trucks for the Rural Fire department matured during the year. The remaining capital lease finances equipment and software for the 911 Communications Center. The final payment for the remaining lease will be due in the fiscal year ending 2010.

While the enterprise funds do not have any existing or pending bonded debt or capital leases, the Solid Waste fund does have long-term debt for post closure care costs. The 2007 ending balance is approximately \$2.3 million. These funds are set aside for the maintenance of the closed landfills.

The final component of long-term debt is the compensated absences, which consists of accrued accumulated unpaid vacation time earned by employees. The estimated long-term liability for annual leave is \$937,919 for the governmental funds and \$129,554 for the enterprise funds.

Additional information regarding the County's long-term debt obligations can be found in Note 5 on pages 35 - 37 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

When compiling a budget, the County's elected officials and management must consider many factors. The main influence for determining the budget is the tax rates and the fees and charges for services and products.

In the General Fund, property tax estimates are projected to increase by 4.2 percent or \$1.2 million for fiscal year 2008. The fiscal year 2007 actual property tax revenues include reassessment of the real property values. For fiscal year 2008, the millage required to fund the budget was 73.4 mills in the incorporated areas of the County and 75.3 mills for the unincorporated areas of the County. During the year, County Council adopted Ordinance 2007-07 "An Ordinance Establishing the Oconee County Emergency Services Protection Department", which established a special tax district for the rural areas of the County. The 2.9 mill difference, along with transfers from the General Fund, will fund the Emergency Services Fund that will include both, the Rural Fire Department and the Emergency Management Department formerly reported in the General Fund. The licenses, permits and fees revenues are expected to yield approximately a 25.1 percent growth from the 2006-2007 actual. The intergovernmental revenues from both State and Federal grants, entitlements and contributions are expected to decrease an estimated 9.3 percent. The County is estimating a 1.8 percent growth in its revenues from the 2006-2007 actual revenues.

The General Fund total expenditures are expected to increase by \$9.8 million, or 32.2 percent, as reflected in the budget for fiscal year end 2008. Major General Fund budgetary expenditures include several transfers to the Capital Projects Fund for various construction and/or renovations projects, upgrades in technology, and the purchase of various road paving and maintenance equipment. Beginning in fiscal year 2007-2008, the Solid Waste Fund will no longer be reported as an enterprise fund. Solid Waste will be a department within the General Fund. Since the General Fund subsidized Solid Waste with an annual transfer, the conversion should have virtually no effect on the General Fund budget.

In addition, the County's proprietary funds have budgets based on the expected revenues and expenses that are generated from providing services and products for its customers. Since Solid Waste will be converted from an enterprise fund to being reported as a department within the General Fund, the County will only have one enterprise fund within the proprietary fund, the Rock Quarry. The Rock Quarry was able to begin testing the rock for certification in the lab November 2006, but the stone washing facility has been placed on hold indefinitely. For State approved projects, the Rock Quarry can now provide State contractors with lab certified crusher run rock, rip rap, oversized rock, and surge stone. For the 2007-2008 budget, the Rock Quarry anticipated a slight revenue increase due to being able to provide these products. Expenditures for the Rock Quarry are expected to remain stable because the increase due to energy costs offset the lack of major capital purchases.

Effective for fiscal year 2008-2009, new standards will affect the County's financial statements with regard to the accounting requirements for reporting Other Post Employment Benefits (OPEB). GASB Statement 45 will require that expenditures or expenses related to retiree health benefits be accrued over the working lifetime of the employees, rather than on a "pay-as-you-go" basis. In order to comply with this new standard, the County will contract with an actuarial firm to prepare the OPEB valuation, measure the liability, and determine the annual contribution and expenditure or expense.

Finally, beginning January 1, 2007, millage caps are in place for all local governing bodies, including school districts. The millage caps allow local governments to increase millage rates only by the increase of the CPI and the population increase of the entity from the previous year. The local governing body can exceed this cap only by a two thirds majority vote of the membership of the local governing body, and only for specific purposes, which include the following: (1) deficiency from previous year; (2) natural disaster or act of terrorism; (3) compliance with a court order; (4) closure of a business that decreases tax revenue by more than 10 percent; or (5) compliance with an unfunded state or federal regulation mandate. If the millage cap is exceeded, then the additional tax must be listed as a separate surcharge. The millage cap does not apply to revenues, fees, or grants not derived from the ad valorem tax millage or to the receipt or expenditure of state funds. The millage rate limitation does not affect millage that is levied to pay bonded indebtedness or payments for real property purchased using lease-purchase agreement or used to maintain a reserve account. The impact of the millage caps would be that future programs that are desired by the County might not be enacted due to limits on tax revenue.

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

**OCONEE COUNTY,
SOUTH CAROLINA
STATEMENT OF NET ASSETS
JUNE 30, 2007**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Oconee County Sewer Commission	School District of Oconee County
ASSETS					
Cash and cash equivalents	\$ 25,666,663	\$ 8,335,192	\$ 34,001,855	\$ 187,380	\$ 3,311,600
Investments	-	-	-	589,482	30,091,718
Receivables:					
Taxes - Net	567,901	-	567,901	-	381,870
Accounts	-	17,754	17,754	267,777	61,486
Intergovernmental	1,995,718	-	1,995,718	-	6,822,145
Accrued interest receivable	222,653	33,387	256,040	19,392	-
Due from other governments	220,350	-	220,350	-	107,158
Inventories	260,477	426,682	687,159	51,925	240,687
Prepaid expenses	-	-	-	-	66,890
Restricted Assets					
Cash	-	-	-	108,587	-
Investments	-	-	-	7,906,308	-
Capital assets:					
Land	4,962,600	803,044	5,765,644	569,577	2,040,596
Buildings and improvements	30,315,891	5,769,766	36,085,657	28,083,707	123,052,520
Equipment and vehicles	22,231,774	9,429,908	31,661,682	603,881	9,084,559
Other capital assets	-	576,669	576,669	17,367	-
Construction in progress	4,631,283	26,589	4,657,872	271,010	27,640,919
Infrastructure assets	102,955,845	-	102,955,845	-	878,280
Less accumulated depreciation and depletion	(57,984,953)	(9,102,268)	(67,087,221)	(14,526,110)	(59,885,960)
Total capital assets, net of depreciation	107,112,440	7,503,708	114,616,148	15,019,432	102,810,914
Total assets	136,046,202	16,316,723	152,362,925	24,150,283	143,894,468
LIABILITIES					
Accounts payable	1,753,422	278,006	2,031,428	123,548	2,121,483
Accrued payroll liabilities	1,018,945	61,894	1,080,839	18,878	20,755
Deferred revenue	1,038,865	-	1,038,865	-	310,512
Customer deposits	-	43,501	43,501	-	-
Accrued interest payable	155,316	-	155,316	15,344	442,889
Other liabilities	-	-	-	-	4,587,372
Long-term liabilities:					
Due within one year	1,633,559	191,087	1,824,646	436,082	12,514,312
Due in more than one year	10,626,503	2,250,765	12,877,268	3,907,619	46,636,903
Total liabilities	16,226,610	2,825,253	19,051,863	4,501,471	66,634,226
NET ASSETS					
Invested in capital assets net of related debt	95,790,297	7,503,708	103,294,005	10,687,141	53,152,566
Restricted for:					
Debt service	1,613,985	-	1,613,985	653,795	4,121,429
Capital outlay	8,582,063	-	8,582,063	7,345,756	304,261
Unrestricted	13,833,247	5,987,762	19,821,009	962,120	19,681,986
Total net assets	\$ 119,819,592	\$ 13,491,470	\$ 133,311,062	\$ 19,648,812	\$ 77,260,242

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
For the year ended June 30, 2007

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business type Activities	Oconee County Sewer Commission	School District of Oconee County
PRIMARY GOVERNMENT								
Governmental activities								
General government	\$ 13,295,214	\$ 4,473,204	\$ 208,308	\$ 465,256	\$ (8,148,446)	\$ -	\$ (8,148,446)	\$ -
Judicial services	2,188,858	2,889	126,656	-	(2,059,313)	-	(2,059,313)	-
Public safety	12,018,828	125,180	709,345	-	(11,184,303)	-	(11,184,303)	-
Highways and streets	6,009,235	-	-	414,316	(5,594,919)	-	(5,594,919)	-
Health and welfare	693,254	-	186,391	19,169	(487,694)	-	(487,694)	-
Culture and recreation	2,859,466	-	193,505	-	(2,665,961)	-	(2,665,961)	-
Interest and fiscal charges	560,882	-	-	-	(560,882)	-	(560,882)	-
Total governmental activities	37,625,737	4,601,273	1,424,205	898,741	(30,701,518)	-	(30,701,518)	-
Business-type activities								
Solid waste commission	4,700,221	1,125,509	-	-	-	(3,574,712)	(3,574,712)	-
Rock quarry	2,260,482	2,771,383	-	-	-	510,901	510,901	-
Total business-type activities	6,960,703	3,896,892	-	-	-	(3,063,811)	(3,063,811)	-
Total primary government	\$ 44,586,440	\$ 8,498,165	\$ 1,424,205	\$ 898,741	(30,701,518)	(3,063,811)	(33,765,329)	-
Component units								
Oconee County Sewer Commission	2,595,253	2,722,044	-	798,009			\$ 924,800	\$ -
School District of Oconee County	100,865,915	3,533,785	44,565,876	523,642			-	(52,242,612)
Total Component units	\$ 103,461,168	\$ 6,255,829	\$ 44,565,876	\$ 1,321,651			924,800	(52,242,612)
GENERAL REVENUES								
Property taxes levied for:								
General purposes					27,897,134	-	27,897,134	48,038,779
Debt service					1,777,875	-	1,777,875	8,300,960
Capital projects					404,154	-	404,154	-
Accommodations tax					306,484	-	306,484	-
Gain (loss) on disposal of capital assets					(253,191)	20,115	(233,076)	-
Interest and investment income					1,523,229	224,958	1,748,187	1,396,469
Intergovernmental					3,431,519	-	3,431,519	6,793,863
Payments in lieu of taxes					897,146	-	897,146	-
Miscellaneous					762,775	-	762,775	141,578
TRANSFERS					(2,846,497)	2,846,497	-	-
Total general revenues and transfers					33,900,628	3,091,570	36,992,198	64,671,649
Change in net assets					3,199,110	27,759	3,226,869	12,429,037
Net assets, beginning of year, as originally reported					64,308,687	13,463,711	77,772,398	18,316,229
Change in accounting principles					60,591,996	-	60,591,996	-
Prior period adjustment					(8,280,201)	-	(8,280,201)	-
Net assets, beginning of year, as restated					116,620,482	13,463,711	130,084,193	18,316,229
Net assets end of year					\$ 119,819,592	\$ 13,491,470	\$ 133,311,062	\$ 19,648,812
								\$ 77,260,242

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

OCONEE COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>General</u>	<u>DSS Office Construction</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 13,388,155	\$ 2,155,529	\$ 10,122,979	\$ 25,666,663
Receivables:				
Taxes - Net	526,657	-	41,244	567,901
Intergovernmental	1,631,555	-	364,163	1,995,718
Accrued interest receivable	221,274	-	1,379	222,653
Due from other funds	243,396	-	-	243,396
Due from other governments	220,350	-	-	220,350
Inventories	260,477	-	-	260,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 16,491,864</u>	<u>\$ 2,155,529</u>	<u>\$ 10,529,765</u>	<u>\$ 29,177,158</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,653,645	\$ 69,402	\$ 30,375	\$ 1,753,422
Accrued payroll liabilities	1,018,945	-	-	1,018,945
Deferred revenue				
Property Taxes	340,998	-	28,127	369,125
Intergovernmental	10,000	500,000	652,209	1,162,209
Due to other funds	-	-	243,396	243,396
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>3,023,588</u>	<u>569,402</u>	<u>954,107</u>	<u>4,547,097</u>
FUND BALANCES				
Reserved for:				
Debt service	-	-	1,613,985	1,613,985
Capital outlay	-	-	5,628,424	5,628,424
Inventories	260,477	-	-	260,477
Encumbrances	339,424	1,586,127	1,367,512	3,293,063
Unreserved:				
Reported in:				
General fund				
Designated for subsequent year's expenditures	1,600,000	-	-	1,600,000
Designated for health insurance	1,703,774	-	-	1,703,774
Designated for other purposes	983,008	-	-	983,008
Undesignated	8,581,593	-	-	8,581,593
Special revenue fund	-	-	965,737	965,737
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>13,468,276</u>	<u>1,586,127</u>	<u>9,575,658</u>	<u>24,630,061</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 16,491,864</u>	<u>\$ 2,155,529</u>	<u>\$ 10,529,765</u>	<u>\$ 29,177,158</u>

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

OCONEE COUNTY, SOUTH CAROLINA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2007

Total fund balances - Governmental funds	\$ 24,630,061
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 funds. These assets consist of:	
Land	4,962,600
Buildings and improvements	30,315,891
Equipment and vehicles	22,231,774
Construction in progress	4,631,283
Infrastructure assets	102,955,845
Accumulated depreciation	<u>(57,984,953)</u>
Total capital assets	<u>107,112,440</u>
Some revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	
Property taxes	369,125
Intergovernmental revenues	<u>123,344</u>
	<u>492,469</u>
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:	
Bonds payable	(10,275,000)
Capital leases payable	(1,047,143)
Accrued interest	(155,316)
Compensated absences	<u>(937,919)</u>
Total long-term liabilities	<u>(12,415,378)</u>
Net assets of governmental activities	<u>\$ 119,819,592</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2007

	General	DSS Office Construction	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 27,940,675	\$ -	\$ 2,183,447	\$ 30,124,122
Intergovernmental revenue	3,880,459	-	1,959,766	5,840,225
Licenses, permits and fees	3,160,410	-	2,889	3,163,299
Fines and forfeitures	456,394	-	125,180	581,574
County airport	585,237	-	-	585,237
PRT Commission	271,163	-	-	271,163
Miscellaneous and other	314,602	-	628,148	942,750
Fee in lieu of taxes and franchise fees	812,154	-	84,992	897,146
Interest and investment income	1,446,220	-	77,009	1,523,229
Total revenues	<u>38,867,314</u>	<u>-</u>	<u>5,061,431</u>	<u>43,928,745</u>
EXPENDITURES				
General government	11,993,065		876,662	12,869,727
Judicial services	1,948,169	-	3,864	1,952,033
Public safety	10,125,180	-	566,150	10,691,330
Highways and streets	3,523,507	-	683,055	4,206,562
Health and welfare	516,687	-	123,768	640,455
Culture and recreation	2,338,018	-	261,290	2,599,308
Capital outlay	14,264	1,946,920	737,568	2,698,752
Debt service:				
Principal retirement	-	-	2,681,649	2,681,649
Interest and fiscal charges	-	-	555,532	555,532
Total expenditures	<u>30,458,890</u>	<u>1,946,920</u>	<u>6,489,538</u>	<u>38,895,348</u>
Excess of revenues over (under) expenditures	<u>8,408,424</u>	<u>(1,946,920)</u>	<u>(1,428,107)</u>	<u>5,033,397</u>
Other financing sources (uses):				
Sale of capital assets	860,334	-	224,990	1,085,324
Transfers in	566,755	2,031,287	6,320,002	8,918,044
Transfers out	(10,965,846)	-	(798,695)	(11,764,541)
Total other financing sources (uses)	<u>(9,538,757)</u>	<u>2,031,287</u>	<u>5,746,297</u>	<u>(1,761,173)</u>
Net change in fund balances	<u>(1,130,333)</u>	<u>84,367</u>	<u>4,318,190</u>	<u>3,272,224</u>
Fund balances, beginning of year	<u>14,598,609</u>	<u>1,501,760</u>	<u>5,257,468</u>	<u>21,357,837</u>
Fund balances, end of year	<u>\$ 13,468,276</u>	<u>\$ 1,586,127</u>	<u>\$ 9,575,658</u>	<u>\$ 24,630,061</u>

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

OCONEE COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF
ACTIVITIES

For the year ended June 30, 2007

Net change in fund balances - Total government funds	\$ 3,272,224
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:	
Capital outlay	3,681,289
Depreciation expense	<u>(5,010,727)</u>
Excess of capital outlay over depreciation expense	<u>(1,329,438)</u>
The proceeds from the disposal of capital assets are reported as revenue in the governmental funds. The cost of the capital assets are removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a gain or loss on disposal of capital assets on the statement of activities	
Loss on disposal of capital assets	(253,191)
Proceeds from sale of capital assets	<u>(1,085,324)</u>
	<u>(1,338,515)</u>
Because some revenue will not be collected for several months after the County's fiscal year ends they are not considered "available" revenues and are deferred in the governmental funds. Deferred revenues decreased by this amount this year.	
Property taxes	(44,959)
Intergovernmental	<u>40,749</u>
Total change in deferred revenues	<u>(4,210)</u>
Repayment of long-term debt is reported as an expenditure in governmental funds. But the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consisted of:	
Bond principal retirement	1,780,977
Capital lease payments	<u>900,672</u>
Total long-term debt repayment	<u>2,681,649</u>
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	
	<u>(77,250)</u>
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	
	<u>(5,350)</u>
Change in net assets of government activities	<u>\$ 3,199,110</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2007

	Solid Waste Commission	Rock Quarry	Total all funds
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 5,579,947	\$ 2,755,245	\$ 8,335,192
Accounts receivable	8,737	9,017	17,754
Accrued interest receivable	31,561	1,826	33,387
Inventories	-	426,682	426,682
Total current assets	<u>5,620,245</u>	<u>3,192,770</u>	<u>8,813,015</u>
CAPITAL ASSETS			
Land	775,213	27,831	803,044
Buildings	5,207,458	562,308	5,769,766
Equipment and vehicles	3,313,549	6,116,359	9,429,908
Other capital assets	46,675	529,994	576,669
Construction in progress	26,589	-	26,589
	9,369,484	7,236,492	16,605,976
Less accumulated depreciation and depletion	<u>4,672,836</u>	<u>4,429,432</u>	<u>9,102,268</u>
	4,696,648	2,807,060	7,503,708
Total assets	<u>10,316,893</u>	<u>5,999,830</u>	<u>16,316,723</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 224,998	\$ 53,008	\$ 278,006
Accrued payroll liabilities	40,118	21,776	61,894
Customer deposits	43,501	-	43,501
Compensated absences	8,142	4,814	12,956
Accrued closure and post-closure care costs	178,131	-	178,131
Total current liabilities	<u>494,890</u>	<u>79,598</u>	<u>574,488</u>
LONG TERM LIABILITIES			
Compensated absences	73,276	43,321	116,597
Accrued closure and post-closure care costs	<u>2,134,168</u>	<u>-</u>	<u>2,134,168</u>
Total long term liabilities	<u>2,207,444</u>	<u>43,321</u>	<u>2,250,765</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,696,648	2,807,060	7,503,708
Unrestricted	<u>2,917,911</u>	<u>3,069,851</u>	<u>5,987,762</u>
Total net assets	<u>\$ 7,614,559</u>	<u>\$ 5,876,911</u>	<u>\$ 13,491,470</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the year ended June 30, 2007

	Solid Waste Commission	Rock Quarry	Total all funds
OPERATING REVENUES			
Outside customer sales	\$ 1,068,286	\$ 2,650,063	\$ 3,718,349
Miscellaneous fees	<u>57,223</u>	<u>121,320</u>	<u>178,543</u>
Total operating revenues	<u>1,125,509</u>	<u>2,771,383</u>	<u>3,896,892</u>
OPERATING EXPENSES			
Salaries and fringe benefits	1,647,682	833,568	2,481,250
Tipping and impact fees	1,168,247	-	1,168,247
Supplies	749,152	352,938	1,102,090
Electricity and natural gas	38,888	62,675	101,563
Petroleum, oil and lubricants	96,034	157,687	253,721
Water and sewer	7,850	2,804	10,654
Machinery, equipment repairs and maintenance	162,263	320,332	482,595
Building and grounds maintenance	112,409	7,393	119,802
Professional services	17,933	2,006	19,939
Miscellaneous	88,822	36,240	125,062
Closure and post-closure care costs	232,911	-	232,911
Depreciation and depletion	<u>378,030</u>	<u>484,839</u>	<u>862,869</u>
Total operating expenses	<u>4,700,221</u>	<u>2,260,482</u>	<u>6,960,703</u>
Income (loss) from operations	<u>(3,574,712)</u>	<u>510,901</u>	<u>(3,063,811)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	169,719	55,239	224,958
Gain on disposal of capital assets	<u>19,500</u>	<u>615</u>	<u>20,115</u>
Total nonoperating revenues (expenses)	<u>189,219</u>	<u>55,854</u>	<u>245,073</u>
Income (loss) before operating transfers	<u>(3,385,493)</u>	<u>566,755</u>	<u>(2,818,738)</u>
TRANSFERS IN	3,413,252	-	3,413,252
TRANSFERS OUT	<u>-</u>	<u>(566,755)</u>	<u>(566,755)</u>
Net income	27,759	-	27,759
NET ASSETS, BEGINNING OF YEAR	<u>7,586,800</u>	<u>5,876,911</u>	<u>13,463,711</u>
NET ASSETS, END OF YEAR	<u>\$ 7,614,559</u>	<u>\$ 5,876,911</u>	<u>\$ 13,491,470</u>

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended June 30, 2007

	Solid Waste Commission	Rock Quarry	Total all funds
OPERATING ACTIVITIES			
Receipts from customers	\$ 1,131,267	\$ 2,862,951	\$ 3,994,218
Payments to suppliers	(3,100,612)	(1,023,914)	(4,124,526)
Payments to employees	(1,683,496)	(825,087)	(2,508,583)
Net cash provided by (used for) operations	(3,652,841)	1,013,950	(2,638,891)
NONCAPITAL FINANCING ACTIVITIES			
Transfers to other funds	-	(566,755)	(566,755)
Transfers from other funds	3,413,252	-	3,413,252
Net cash provided by (used for) noncapital financing activities	3,413,252	(566,755)	2,846,497
CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	19,500	615	20,115
Acquisition of capital assets	(246,120)	(77,369)	(323,489)
Net cash used for capital and related financing activities	(226,620)	(76,754)	(303,374)
INVESTING ACTIVITIES			
Interest income	172,176	54,744	226,920
Net cash provided by investing activities	172,176	54,744	226,920
Net increase (decrease) in cash and equivalents	(294,033)	425,185	131,152
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,873,980	2,330,060	8,204,040
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,579,947</u>	<u>\$ 2,755,245</u>	<u>\$ 8,335,192</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (3,574,712)	\$ 510,901	\$ (3,063,811)
Adjustments to reconcile operating loss to net cash provided by (used for) operations			
Depreciation and depletion	378,030	484,839	862,869
Provision for closure and post-closure care costs	336,124	-	336,124
Changes in deferred and accrued amounts			
Accounts receivable	10,684	91,568	102,252
Inventories	-	(49,380)	(49,380)
Accounts payable	(322,890)	(32,459)	(355,349)
Accrued payroll liabilities	(124)	751	627
Closure and post-closure care costs	(439,337)	-	(439,337)
Customer deposits	(4,926)	-	(4,926)
Compensated absences	(35,690)	7,730	(27,960)
Net cash provided by (used for) operations	(3,652,841)	1,013,950	(2,638,891)

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

OCONEE COUNTY, SOUTH CAROLINA
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

ASSETS

Cash and cash equivalents	\$ 7,113,458
Accrued interest receivable	5,572
Property taxes receivable	1,081,233
Accounts receivable	<u>40,377</u>
 Total assets	 <u><u>\$ 8,240,640</u></u>

LIABILITIES

Accounts payable	\$ 5,000
Due to other governments	220,350
Due to other taxing districts and agencies	<u>8,015,290</u>
 Total liabilities	 <u><u>\$ 8,240,640</u></u>

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

OCONEE COUNTY, SOUTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

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, judicial services, public safety, health and welfare, highways and streets, and culture and recreation.

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 any one 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.

Oconee County Sewer Commission

The county council is financially accountable for the Commission in that they appoint the Commission members, review and approve budget requests and adjustments, and are ultimately responsible, absolutely and morally, for its financial condition. The financial statements for the year ended June 30, 2007 are available for public inspection at the Commission's business 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, 2007 can be obtained from the District's office.

(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 *DSS office construction fund* is used to accumulate resources for the construction of the County's department of social services office.

The County reports the following major enterprise funds:

The *solid waste commission fund* accounts for the activities of the County's landfill operations.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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 funds

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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Fiduciary 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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues - 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.

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.

Deferred revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2007, but which were levied to finance fiscal year 2008 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Budget

County Council adopts an annual budget for general fund revenue and expenditures prior to the beginning of each fiscal year. The adopted budget specifies 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% 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% 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 budget is prepared on a consistent basis of accounting with actual financial statement results, including significant accruals, to provide meaningful comparisons.

The County has an appropriated budget for the enterprise funds but is not required to report budgetary comparisons in the financial statements.

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 and agencies thereof;
2. General obligations of the State of South Carolina or any of its political units;
3. Certificates of deposit where the certificates are collaterally secured by securities of the type described in (1) and (2) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
4. Repurchase agreements when collateralized by securities as set forth in this section.
5. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of the County, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (1), (2), and (5) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables

All trade and property taxes receivable are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to two percent of outstanding property taxes at June 30, 2007.

Intergovernmental receivable

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

Inventories and prepaid assets

The County's inventories consist of consumable supplies. 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. The County expenses charges that cover more than one year in the year the expenditure is made and does not record any portion as prepaid asset.

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 proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements.

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".

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Noncurrent portions of long-term inter-fund 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.

Capital assets

Capital assets, which include property, plant 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 more than \$5,000 (amount not rounded) 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 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:

Infrastructure	25-40 years
Buildings and improvements	15-40 years
Equipment and vehicles	2-15 years

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.

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. At June 30, 2007, the carrying amount of the County's deposits was \$41,109,543 and the bank balance was \$42,304,239. 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 \$5,770 are reflected as cash.

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.

Concentration of credit risk

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

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. The amount collected but not remitted at June 30, 2007 was \$56,586 for surrounding municipalities.

(Continued)

NOTE 3 - PROPERTY TAXES, Continued

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:

	<u>General</u>	<u>Nonmajor governmental</u>	<u>Agency</u>
Property taxes receivable	\$ 537,406	\$ 42,085	\$ 1,103,299
Less: Allowance	<u>(10,749)</u>	<u>(841)</u>	<u>(22,066)</u>
Net taxes receivable	<u>\$ 526,657</u>	<u>\$ 41,244</u>	<u>\$ 1,081,233</u>

NOTE 4 - CAPITAL ASSETS

Primary Government capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Balance June 30, 2006 Restated Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance June 30, 2007</u>
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 4,983,800	\$ 113,363	\$ 134,563	\$ -	\$ 4,962,600
Infrastructure land rights and other costs	34,177,355	-	-	-	34,177,355
Construction in progress	<u>11,036,267</u>	<u>428,283</u>	<u>-</u>	<u>(6,833,267)</u>	<u>4,631,283</u>
Total capital assets at historical cost not being depreciated	<u>50,197,422</u>	<u>541,646</u>	<u>134,563</u>	<u>(6,833,267)</u>	<u>43,771,238</u>
Capital assets being depreciated					
Building and improvements	22,924,745	1,132,975	575,096	6,833,267	30,315,891
Equipment and vehicles	21,582,734	1,375,204	726,164	-	22,231,774
Infrastructure	<u>68,992,806</u>	<u>631,464</u>	<u>845,780</u>	<u>-</u>	<u>68,778,490</u>
Total capital assets at historical cost being depreciated	<u>113,500,285</u>	<u>3,139,643</u>	<u>2,147,040</u>	<u>6,833,267</u>	<u>121,326,155</u>
Less accumulated depreciation for:					
Buildings and improvements	(6,056,323)	(792,030)	(11,981)	-	(6,836,372)
Equipment and vehicles	(13,025,754)	(1,666,614)	(528,863)	-	(14,163,505)
Infrastructure	<u>(34,835,237)</u>	<u>(2,552,083)</u>	<u>(402,244)</u>	<u>-</u>	<u>(36,985,076)</u>
Total accumulated depreciation	<u>(53,917,314)</u>	<u>(5,010,727)</u>	<u>(943,088)</u>	<u>-</u>	<u>(57,984,953)</u>
Total capital assets being depreciated, net	<u>59,582,971</u>	<u>(1,871,084)</u>	<u>1,203,952</u>	<u>6,833,267</u>	<u>63,341,202</u>
Governmental activities capital assets, net	<u>\$ 109,780,393</u>	<u>\$ (1,329,438)</u>	<u>\$ 1,338,515</u>	<u>\$ -</u>	<u>\$ 107,112,440</u>

(Continued)

NOTE 4 - CAPITAL ASSETS, Continued

Depreciation expense was charged to functions as follows:

General government	\$ 348,237
Judicial services	236,825
Public safety	1,327,498
Health and welfare	52,799
Highways and streets	2,785,210
Culture and recreation	<u>260,158</u>
Total Governmental Activities	
Depreciation Expense	<u><u>\$ 5,010,727</u></u>

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Business-type activities				
Capital assets not being depreciated or depleted				
Land	\$ 803,044	\$ -	\$ -	\$ 803,044
Construction in progress	<u>26,589</u>	<u>-</u>	<u>-</u>	<u>26,589</u>
Total capital assets at historical cost not being depreciated	<u>829,633</u>	<u>-</u>	<u>-</u>	<u>829,633</u>
Capital assets being depreciated and depleted				
Buildings and improvements	5,769,766	-	-	5,769,766
Equipment and vehicles	9,245,095	323,489	138,676	9,429,908
Other assets	<u>576,669</u>	<u>-</u>	<u>-</u>	<u>576,669</u>
Total capital assets at historical cost being depreciated	<u>15,591,530</u>	<u>323,489</u>	<u>138,676</u>	<u>15,776,343</u>
Less accumulated depreciation and depletion for:				
Buildings and improvements	(1,983,089)	(235,154)	-	(2,218,243)
Equipment and vehicles	(6,162,490)	(620,833)	(138,676)	(6,644,647)
Other assets	<u>(232,496)</u>	<u>(6,882)</u>	<u>-</u>	<u>(239,378)</u>
Total accumulated depreciation and depletion	<u>(8,378,075)</u>	<u>(862,869)</u>	<u>(138,676)</u>	<u>(9,102,268)</u>
Total capital assets being depreciated and depleted, net	<u>7,213,455</u>	<u>(539,380)</u>	<u>-</u>	<u>6,674,075</u>
Business-type activities capital assets, net	<u><u>\$ 8,043,088</u></u>	<u><u>\$ (539,380)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,503,708</u></u>

Included in other capital assets is \$529,994 in mineral interests associated with the rock quarry. The accumulated depletion of these interests at year end was \$192,703, and current year depletion was \$6,882.

NOTE 5 - LONG-TERM DEBT**Bonds**

Bonds payable at June 30, 2007 are comprised of the following individual issues:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2007</u>	<u>Amounts</u> <u>due within</u> <u>one year</u>
General obligation bonds					
\$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%	\$ 1,195,000	\$ -	\$ 210,000	\$ 985,000	\$ 225,000
\$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%	6,645,000	-	405,000	6,240,000	425,000
\$5,000,000 2002 EMS Facility construction 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%	3,575,000	-	525,000	3,050,000	550,000
Total general obligation bonds	<u>11,415,000</u>	<u>-</u>	<u>1,140,000</u>	<u>10,275,000</u>	<u>1,200,000</u>
Special source revenue bonds					
\$629,887 1996 Borg-Warner expansion bonds due in annual installments of \$65,296 for principal and interest through March 2007, interest at 8.61%	60,054	-	60,054	-	-
\$600,000 2003 Shell building construction bonds due in annual installments of \$ 599,803 for principal and interest through December 2006, interest at 6.50%	580,923	-	580,923	-	-
Total special source revenue bonds	<u>640,977</u>	<u>-</u>	<u>640,977</u>	<u>-</u>	<u>-</u>
	<u>\$ 12,055,977</u>	<u>\$ -</u>	<u>\$ 1,780,977</u>	<u>\$ 10,275,000</u>	<u>\$ 1,200,000</u>

NOTE 5 - LONG-TERM DEBT, Continued

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2007, including interest payments, are as follows:

Year ending June 30,	General obligation bonds		
	Principal	Interest	Total
2008	\$ 1,200,000	\$ 430,099	\$ 1,630,099
2009	1,275,000	381,131	1,656,131
2010	1,335,000	327,906	1,662,906
2011	1,410,000	270,905	1,680,905
2012	1,200,000	209,624	1,409,624
2013-2017	3,125,000	527,348	3,652,348
2018-2022	730,000	16,316	746,316
	<u>\$ 10,275,000</u>	<u>\$ 2,163,329</u>	<u>\$ 12,438,329</u>

Debt service funds of \$1,613,985 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 \$436,402,261 (unaudited), the legal debt limit is \$34,912,181, leaving a legal debt margin as of June 30, 2007 of \$26,251,166.

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.

(Continued)

NOTE 5 - LONG-TERM DEBT, Continued**Capital Leases**

The County has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of equipment leased under capital leases as of June 30, 2007:

	Governmental funds
Machinery and equipment	\$ 4,595,497
Less: Accumulated depreciation	<u>(1,592,048)</u>
	<u>\$ 3,003,449</u>

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2007:

Fiscal year ending June 30,	Governmental funds
2008	\$ 368,167
2009	368,168
2010	<u>368,168</u>
Total minimum lease payments	1,104,503
Less: Amount representing interest	<u>(57,360)</u>
Present value of future minimum lease payments	<u>\$ 1,047,143</u>

Lease obligations are payable from the general fund.

Changes in long-term debt

The following is a summary of long-term debt transactions of the County for the year ended June 30, 2007:

	Estimated long term liability for annual leave		General obligation bonds	Special source revenue bonds	Lease obligations	Postclosure care costs
	Governmental fund	Enterprise funds				
Payable at July 1, 2006	\$ 860,669	\$ 157,514	\$ 11,415,000	\$ 640,977	\$ 1,947,815	\$ 2,415,512
Amounts incurred	163,317	-	-	-	-	336,124
Amounts retired	<u>(86,067)</u>	<u>(27,960)</u>	<u>(1,140,000)</u>	<u>(640,977)</u>	<u>(900,672)</u>	<u>(439,337)</u>
Payable at June 30, 2007	<u>\$ 937,919</u>	<u>\$ 129,554</u>	<u>\$ 10,275,000</u>	<u>\$ -</u>	<u>\$ 1,047,143</u>	<u>\$ 2,312,299</u>
Amounts due within one year	<u>\$ 93,792</u>	<u>\$ 12,956</u>	<u>\$ 1,200,000</u>	<u>\$ -</u>	<u>\$ 339,767</u>	<u>\$ 178,131</u>

NOTE 6 - INTERFUND ASSETS AND LIABILITIES

The balances of interfund receivables and payables at June 30, 2007 were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 243,396

All of the above balances are scheduled to be collected in the subsequent year. The balances at June 30 resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

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, 2007 consisted of the following individual amounts:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General fund	Rock Quarry	\$ 566,755
DSS office construction	General fund	2,031,287
Nonmajor governmental	General fund	5,521,307
Nonmajor governmental	Nonmajor governmental	798,695
		6,320,002
Total governmental fund transfers in		<u>\$ 8,918,044</u>
Solid waste commission	General fund	3,413,252
Total proprietary fund transfers in		<u>\$ 3,413,252</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 \$14,784,804, \$14,386,571 and \$13,605,335 for the years ended June 30, 2007, 2006 and 2005, respectively.

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

(Continued)

NOTE 7 - EMPLOYEE BENEFITS, Continued

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% of an employee's average final compensation multiplied by the number of years of credited service. An early retirement option with reduced benefits is available as early as age 60. Employees are vested for a deferred annuity after 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 6.50% of their salary for the year ended June 30, 2007 (6.25% and 6.00% for the years ended June 30, 2006 and 2005, respectively). The County is required to contribute 8.05% of employees' salary for the years ended June 30, 2007 (7.55% and 6.70% for the years ended June 30, 2006 and 2005, respectively). In addition, the County pays .15% of payroll for group life contributions.

Police Officers Retirement System (PORS) - Participating employees contribute 6.5% of their annual covered payroll. The County contributes on their behalf 10.3% of annual payroll plus an additional .2% of payroll for accidental death contributions and another .2% 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, 2007 and the two years prior is as follows:

	Employee Amount	Contributions % of Wages	Employer Amount	Contributions % of Wages	Total
SCRS					
June 30, 2007	\$ 626,266	6.50%	\$ 871,465	8.05%	\$ 1,497,731
June 30, 2006	639,911	6.25%	791,120	7.55%	1,431,031
June 30, 2005	593,610	6.00%	710,710	6.70%	1,304,320
PORS					
June 30, 2007	\$ 283,764	6.50%	\$ 467,118	10.30%	\$ 750,882
June 30, 2006	266,466	6.50%	431,790	10.30%	698,256
June 30, 2005	241,271	6.50%	418,220	10.30%	659,491

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, 2005 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.

(Continued)

NOTE 7 - EMPLOYEE BENEFITS, Continued

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.

Citistreet, 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. County health care benefits become secondary to Medicare when retiree becomes eligible. Substantially all of the County's employees may become eligible for those benefits if they reach normal retirement age, years of service, or qualify as a disabled retiree through the South Carolina Retirement System, while working for the County. Retired participants contribute to the health care plan by payment of monthly premiums.

Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. This plan is funded on a pay-as-you-go basis. As of June 30, 2007 there were 73 retirees who were covered under the County's group insurance plans and the total cost of retiree health and dental benefits was \$511,252 for the fiscal year.

NOTE 8 – CONDUIT DEBT OBLIGATIONS

On April 10, 2007, the County issued general obligation bonds for the Keowee Fire Tax District in the amount of \$1.2 million. Because this debt was issued by the County for a special tax district and payable from the taxes paid within that district, as opposed to the entire County, it will not count against the County's debt limit. This debt is considered conduit debt where the debt was issued for the express purpose of providing capital financing for a specific third party that is not part of the County's financial reporting entity even though the obligation bears the County's name. The County has no obligation for the debt beyond the resources provided by the special tax district. The funds will be used to finance the costs of constructing a new substation and renovating the existing headquarters for the Keowee Fire Tax District.

As of June 30, 2007, aggregate principal payable on these bonds outstanding was \$1,200,000.

NOTE 9 - 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, 2007, 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 10 - LITIGATION

There are several pending lawsuits in which the County is involved. The County attorney estimates that the potential claims against the County, not covered by insurance, resulting from such litigation, would not materially affect the financial statements of the County.

NOTE 11 - RISK MANAGEMENT

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

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

NOTE 12 - OTHER COMMITMENTS

The County leases copiers, postage meters and office space under operating leases. Future minimum lease payments required under the operating leases are as follows:

Fiscal year ending June 30,	Total minimum lease payments
2008	\$ 32,330
2009	4,976
2010	2,789
2011	2,060
2012	2,060
2013 - 2017	8,240
	<u>\$ 52,455</u>

The construction work in progress amounts in Note 4 relate to construction costs. Construction commitments at June 30, 2007 totaled approximately \$4,088,000.

NOTE 13 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of available landfill space used during the year. The estimated liability for landfill closure and post-closure care costs has a balance of \$2,312,299 at June 30, 2007 (\$178,131 estimated due within one year), which is based on 100% usage of the previous landfill sites which were closed during the year ended June 30, 1998. In addition, \$439,337 were expended to close and monitor the previous landfill site during the current year. 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 14 - 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 \$4,927,432 for the year. At year-end incurred but unpaid claims equal approximately \$397,935 and are recorded as a liability and expenditure within the general fund. The following indicates claims versus premiums for the past three fiscal years:

<u>Fiscal Year</u>	<u>Premiums</u>	<u>Claims Paid</u>	<u>Claims Incurred</u>
2007	\$596,427	\$5,198,989	\$4,216,886
2006	775,110	4,575,254	3,990,123
2005	612,909	4,041,408	4,031,340

NOTE 15 - ECONOMIC DEPENDENCY

Duke Energy provides a major source of property tax revenues. During the year ended June 30, 2007, the company paid property taxes in the amount of \$23.3 million based on assessed property value of \$133.2 million. This represents approximately 30.5% of the 2006 levy. Approximately \$19.3 million of the amount collected was appropriated for the School District of Oconee County and Tri-County Technical College.

NOTE 16 - 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 Oconee County Sewer Commission and the School District of Oconee County are discretely presented on the financial statements and the following are the associated note disclosures.

Condensed component units' cash and investments for the year ended June 30, 2007 was as follows:

Sewer Commission

The Commission'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, 2007, the carrying amount of the Commission's deposits was \$295,967. All of the Commission's deposits at year end were covered by federal depository insurance or by collateral held in the pledging financial institutions' trust departments in the Commission's name

School District

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, 2007, the carrying amount of the district's deposits was \$3,165,203 and the bank balance was \$5,427,750. 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.

(Continued)

NOTE 16 - COMPONENT UNIT INFORMATION, Continued

As of June 30, 2007, the component units' had the following investments:

Sewer Commission

<u>June 30, 2007</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Maturities</u>
Treasury bills	<u>\$ 8,495,790</u>	<u>\$ 8,495,790</u>	Less than 1 year

School District

<u>June 30, 2007</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Maturities</u>
South Carolina local government investment pool	\$ 30,091,718	\$ 30,091,718	No maturity
Certificates of deposit	<u>146,397</u>	<u>146,397</u>	Various
	<u>\$ 30,238,115</u>	<u>\$ 30,238,115</u>	

Condensed component units' capital asset activity for the year ended June 30, 2007 was as follows:

Sewer Commission

	<u>Balance June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2006</u>
Business-Type Activities				
Capital assets not being depreciated				
Land	\$ 569,577	\$ -	\$ -	\$ 569,577
Construction in progress	<u>70,190</u>	<u>200,820</u>	<u>-</u>	<u>271,010</u>
Total capital assets at historical cost not being depreciated	<u>639,767</u>	<u>200,820</u>	<u>-</u>	<u>840,587</u>
Capital assets being depreciated				
Building and improvements	28,083,707	-	-	28,083,707
Equipment and vehicles	603,881	-	-	603,881
Other capital assets	<u>17,367</u>	<u>-</u>	<u>-</u>	<u>17,367</u>
Total capital assets at historical cost being depreciated	<u>28,704,955</u>	<u>-</u>	<u>-</u>	<u>28,704,955</u>
Total accumulated depreciation	<u>(13,766,964)</u>	<u>(759,146)</u>	<u>-</u>	<u>(14,526,110)</u>
Total capital assets being depreciated, net	<u>14,937,991</u>	<u>(759,146)</u>	<u>-</u>	<u>14,178,845</u>
Governmental activities capital assets, net	<u>\$ 15,577,758</u>	<u>\$ (558,326)</u>	<u>\$ -</u>	<u>\$ 15,019,432</u>

(Continued)

NOTE 16 - COMPONENT UNIT INFORMATION, Continued**School District**

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 953,690	\$ 1,086,906	\$ -	\$ 2,040,596
Construction in progress	<u>6,361,281</u>	<u>23,829,805</u>	<u>2,550,167</u>	<u>27,640,919</u>
Total capital assets at historical cost not being depreciated	<u>7,314,971</u>	<u>24,916,711</u>	<u>2,550,167</u>	<u>29,681,515</u>
Capital assets being depreciated				
Building and improvements	120,606,505	2,446,015	-	123,052,520
Equipment and vehicles	6,745,014	458,662	54,060	7,149,616
Infrastructure	<u>821,352</u>	<u>56,928</u>	<u>-</u>	<u>878,280</u>
Total capital assets at historical cost being depreciated	<u>128,172,871</u>	<u>2,961,605</u>	<u>54,060</u>	<u>131,080,416</u>
Less accumulated depreciation for:				
Buildings and improvements	(49,375,880)	(3,869,021)	-	(53,244,901)
Equipment and vehicles	(4,120,521)	(573,852)	(47,625)	(4,646,748)
Infrastructure	<u>(379,985)</u>	<u>(39,214)</u>	<u>-</u>	<u>(419,199)</u>
Total accumulated depreciation	<u>(53,876,386)</u>	<u>(4,482,087)</u>	<u>(47,625)</u>	<u>(58,310,848)</u>
Total capital assets being depreciated, net	<u>74,296,485</u>	<u>(1,520,482)</u>	<u>6,435</u>	<u>72,769,568</u>
Governmental activities capital assets, net	<u>\$ 81,611,456</u>	<u>\$ 23,396,229</u>	<u>\$ 2,556,602</u>	<u>\$ 102,451,083</u>
Business-Type Activities				
Capital assets being depreciated				
Equipment and vehicles	\$ 2,077,509	\$ 102,563	\$ 245,129	\$ 1,934,943
Less accumulated depreciation for:				
Equipment and vehicles	<u>(1,749,553)</u>	<u>(66,232)</u>	<u>(240,673)</u>	<u>(1,575,112)</u>
Business-type activities capital assets, net	<u>\$ 327,956</u>	<u>\$ 36,331</u>	<u>\$ 4,456</u>	<u>\$ 359,831</u>

(Continued)

NOTE 16 - COMPONENT UNIT INFORMATION, Continued

Condensed component units' long term liability activity for the year ended June 30, 2007 was as follows:

Sewer Commission

	<u>Compensated Absences</u>	<u>Bonds Payable (Net of deferred cost)</u>
Payable at July 1, 2006	\$ 12,959	\$ 4,747,040
Amounts incurred	2,340	-
Amounts retired	<u>(3,888)</u>	<u>(414,750)</u>
Payable at June 30, 2007	<u><u>\$ 11,411</u></u>	<u><u>\$ 4,332,290</u></u>
Amounts due within one year	<u><u>\$ 3,423</u></u>	<u><u>\$ 432,659</u></u>

The annual requirements to amortize all bonds outstanding as of June 30, 2007, including interest payments, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 432,659	\$ 177,288	\$ 609,947
2009	451,343	158,604	609,947
2010	470,833	139,114	609,947
2011	491,164	118,783	609,947
2012	512,374	97,573	609,947
2013-2017	<u>1,973,917</u>	<u>160,898</u>	<u>2,134,815</u>
	<u><u>\$ 4,332,290</u></u>	<u><u>\$ 852,260</u></u>	<u><u>\$ 5,184,550</u></u>

(Continued)

NOTE 16 - COMPONENT UNIT INFORMATION, Continued

School District

	<u>Compensated Absences</u>	<u>Bonds Payable (Net of deferred cost)</u>
Payable at July 1, 2006	\$ 3,645,340	\$ 35,834,348
Amounts incurred	961,282	24,907,775
Amounts retired	<u>-</u>	<u>(6,197,530)</u>
Payable at June 30, 2007	<u><u>\$ 4,606,622</u></u>	<u><u>\$ 54,544,593</u></u>
Amounts due within one year	<u><u>\$ 244,312</u></u>	<u><u>\$ 12,270,000</u></u>

The annual requirements to amortize all bonds outstanding as of June 30, 2007, including interest payments, are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 12,270,000	\$ 2,033,335	\$ 14,303,335
2009	6,965,000	1,720,338	8,685,338
2010	6,185,000	1,461,188	7,646,188
2011	6,425,000	1,217,563	7,642,563
2012	6,165,000	973,188	7,138,188
2013-2017	<u>16,735,000</u>	<u>1,602,662</u>	<u>18,337,662</u>
	<u><u>\$ 54,745,000</u></u>	<u><u>\$ 9,008,274</u></u>	<u><u>\$ 63,753,274</u></u>

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE AND PRIOR PERIOD ADJUSTMENT

For fiscal year 2007, the County implemented *Governmental Accounting Standards Board Statement No. 34, (GASB34) Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* retroactive major general infrastructure reporting requirements. This required the County to estimate historical cost and calculate accumulated depreciation on infrastructure assets acquired or constructed for fiscal years June 30, 1981 through June 30, 2002. Infrastructure assets acquired in and after June 30, 2003 were reported in the years acquired or constructed as required by GASB 34. The County recorded \$94,946,098 in infrastructure assets and \$34,354,102 in infrastructure asset accumulated depreciation as restated capital asset balances due to this change in accounting principle.

During years 2003 through 2006, the County's governmental activities, overstated infrastructure non depreciable capital assets and overstated net assets by \$8,280,201. The donated infrastructure assets (land rights) were originally recorded at estimated fair value of the land.

The effects of the change in accounting principle and prior period adjustments are detailed as follows:

	<u>Financial Statements</u>
	<u>Government</u>
	<u>Wide</u>
	<u>Governmental</u>
Net assets beginning of year - as originally reported	\$ 64,308,687
Change in accounting principle	
Infrastructure assets	94,946,098
Accumulated depreciation	<u>(34,354,102)</u>
	60,591,996
Net asset beginning of year as restated for change in accounting principles	124,900,683
Prior period adjustment	<u>8,280,201</u>
Net assets, beginning of year, as restated	<u><u>\$ 116,620,482</u></u>

OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the year ended June 30, 2007

	Original Budget	Final Budget	Actual	Variance Over/(under)
Revenues				
Property taxes	\$ 27,308,935	\$ 27,308,935	\$ 27,940,675	\$ 631,740
Intergovernmental revenues	3,430,506	3,425,506	3,880,459	454,953
Licenses, permits and fees	2,835,604	2,835,604	3,160,410	324,806
Fines and forfeitures	761,000	766,000	456,394	(309,606)
County airport	654,900	654,900	585,237	(69,663)
PRT commission	299,625	299,625	271,163	(28,462)
Miscellaneous and other	119,200	119,200	314,602	195,402
Payments in lieu of taxes and franchise fees	70,000	70,000	812,154	742,154
Interest income	675,000	675,000	1,446,220	771,220
	<u>36,154,770</u>	<u>36,154,770</u>	<u>38,867,314</u>	<u>2,712,544</u>
Expenditures				
Current operating:				
General government:				
Building codes	614,365	617,740	573,525	44,215
County council	577,325	542,825	293,723	249,102
County grants	49,137	49,408	46,074	3,334
Delegation	84,314	84,314	79,259	5,055
Economic development	658,970	678,387	290,892	387,495
Finance department	492,840	525,908	488,211	37,697
Non-departmental expenditures	980,500	822,201	896,778	(74,577)
Human resources	1,427,125	1,418,625	928,057	490,568
Information technology	1,204,014	1,311,517	815,113	496,404
Planning commission	267,564	298,418	187,604	110,814
Procurement	285,496	288,528	235,777	52,751
Building maintenance	1,249,093	1,259,999	1,048,506	211,493
Registration and elections	136,297	147,345	124,199	23,146
Soil and water conservation	42,604	43,058	40,324	2,734
Administrator's office	210,864	183,921	197,054	(13,133)
County airport	723,510	809,758	680,243	129,515
Vehicle maintenance	1,825,693	1,903,139	1,629,623	273,516
Register of deeds	388,038	392,445	368,537	23,908
Assessor	1,018,230	1,139,980	1,042,789	97,191
Auditor	349,442	360,379	316,906	43,473
Board of assessment appeals	12,762	12,762	2,639	10,123
Computer tax center	150,830	189,939	137,497	52,442
Tax collector	200,572	202,769	189,627	13,142
Treasurer	373,749	377,435	362,773	14,662
Direct aid	1,057,335	1,017,335	1,017,335	-
Total general government	<u>14,380,669</u>	<u>14,678,135</u>	<u>11,993,065</u>	<u>2,685,070</u>
Judicial services:				
Clerk of court	674,950	682,180	639,187	42,993
Probate judge	357,588	359,453	343,138	16,315
Solicitor	417,922	420,319	399,962	20,357
Magistrates	582,453	590,136	565,882	24,254
Total judicial services	<u>2,032,913</u>	<u>2,052,088</u>	<u>1,948,169</u>	<u>103,919</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
GENERAL FUND
SCHEDULE OF EXPENDITURES BY DEPARTMENT
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the year ended June 30, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(under)</u>
Public safety:				
Sheriff's department	5,580,996	5,683,823	5,272,312	411,511
Rural fire control	1,798,755	1,888,059	1,119,161	768,898
Coroner	162,156	162,156	152,284	9,872
Communications	1,236,069	1,252,622	1,042,885	209,737
Emergency management	432,664	435,087	422,324	12,763
Law enforcement center	2,131,139	2,142,911	1,808,939	333,972
Probation, parole and pardon	3,200	3,200	2,708	492
Animal control	329,119	332,915	304,567	28,348
Total public safety	<u>11,674,098</u>	<u>11,900,773</u>	<u>10,125,180</u>	<u>1,775,593</u>
Highways and streets:				
Road department	4,894,168	5,316,985	3,523,507	1,793,478
Health and welfare:				
Charity medical	290,224	290,224	286,224	4,000
Department of social services	14,510	14,510	8,062	6,448
Health department	112,150	142,150	56,163	85,987
Veteran's affairs	178,064	178,365	166,238	12,127
Total health and welfare	<u>594,948</u>	<u>625,249</u>	<u>516,687</u>	<u>108,562</u>
Culture and recreation:				
Arts and historical commission	207,117	247,117	236,456	10,661
Parks, recreation and tourism	1,009,783	1,046,561	895,059	151,502
Library	1,261,012	1,317,817	1,206,503	111,314
Total culture and recreation	<u>2,477,912</u>	<u>2,611,495</u>	<u>2,338,018</u>	<u>273,477</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>14,264</u>	<u>(14,264)</u>
Total expenditures	<u>36,054,708</u>	<u>37,184,725</u>	<u>30,458,890</u>	<u>6,725,835</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 100,062</u>	<u>\$ (1,029,955)</u>	<u>\$ 8,408,424</u>	<u>\$ 9,438,379</u>
Other financing sources (uses)				
Sale of capital assets	-	-	860,334	860,334
Transfers in	1,713,190	1,738,752	566,755	(1,171,997)
Transfers out	(3,413,252)	(3,413,252)	(10,965,846)	(7,552,594)
Total other financing sources (uses)	<u>(1,700,062)</u>	<u>(1,674,500)</u>	<u>(9,538,757)</u>	<u>(7,864,257)</u>
Net change in fund balances	<u>(1,600,000)</u>	<u>(2,704,455)</u>	<u>(1,130,333)</u>	<u>1,574,122</u>
Fund balance, beginning of year	14,598,609	14,598,609	14,598,609	-
Fund balance, ending of year	<u>\$ 12,998,609</u>	<u>\$ 11,894,154</u>	<u>\$ 13,468,276</u>	<u>\$ 1,574,122</u>

**OCONEE COUNTY,
SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,600,466	\$ 1,464,919	\$ 7,057,594	\$ 10,122,979
Receivables:				
Taxes - net	35,212	-	6,032	41,244
Intergovernmental	1,135	358,814	4,214	364,163
Accrued interest receivable	<u>1,379</u>	<u>-</u>	<u>-</u>	<u>1,379</u>
Total assets	<u>\$ 1,638,192</u>	<u>\$ 1,823,733</u>	<u>\$ 7,067,840</u>	<u>\$ 10,529,765</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 20,839	\$ 9,536	\$ 30,375
Deferred revenue				
Property Taxes	24,207	-	3,920	28,127
Intergovernmental	-	503,145	149,064	652,209
Due to other funds	<u>-</u>	<u>243,396</u>	<u>-</u>	<u>243,396</u>
Total liabilities	<u>24,207</u>	<u>767,380</u>	<u>162,520</u>	<u>954,107</u>
Fund balances				
Reserved for:				
Debt service	1,613,985	-	-	1,613,985
Capital outlay	-	-	5,628,424	5,628,424
Encumbrances	-	90,616	1,276,896	1,367,512
Unreserved:				
Undesignated reported in:				
Special revenue fund	-	965,737	-	965,737
Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>1,613,985</u>	<u>1,056,353</u>	<u>6,905,320</u>	<u>9,575,658</u>
Total liabilities and fund balances	<u>\$ 1,638,192</u>	<u>\$ 1,823,733</u>	<u>\$ 7,067,840</u>	<u>\$ 10,529,765</u>

OCONEE COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Nonmajor Debt Service Fund	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,783,213	\$ -	\$ 400,234	\$ 2,183,447
Intergovernmental	-	1,467,360	492,406	1,959,766
Licenses, permits and fees	-	2,889	-	2,889
Fines and forfeitures	-	125,180	-	125,180
Miscellaneous and other	-	222,966	405,182	628,148
Fee in lieu of taxes	74,979	-	10,013	84,992
Interest and investment income	57,006	1,346	18,657	77,009
Total revenues	<u>1,915,198</u>	<u>1,819,741</u>	<u>1,326,492</u>	<u>5,061,431</u>
EXPENDITURES				
General government	-	185,762	690,900	876,662
Judicial services	-	3,864	-	3,864
Public safety	-	566,150	-	566,150
Highways and streets	-	683,055	-	683,055
Health and welfare	-	123,768	-	123,768
Culture and recreation	-	261,290	-	261,290
Capital outlay	-	301,526	436,042	737,568
Debt service				
Principal retirement	2,681,649	-	-	2,681,649
Interest and fiscal charges	555,532	-	-	555,532
Total expenditures	<u>3,237,181</u>	<u>2,125,415</u>	<u>1,126,942</u>	<u>6,489,538</u>
Excess of revenues over expenditures	<u>(1,321,983)</u>	<u>(305,674)</u>	<u>199,550</u>	<u>(1,428,107)</u>
Other financing sources:				
Sale of capital assets	-	224,990	-	224,990
Transfers in	1,553,750	160,409	4,605,843	6,320,002
Transfers out	-	(132,243)	(666,452)	(798,695)
Total other financing sources (uses)	<u>1,553,750</u>	<u>253,156</u>	<u>3,939,391</u>	<u>5,746,297</u>
Net change in fund balances	231,767	(52,518)	4,138,941	4,318,190
Fund balances, beginning of the year	<u>1,382,218</u>	<u>1,108,871</u>	<u>2,766,379</u>	<u>5,257,468</u>
Fund balances, end of the year	<u>\$ 1,613,985</u>	<u>\$ 1,056,353</u>	<u>\$ 6,905,320</u>	<u>\$ 9,575,658</u>

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	<u>Tourism ATAX 30%</u>	<u>Tourism ATAX 65%</u>	<u>25% local accommodation tax</u>	<u>75% local accommodation tax</u>	<u>Economic development Bell South</u>	<u>Industrial park development</u>	<u>Seneca health clinic</u>	<u>Bullet proof vest</u>	<u>Sheriff DEA state funds</u>
ASSETS									
Cash and cash equivalents	\$ 7,500	\$ 6,141	\$ 90,474	\$ 324,853	\$ 625	\$ 35,000	\$ 11,791	\$ 9,123	\$ 249,209
Intergovernmental receivable	16,801	36,403	4,748	14,244	-	-	-	9,123	-
Total assets	<u>\$ 24,301</u>	<u>\$ 42,544</u>	<u>\$ 95,222</u>	<u>\$ 339,097</u>	<u>\$ 625</u>	<u>\$ 35,000</u>	<u>\$ 11,791</u>	<u>\$ 18,246</u>	<u>\$ 249,209</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 16,801	\$ -	\$ 680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	9,123	-
Due to other funds	-	-	-	-	-	-	-	9,123	-
Total liabilities	<u>16,801</u>	<u>-</u>	<u>680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,246</u>	<u>-</u>
Fund balances									
Reserved for encumbrances	-	-	-	-	-	-	-	-	11,796
Unreserved	7,500	42,544	94,542	339,097	625	35,000	11,791	-	237,413
Total fund balances	<u>7,500</u>	<u>42,544</u>	<u>94,542</u>	<u>339,097</u>	<u>625</u>	<u>35,000</u>	<u>11,791</u>	<u>-</u>	<u>249,209</u>
Total liabilities and fund balances	<u>\$ 24,301</u>	<u>\$ 42,544</u>	<u>\$ 95,222</u>	<u>\$ 339,097</u>	<u>\$ 625</u>	<u>\$ 35,000</u>	<u>\$ 11,791</u>	<u>\$ 18,246</u>	<u>\$ 249,209</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	Sheriff DEA federal funds	2007 Edward Byrne memorial grant	Child/elder abuse grant	Magistrate victim's assistance	Clerk of court victim's assistance	Clerk of court	U.S. district court community assistance	PARD grant ADA Sidewalks	PRT Alexander Cannon - Hill house
ASSETS									
Cash and cash equivalents	\$ 68,062	\$ 1,129	\$ 4,478	\$ 18,630	\$ 30,317	\$ 12,943	\$ 3,871	\$ -	\$ -
Intergovernmental receivable	-	-	22,417	-	-	-	-	4,088	17,537
Total assets	<u>\$ 68,062</u>	<u>\$ 1,129</u>	<u>\$ 26,895</u>	<u>\$ 18,630</u>	<u>\$ 30,317</u>	<u>\$ 12,943</u>	<u>\$ 3,871</u>	<u>\$ 4,088</u>	<u>\$ 17,537</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ 688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	441	10,573	-	-	-	-	-	3,141
Due to other funds	-	-	748	-	-	-	-	4,088	1,255
Total liabilities	<u>-</u>	<u>1,129</u>	<u>11,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,088</u>	<u>4,396</u>
Fund balances									
Reserved for encumbrances	40,000	-	-	-	-	-	-	-	6,282
Unreserved	28,062	-	15,574	18,630	30,317	12,943	3,871	-	6,859
Total fund balances	<u>68,062</u>	<u>-</u>	<u>15,574</u>	<u>18,630</u>	<u>30,317</u>	<u>12,943</u>	<u>3,871</u>	<u>-</u>	<u>13,141</u>
Total liabilities and fund balances	<u>\$ 68,062</u>	<u>\$ 1,129</u>	<u>\$ 26,895</u>	<u>\$ 18,630</u>	<u>\$ 30,317</u>	<u>\$ 12,943</u>	<u>\$ 3,871</u>	<u>\$ 4,088</u>	<u>\$ 17,537</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	County park brocures	2006-2007 HMEP planning grant	Duke power 911 equipment	Duke power emergency preparedness	Citizens corps grant	EOC communications support	LEPC donations	Rescue squad equipment donations	Rescue squad banquet donations
ASSETS									
Cash and cash equivalents	\$ 3,000	\$ -	\$ 3,996	\$ 26,606	\$ -	\$ 448	\$ -	\$ 3,021	\$ 1,567
Intergovernmental receivable	-	386	-	-	3,532	-	2,650	-	-
Total assets	<u>\$ 3,000</u>	<u>\$ 386</u>	<u>\$ 3,996</u>	<u>\$ 26,606</u>	<u>\$ 3,532</u>	<u>\$ 448</u>	<u>\$ 2,650</u>	<u>\$ 3,021</u>	<u>\$ 1,567</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	25,464	-	448	-	-	-
Due to other funds	-	386	-	-	3,532	-	49	-	-
Total liabilities	<u>-</u>	<u>386</u>	<u>-</u>	<u>25,464</u>	<u>3,532</u>	<u>448</u>	<u>49</u>	<u>-</u>	<u>-</u>
Fund balances									
Reserved for encumbrances	-	10,400	-	-	-	-	4,150	-	-
Unreserved	3,000	(10,400)	3,996	1,142	-	-	(1,549)	3,021	1,567
Total fund balances	<u>3,000</u>	<u>-</u>	<u>3,996</u>	<u>1,142</u>	<u>-</u>	<u>-</u>	<u>2,601</u>	<u>3,021</u>	<u>1,567</u>
Total liabilities and fund balances	<u>\$ 3,000</u>	<u>\$ 386</u>	<u>\$ 3,996</u>	<u>\$ 26,606</u>	<u>\$ 3,532</u>	<u>\$ 448</u>	<u>\$ 2,650</u>	<u>\$ 3,021</u>	<u>\$ 1,567</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	<u>Rural fire training</u>	<u>Rural fire hazmat team</u>	<u>Rural fire homeland security</u>	<u>Local emergency preparedness</u>	<u>DHEC EMS grant</u>	<u>Airport donations</u>	<u>Animal control donation</u>	<u>Arts and historical donations</u>	<u>Library donations</u>
ASSETS									
Cash and cash equivalents	\$ 61	\$ 1,037	\$ 33,632	\$ 11,607	\$ -	\$ 316	\$ 8,344	\$ 1,000	\$ 9,810
Intergovernmental receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 61</u>	<u>\$ 1,037</u>	<u>\$ 33,632</u>	<u>\$ 11,607</u>	<u>\$ 25,293</u>	<u>\$ 316</u>	<u>\$ 8,344</u>	<u>\$ 1,000</u>	<u>\$ 9,810</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,670	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances									
Reserved for encumbrances	-	-	-	-	-	-	-	-	-
Unreserved	<u>61</u>	<u>1,037</u>	<u>33,632</u>	<u>11,607</u>	<u>-</u>	<u>316</u>	<u>8,344</u>	<u>1,000</u>	<u>9,810</u>
Total fund balances	<u>61</u>	<u>1,037</u>	<u>33,632</u>	<u>11,607</u>	<u>-</u>	<u>316</u>	<u>8,344</u>	<u>1,000</u>	<u>9,810</u>
Total liabilities and fund balances	<u>\$ 61</u>	<u>\$ 1,037</u>	<u>\$ 33,632</u>	<u>\$ 11,607</u>	<u>\$ 25,293</u>	<u>\$ 316</u>	<u>\$ 8,344</u>	<u>\$ 1,000</u>	<u>\$ 9,810</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	Library construction donation	Westminster library in memory of Del Ayers	Library lottery funds	Library books, etc. state	Mapping system grant	Mini bottle	C funds
ASSETS							
Cash and cash equivalents	\$ 1,201	\$ 2,885	\$ 112,886	\$ 16,358	\$ 11,926	\$ -	\$ 93,492
Intergovernmental receivable	-	-	-	-	30,000	28,100	143,492
Total assets	<u>\$ 1,201</u>	<u>\$ 2,885</u>	<u>\$ 112,886</u>	<u>\$ 16,358</u>	<u>\$ 41,926</u>	<u>\$ 28,100</u>	<u>\$ 236,984</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	112,886	-	-	-	93,492
Due to other funds	-	-	-	-	30,000	28,100	143,492
Total liabilities	<u>-</u>	<u>-</u>	<u>112,886</u>	<u>-</u>	<u>30,000</u>	<u>28,100</u>	<u>236,984</u>
Fund balances							
Reserved for encumbrances	-	-	-	-	-	-	-
Unreserved	1,201	2,885	-	16,358	11,926	-	-
Total fund balances	<u>1,201</u>	<u>2,885</u>	<u>-</u>	<u>16,358</u>	<u>11,926</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,201</u>	<u>\$ 2,885</u>	<u>\$ 112,886</u>	<u>\$ 16,358</u>	<u>\$ 41,926</u>	<u>\$ 28,100</u>	<u>\$ 236,984</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	National forestry title I roads	Homeland security Supplemental 2006	Nonmajor special revenue funds
ASSETS			
Cash and cash equivalents	\$ 247,577	\$ 3	\$ 1,464,919
Intergovernmental receivable	<u>-</u>	<u>-</u>	<u>358,814</u>
Total assets	<u>\$ 247,577</u>	<u>\$ 3</u>	<u>\$ 1,823,733</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 20,839
Deferred revenue	247,577	-	503,145
Due to other funds	<u>-</u>	<u>-</u>	<u>243,396</u>
Total liabilities	<u>247,577</u>	<u>-</u>	<u>767,380</u>
Fund balances			
Reserved for encumbrances	17,988	-	90,616
Unreserved	<u>(17,988)</u>	<u>3</u>	<u>965,737</u>
Total fund balances	<u>-</u>	<u>3</u>	<u>1,056,353</u>
Total liabilities and fund balances	<u>\$ 247,577</u>	<u>\$ 3</u>	<u>\$ 1,823,733</u>

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Tourism ATAX 30%	Tourism ATAX 65%	25% local accommodation tax	75% local accommodation tax	Economic development Bell South	Economic development Santee Cooper	Industrial park development	Seneca health clinic	Homeland security sheriff
REVENUES									
Intergovernmental	\$ 31,025	\$ 91,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,076
Licenses, permits and fees	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Miscellaneous and other	-	-	38,054	115,743	-	9,975	-	-	-
Interest	-	676	-	-	-	-	-	-	-
Total revenues	31,025	92,167	38,054	115,743	-	9,975	-	-	18,076
EXPENDITURES									
Current operating:									
General government	-	-	-	-	-	9,994	-	-	-
Judicial services	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	18,027
Highways and streets	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	23,525	69,434	34,236	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
Total expenditures	23,525	69,434	34,236	-	-	9,994	-	-	18,027
Excess (deficiency) of revenues over expenditures	7,500	22,733	3,818	115,743	-	(19)	-	-	49
OTHER FINANCING SOURCES									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	19	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(49)
Total other financing sources (uses)	-	-	-	-	-	19	-	-	(49)
Net change in fund balance	7,500	22,733	3,818	115,743	-	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR	-	19,811	90,724	223,354	625	-	35,000	11,791	-
FUND BALANCES, END OF YEAR	\$ 7,500	\$ 42,544	\$ 94,542	\$ 339,097	\$ 625	\$ -	\$ 35,000	\$ 11,791	\$ -

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Bullet proof vest	Sheriff DEA state funds	Sheriff DEA federal funds	LLEBGP 2003 LBBX2446	LLEBGP 2004LBBX	2006 Edward Byrne memorial grant	2007 Edward Byrne memorial grant	Child/elder abuse grant	DCSIP grant	Magistrate victim's assistance
REVENUES										
Intergovernmental	\$ 1,920	\$ 275,342	\$ 3,017	\$ -	\$ 6,297	\$ 3,534	\$ 14,010	\$ 45,144	\$ 11,141	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	90,738
Miscellaneous and other	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	291	249	50	80	-	-	-
Total revenues	1,920	275,342	3,017	291	6,546	3,584	14,090	45,144	11,141	90,738
EXPENDITURES										
Current operating:										
General government	-	-	-	-	-	-	-	-	-	-
Judicial services	-	-	-	-	-	-	-	-	-	-
Public safety	11,043	193,983	4,120	-	8,840	3,860	1,706	44,680	-	131,934
Highways and streets	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Capital expenditures	-	108,725	-	-	-	-	12,384	-	-	-
Total expenditures	11,043	302,708	4,120	-	8,840	3,860	14,090	44,680	-	131,934
Excess (deficiency) of revenues over expenditures	(9,123)	(27,366)	(1,103)	291	(2,294)	(276)	-	464	11,141	(41,196)
OTHER FINANCING SOURCES										
Sale of capital assets	-	224,990	-	-	-	-	-	-	-	-
Transfers in	9,123	-	-	-	148	-	-	15,110	-	-
Transfers out	-	-	-	(1,096)	-	-	-	-	(11,141)	-
Total other financing sources (uses)	9,123	224,990	-	(1,096)	148	-	-	15,110	(11,141)	-
Net change in fund balance	-	197,624	(1,103)	(805)	(2,146)	(276)	-	15,574	-	(41,196)
FUND BALANCES, BEGINNING OF YEAR	-	51,585	69,165	805	2,146	276	-	-	-	59,826
FUND BALANCES, END OF YEAR	\$ -	\$ 249,209	\$ 68,062	\$ -	\$ -	\$ -	\$ -	\$ 15,574	\$ -	\$ 18,630

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Clerk of court victim's assistance	Clerk of court	U.S. district court community assistance	PARD grant 2006 Swing Structure	PARD grant ADA Sidewalks	PRT Alexander Cannon - Hill house	County park brocures	2006-2007 HMEP planning grant	2005-2006 HMEP planning grant	Homeland security grant	Duke power 911 equipment
REVENUES											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 4,088	\$ -	\$ -	\$ 885	\$ -	\$ 14,586	\$ -
Licenses, permits and fees	-	2,889	-	-	-	-	-	-	-	-	-
Fines and forfeitures	34,442	-	-	-	-	-	-	-	-	-	-
Miscellaneous and other	-	-	-	-	-	24,396	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total revenues	34,442	2,889	-	-	4,088	24,396	-	885	-	14,586	-
EXPENDITURES											
Current operating:											
General government	-	-	-	4,953	-	-	-	-	-	-	-
Judicial services	-	3,864	-	-	-	-	-	-	-	-	-
Public safety	48,587	-	-	-	-	-	-	885	1,997	2,907	-
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	4,088	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	28,792	-	-	-	-	-
Total expenditures	48,587	3,864	-	4,953	4,088	28,792	-	885	1,997	2,907	-
Excess (deficiency) of revenues over expenditures	(14,145)	(975)	-	(4,953)	-	(4,396)	-	-	(1,997)	11,679	-
OTHER FINANCING SOURCES											
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	7,537	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(11,679)	-
Total other financing sources (uses)	-	-	-	-	-	7,537	-	-	-	(11,679)	-
Net change in fund balance	(14,145)	(975)	-	(4,953)	-	3,141	-	-	(1,997)	-	-
FUND BALANCES, BEGINNING OF YEAR	44,462	13,918	3,871	4,953	-	10,000	3,000	-	1,997	-	3,996
FUND BALANCES, END OF YEAR	\$ 30,317	\$ 12,943	\$ 3,871	\$ -	\$ -	\$ 13,141	\$ 3,000	\$ -	\$ -	\$ -	\$ 3,996

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Duke power emergency preparedness	Citizens corps grant	EOC communications support	Water recreational resources fund	LEPC donations	Rescue squad equipment donations	Rescue squad banquet donations	Rural fire training	Rural fire hazmat team	Rural fire homeland security
REVENUES										
Intergovernmental	\$ -	\$ 3,839	\$ 782	\$ 22,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous and other	18,396	-	-	-	2,650	-	1,750	-	250	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	18,396	3,839	782	22,702	2,650	-	1,750	-	250	-
EXPENDITURES										
Current operating:										
General government	-	-	-	-	-	-	-	-	-	-
Judicial services	-	-	-	-	-	-	-	-	-	-
Public safety	36,622	3,888	782	-	49	408	1,800	-	249	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Capital expenditures	5,818	-	-	22,702	-	-	-	-	-	-
Total expenditures	42,440	3,888	782	22,702	49	408	1,800	-	249	-
Excess (deficiency) of revenues over expenditures	(24,044)	(49)	-	-	2,601	(408)	(50)	-	1	-
OTHER FINANCING SOURCES										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,634)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(2,634)	-	-	-	-	-	-	-	-
Net change in fund balance	(24,044)	(2,683)	-	-	2,601	(408)	(50)	-	1	-
FUND BALANCES, BEGINNING OF YEAR	25,186	2,683	-	-	-	3,429	1,617	61	1,036	33,632
FUND BALANCES, END OF YEAR	\$ 1,142	\$ -	\$ -	\$ -	\$ 2,601	\$ 3,021	\$ 1,567	\$ 61	\$ 1,037	\$ 33,632

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Local emergency preparedness	DHEC EMS grant	Airport donations	Animal control donation	Arts and historical donations	SC heritage corridor historical markers	Library donations	Library construction donation	Westminster library in memory of Del Ayers	Library lottery funds
REVENUES										
Intergovernmental	\$ -	\$ 25,293	\$ -	\$ -	\$ -	\$ 7,855	\$ -	\$ -	\$ -	\$ 5,660
Licenses, permits and fees	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-
Miscellaneous and other	-	-	-	4,599	-	-	4,268	-	2,885	-
Interest	-	-	-	-	-	-	-	-	-	-
Total revenues	-	25,293	-	4,599	-	7,855	4,268	-	2,885	5,660
EXPENDITURES										
Current operating:										
General government	-	-	-	-	-	-	-	-	-	-
Judicial services	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	6,332	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	25,293	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	12,815	3,656	-	-	5,680
Capital expenditures	-	-	-	-	-	-	-	-	-	-
Total expenditures	-	25,293	-	6,332	-	12,815	3,656	-	-	5,680
Excess (deficiency) of revenues over expenditures	-	-	-	(1,733)	-	(4,960)	612	-	2,885	(20)
OTHER FINANCING SOURCES										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	4,960	-	-	-	20
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	4,960	-	-	-	20
Net change in fund balance	-	-	-	(1,733)	-	-	612	-	2,885	-
FUND BALANCES, BEGINNING OF YEAR	11,607	-	316	10,077	1,000	-	9,198	1,201	-	-
FUND BALANCES, END OF YEAR	\$ 11,607	\$ -	\$ 316	\$ 8,344	\$ 1,000	\$ -	\$ 9,810	\$ 1,201	\$ 2,885	\$ -

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Library PAC hug grant 07	Library books, etc. state	Registration & elections HAVA grant	Mapping system grant	Mini bottle	C funds	National forestry title I roads	National forestry title III	Valenite turning lanes grant
REVENUES									
Intergovernmental	\$ 20,293	\$ 132,907	\$ 47,801	\$ 30,000	\$ 98,475	\$ 181,508	\$ 133,372	\$ 78,344	\$ 90,313
Licenses, permits and fees	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Miscellaneous and other	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Total revenues	<u>20,293</u>	<u>132,907</u>	<u>47,801</u>	<u>30,000</u>	<u>98,475</u>	<u>181,508</u>	<u>133,372</u>	<u>78,344</u>	<u>90,313</u>
EXPENDITURES									
Current operating:									
General government	-	-	32,471	60,000	-	-	-	78,344	-
Judicial services	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	275,000	408,055	-	-
Health and welfare	-	-	-	-	98,475	-	-	-	-
Culture and recreation	20,293	87,563	-	-	-	-	-	-	-
Capital expenditures	-	45,344	-	-	-	-	53,556	-	-
Total expenditures	<u>20,293</u>	<u>132,907</u>	<u>32,471</u>	<u>60,000</u>	<u>98,475</u>	<u>275,000</u>	<u>461,611</u>	<u>78,344</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>15,330</u>	<u>(30,000)</u>	<u>-</u>	<u>(93,492)</u>	<u>(328,239)</u>	<u>-</u>	<u>90,313</u>
OTHER FINANCING SOURCES									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	30,000	-	93,492	-	-	-
Transfers out	-	-	(15,330)	-	-	-	-	-	(90,313)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(15,330)</u>	<u>30,000</u>	<u>-</u>	<u>93,492</u>	<u>-</u>	<u>-</u>	<u>(90,313)</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(328,239)</u>	<u>-</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>16,358</u>	<u>-</u>	<u>11,926</u>	<u>-</u>	<u>-</u>	<u>328,239</u>	<u>-</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 16,358</u>	<u>\$ -</u>	<u>\$ 11,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2007

	Buffer zone protection 2005	Homeland security supplemental 2006	Nonmajor special revenue funds
REVENUES			
Intergovernmental	\$ 27,488	\$ 40,172	\$ 1,467,360
Licenses, permits and fees	-	-	2,889
Fines and forfeitures	-	-	125,180
Miscellaneous and other	-	-	222,966
Interest	-	-	1,346
Total revenues	<u>27,488</u>	<u>40,172</u>	<u>1,819,741</u>
EXPENDITURES			
Current operating:			
General government	-	-	185,762
Judicial services	-	-	3,864
Public safety	27,487	15,964	566,150
Highways and streets	-	-	683,055
Health and welfare	-	-	123,768
Culture and recreation	-	-	261,290
Capital expenditures	-	24,205	301,526
Total expenditures	<u>27,487</u>	<u>40,169</u>	<u>2,125,415</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>3</u>	<u>(305,674)</u>
OTHER FINANCING SOURCES			
Sale of capital assets	-	-	224,990
Transfers in	-	-	160,409
Transfers out	<u>(1)</u>	<u>-</u>	<u>(132,243)</u>
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>253,156</u>
Net change in fund balance	-	3	(52,518)
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>1,108,871</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 1,056,353</u>

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	Airport improvement program #3-45-16-12	Airport improvement program #3-45-16-14	Airport development	Economic development infrastructure	Fourth floor main courthouse	Bellsouth fund	911 elec fees	State wireless fund
ASSETS								
Cash and cash equivalents	\$ 6,322	\$ 2,735	\$ 190,701	\$ 1,270,634	\$ 331,900	\$ 28,686	\$ 62,624	\$ 355,421
Receivables:								
Taxes - Net	-	-	-	-	-	-	-	-
Intergovernmental	156	-	-	-	-	-	4,058	-
Total assets	<u>\$ 6,478</u>	<u>\$ 2,735</u>	<u>\$ 190,701</u>	<u>\$ 1,270,634</u>	<u>\$ 331,900</u>	<u>\$ 28,686</u>	<u>\$ 66,682</u>	<u>\$ 355,421</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 9,536	\$ -	\$ -	\$ -
Deferred revenue								
Property Taxes	-	-	-	-	-	-	-	-
Intergovernmental	156	-	-	-	-	-	-	-
Total liabilities	156	-	-	-	9,536	-	-	-
Fund balances								
Reserved for encumbrances	-	3,017	-	-	7,900	-	-	46,936
Unreserved (deficit)								
Designated for capital outlay	6,322	(282)	190,701	1,270,634	314,464	28,686	66,682	308,485
Total fund balances	6,322	2,735	190,701	1,270,634	322,364	28,686	66,682	355,421
Total liabilities and fund balances	<u>\$ 6,478</u>	<u>\$ 2,735</u>	<u>\$ 190,701</u>	<u>\$ 1,270,634</u>	<u>\$ 331,900</u>	<u>\$ 28,686</u>	<u>\$ 66,682</u>	<u>\$ 355,421</u>

(Continued)

**OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007**

	911 equipment lease	911 apco grant	Reidhead property	Communications center	Communications towers	Keowee Ebenezer fire department	Seneca library	Animal shelter	GIS mapping phase III and final
ASSETS									
Cash and cash equivalents	\$ 337,196	\$ 148,908	\$ 640,529	\$ 59,019	\$ 126,400	\$ 310,000	\$ 93,825	\$ 657,821	\$ 342,175
Receivables:									
Taxes - Net	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 337,196</u>	<u>\$ 148,908</u>	<u>\$ 640,529</u>	<u>\$ 59,019</u>	<u>\$ 126,400</u>	<u>\$ 310,000</u>	<u>\$ 93,825</u>	<u>\$ 657,821</u>	<u>\$ 342,175</u>
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue									
Property Taxes	-	-	-	-	-	-	-	-	-
Intergovernmental	-	148,908	-	-	-	-	-	-	-
Total liabilities	-	148,908	-	-	-	-	-	-	-
Fund balances									
Reserved for encumbrances	268,564	24,711	-	41,064	43,395	315,850	44,200	21,717	342,175
Unreserved (deficit)									
Designated for capital outlay	68,632	(24,711)	640,529	17,955	83,005	(5,850)	49,625	636,104	-
Total fund balances	337,196	-	640,529	59,019	126,400	310,000	93,825	657,821	342,175
Total liabilities and fund balances	<u>\$ 337,196</u>	<u>\$ 148,908</u>	<u>\$ 640,529</u>	<u>\$ 59,019</u>	<u>\$ 126,400</u>	<u>\$ 310,000</u>	<u>\$ 93,825</u>	<u>\$ 657,821</u>	<u>\$ 342,175</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2007

	GIS digitied land use maps	IT capital project	Bridges and culverts	Walhalla health department HVAC	I-85 infrastructure	Pine street misc capital project	Other capital projects fund	Nonmajor capital project funds
ASSETS								
Cash and cash equivalents	\$ 97,000	\$ 151,395	\$ 486,704	\$ -	\$ 1,000,000	\$ 125,099	\$ 232,500	\$ 7,057,594
Receivables:								
Taxes - Net	-	-	6,032	-	-	-	-	6,032
Intergovernmental	-	-	-	-	-	-	-	4,214
Total assets	<u>\$ 97,000</u>	<u>\$ 151,395</u>	<u>\$ 492,736</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 125,099</u>	<u>\$ 232,500</u>	<u>\$ 7,067,840</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,536
Deferred revenue								
Property Taxes	-	-	3,920	-	-	-	-	3,920
Intergovernmental	-	-	-	-	-	-	-	149,064
Total liabilities	-	-	3,920	-	-	-	-	162,520
Fund balances								
Reserved for encumbrances	97,000	-	-	19,450	-	-	917	1,276,896
Unreserved (deficit)								
Designated for capital outlay	-	151,395	488,816	(19,450)	1,000,000	125,099	231,583	5,628,424
Total fund balances	97,000	151,395	488,816	-	1,000,000	125,099	232,500	6,905,320
Total liabilities and fund balances	<u>\$ 97,000</u>	<u>\$ 151,395</u>	<u>\$ 492,736</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 125,099</u>	<u>\$ 232,500</u>	<u>\$ 7,067,840</u>

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Other county infrastructure	Court house	EMS facility expansion	Airport improvement program #3-45-16-11	Airport improvement program #3-45-16-12	Airport improvement program #3-45-16-14	Airport development	Economic development infrastructure
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	309	6,322	1,350	-	-
Miscellaneous and other	-	-	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	-	-	-	-	-	-	-	-
Interest income and investment income	-	-	-	-	-	-	-	-
Total revenues	-	-	-	309	6,322	1,350	-	-
EXPENDITURES								
Current operating								
General government	620,555	-	-	-	6,820	-	-	-
Capital outlay	-	-	-	-	-	-	-	21,577
Total expenditures	620,555	-	-	-	6,820	-	-	21,577
Excess (deficiency) of revenues over expenditures	(620,555)	-	-	309	(498)	1,350	-	(21,577)
OTHER FINANCING SOURCES								
Transfers in	362,953	-	-	-	6,820	1,385	190,701	508,740
Transfers out	-	(91,261)	(63,157)	(309)	-	-	-	-
Total financing sources	362,953	(91,261)	(63,157)	(309)	6,820	1,385	190,701	508,740
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(257,602)	(91,261)	(63,157)	-	6,322	2,735	190,701	487,163
FUND BALANCES, BEGINNING OF YEAR	257,602	91,261	63,157	-	-	-	-	783,471
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 6,322	\$ 2,735	\$ 190,701	\$ 1,270,634

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Newry infrastructure project	DSS office construction	DSS roof renovation	DSS bay renovation	Fourth floor main courthouse	Bellsouth fund	911 elec fees
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	55	-	-	-	-	350,000	-
Miscellaneous and other	-	-	-	-	-	-	37,613
Fee in lieu of taxes and franchise fees	-	-	-	-	-	-	-
Interest income and investment income	-	-	-	-	-	-	2,112
Total revenues	<u>55</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>39,725</u>
EXPENDITURES							
Current operating							
General government	-	-	-	4,484	-	-	-
Capital outlay	-	-	116,536	-	12,636	1,357	-
Total expenditures	<u>-</u>	<u>-</u>	<u>116,536</u>	<u>4,484</u>	<u>12,636</u>	<u>1,357</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	55	-	(116,536)	(4,484)	(12,636)	348,643	39,725
OTHER FINANCING SOURCES							
Transfers in	-	-	116,536	4,484	335,000	-	-
Transfers out	(1,639)	-	-	-	-	(368,168)	-
Total financing sources	<u>(1,639)</u>	<u>-</u>	<u>116,536</u>	<u>4,484</u>	<u>335,000</u>	<u>(368,168)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(1,584)	-	-	-	322,364	(19,525)	39,725
FUND BALANCES, BEGINNING OF YEAR	<u>1,584</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,211</u>	<u>26,957</u>
FUND BALANCES, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 322,364</u>	<u>\$ 28,686</u>	<u>\$ 66,682</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	State wireless fund	911 equipment lease	Reidhead property	Communications center	Communications towers	Rural fire burn building	Keowee Ebenezer fire department
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	115,201	-	-	-	-	-	-
Miscellaneous and other	-	-	256,106	-	-	-	-
Fee in lieu of taxes and franchise fees	-	-	-	-	-	-	-
Interest income and investment income	-	16,545	-	-	-	-	-
Total revenues	<u>115,201</u>	<u>16,545</u>	<u>256,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Current operating							
General government	-	-	-	-	-	-	-
Capital outlay	<u>41,422</u>	<u>54,151</u>	<u>-</u>	<u>58,507</u>	<u>33,600</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>41,422</u>	<u>54,151</u>	<u>-</u>	<u>58,507</u>	<u>33,600</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	73,779	(37,606)	256,106	(58,507)	(33,600)	-	-
OTHER FINANCING SOURCES							
Transfers in	-	-	-	-	160,000	-	310,000
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,918)</u>	<u>-</u>
Total financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,000</u>	<u>(41,918)</u>	<u>310,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	73,779	(37,606)	256,106	(58,507)	126,400	(41,918)	310,000
FUND BALANCES, BEGINNING OF YEAR	<u>281,642</u>	<u>374,802</u>	<u>384,423</u>	<u>117,526</u>	<u>-</u>	<u>41,918</u>	<u>-</u>
FUND BALANCES, END OF YEAR	<u>\$ 355,421</u>	<u>\$ 337,196</u>	<u>\$ 640,529</u>	<u>\$ 59,019</u>	<u>\$ 126,400</u>	<u>\$ -</u>	<u>\$ 310,000</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Seneca library	Recreation complex	Animal shelter	GIS mapping phase III and final	GIS fire suppression	GIS digitized land use maps	IT capital project
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Miscellaneous and other	-	-	-	-	-	-	-
Fee in lieu of taxes and franchise fees	-	-	-	-	-	-	-
Interest income and investment income	-	-	-	-	-	-	-
Total revenues	-	-	-	-	-	-	-
EXPENDITURES							
Current operating							
General government	-	-	-	7,825	8,249	-	-
Capital outlay	-	-	17,179	-	-	-	-
Total expenditures	-	-	17,179	7,825	8,249	-	-
Excess (deficiency) of revenues over expenditures	-	-	(17,179)	(7,825)	(8,249)	-	-
OTHER FINANCING SOURCES							
Transfers in	-	-	575,000	350,000	8,249	97,000	151,395
Transfers out	-	(100,000)	-	-	-	-	-
Total financing sources	-	(100,000)	575,000	350,000	8,249	97,000	151,395
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(100,000)	557,821	342,175	-	97,000	151,395
FUND BALANCES, BEGINNING OF YEAR	93,825	100,000	100,000	-	-	-	-
FUND BALANCES, END OF YEAR	\$ 93,825	\$ -	\$ 657,821	\$ 342,175	\$ -	\$ 97,000	\$ 151,395

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal year ended June 30, 2007

	Bridges and culverts	Walhalla health department HVAC	I-85 infrastructure	Pine street miscellaneous capital project	Other capital projects fund	Nonmajor capital project funds
REVENUES						
Taxes	\$ 400,234	\$ -	\$ -	\$ -	\$ -	\$ 400,234
Intergovernmental	-	19,169	-	-	-	492,406
Miscellaneous and other	111,463	-	-	-	-	405,182
Fee in lieu of taxes and franchise fees	10,013	-	-	-	-	10,013
Interest income and investment income	-	-	-	-	-	18,657
Total revenues	<u>521,710</u>	<u>19,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,326,492</u>
EXPENDITURES						
Current operating						
General government	32,894	-	-	-	10,073	690,900
Capital outlay	<u>-</u>	<u>79,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>436,042</u>
Total expenditures	<u>32,894</u>	<u>79,077</u>	<u>-</u>	<u>-</u>	<u>10,073</u>	<u>1,126,942</u>
Excess (deficiency) of revenues over expenditures	488,816	(59,908)	-	-	(10,073)	199,550
OTHER FINANCING SOURCES						
Transfers in	-	59,908	1,000,000	125,099	242,573	4,605,843
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(666,452)</u>
Total financing sources	<u>-</u>	<u>59,908</u>	<u>1,000,000</u>	<u>125,099</u>	<u>242,573</u>	<u>3,939,391</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	488,816	-	1,000,000	125,099	232,500	4,138,941
FUND BALANCES, BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,766,379</u>
FUND BALANCES, END OF YEAR	<u>\$ 488,816</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 125,099</u>	<u>\$ 232,500</u>	<u>\$ 6,905,320</u>

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

	Tax collector property sold	Clerk of court	Register of deeds	Probate judge	Family court	Tri-county technical college	Municipal tax collec- tion fund	Fireman's insurance and inspection fund	SCDOC general fund	SCDOC debt retirement	Magistrate cash bond/ juror fund
ASSETS											
Cash and cash equivalents	\$ 589,678	\$ 452,478	\$ 11,741	\$ 13,580	\$ 21,851	\$ -	\$ 53,358	\$ 147,668	\$ 225,088	\$ 4,051,411	\$ 19,124
Accrued interest receivable	-	-	-	-	-	-	-	447	-	5,125	-
Property taxes receivable	-	-	-	-	-	20,862	-	-	915,115	142,717	-
Accounts receivable	-	-	-	-	-	721	3,228	-	31,383	4,997	-
Total assets	<u>\$ 589,678</u>	<u>\$ 452,478</u>	<u>\$ 11,741</u>	<u>\$ 13,580</u>	<u>\$ 21,851</u>	<u>\$ 21,583</u>	<u>\$ 56,586</u>	<u>\$ 148,115</u>	<u>\$ 1,171,586</u>	<u>\$ 4,204,250</u>	<u>\$ 19,124</u>
LIABILITIES											
Liabilities											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other governments	-	72,926	-	-	21,851	125,573	-	-	-	-	-
Due to other taxing districts and agencies	589,678	379,552	11,741	13,580	-	(103,990)	56,586	148,115	1,171,586	4,204,250	19,124
Total liabilities	<u>\$ 589,678</u>	<u>\$ 452,478</u>	<u>\$ 11,741</u>	<u>\$ 13,580</u>	<u>\$ 21,851</u>	<u>\$ 21,583</u>	<u>\$ 56,586</u>	<u>\$ 148,115</u>	<u>\$ 1,171,586</u>	<u>\$ 4,204,250</u>	<u>\$ 19,124</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2007

	Sheriff's pending confiscated funds	Keowee fire district	Escrow fund	Pickens tax collection fund	Total all funds
ASSETS					
Cash and cash equivalents	\$ 423,730	\$ 1,073,446	\$ 19,863	\$ 10,442	\$ 7,113,458
Accrued interest receivable	-	-	-	-	5,572
Property taxes receivable	-	2,539	-	-	1,081,233
Accounts receivable	-	48	-	-	40,377
Total assets	<u>\$ 423,730</u>	<u>\$ 1,076,033</u>	<u>\$ 19,863</u>	<u>\$ 10,442</u>	<u>\$ 8,240,640</u>
LIABILITIES					
Liabilities					
Accounts payable	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Due to other governments	-	-	-	-	220,350
Due to other taxing districts and agencies	423,730	1,071,033	19,863	10,442	8,015,290
Total liabilities	<u>\$ 423,730</u>	<u>\$ 1,076,033</u>	<u>\$ 19,863</u>	<u>\$ 10,442</u>	<u>\$ 8,240,640</u>

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
TAX COLLECTOR PROPERTY SOLD				
Assets				
Cash and cash equivalents	\$ 546,633	\$ 43,045	\$ -	\$ 589,678
Accounts receivable	670	-	670	-
	<u>547,303</u>	<u>43,045</u>	<u>670</u>	<u>589,678</u>
Liabilities				
Due to other taxing districts and agencies	547,303	43,045	670	589,678
	<u>547,303</u>	<u>43,045</u>	<u>670</u>	<u>589,678</u>
CLERK OF COURT				
Assets				
Cash and cash equivalents	283,459	169,019	-	452,478
	<u>283,459</u>	<u>169,019</u>	<u>-</u>	<u>452,478</u>
Liabilities				
Due to other governments	72,926	-	-	72,926
Due to other taxing districts and agencies	210,533	169,019	-	379,552
	<u>283,459</u>	<u>169,019</u>	<u>-</u>	<u>452,478</u>
REGISTER OF DEEDS				
Assets				
Cash and cash equivalents	7,001	4,740	-	11,741
	<u>7,001</u>	<u>4,740</u>	<u>-</u>	<u>11,741</u>
Liabilities				
Due to other taxing districts and agencies	7,001	4,740	-	11,741
	<u>7,001</u>	<u>4,740</u>	<u>-</u>	<u>11,741</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
PROBATE JUDGE				
Assets				
Cash and cash equivalents	13,580	-	-	13,580
	<u>13,580</u>	<u>-</u>	<u>-</u>	<u>13,580</u>
Liabilities				
Due to other taxing districts and agencies	13,580	-	-	13,580
	<u>13,580</u>	<u>-</u>	<u>-</u>	<u>13,580</u>
FAMILY COURT				
Assets				
Cash and cash equivalents	21,851	-	-	21,851
	<u>21,851</u>	<u>-</u>	<u>-</u>	<u>21,851</u>
Liabilities				
Due to other governments	21,851	-	-	21,851
	<u>21,851</u>	<u>-</u>	<u>-</u>	<u>21,851</u>
TRI-COUNTY TECHNICAL COLLEGE				
Assets				
Cash and cash equivalents	84,467	-	84,467	-
Property taxes receivable	16,784	1,450,129	1,446,051	20,862
Accounts receivable	18	721	18	721
	<u>101,269</u>	<u>1,450,850</u>	<u>1,530,536</u>	<u>21,583</u>
Liabilities				
Accounts payable	7,403	-	7,403	-
Due to other governments	-	125,573	-	125,573
Due to other taxing districts and agencies	93,866	1,325,277	1,523,133	(103,990)
	<u>101,269</u>	<u>1,450,850</u>	<u>1,530,536</u>	<u>21,583</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
MUNICIPAL TAX COLLECTION FUND				
Assets				
Cash and cash equivalents	71,090	39,010	56,742	53,358
Accounts receivable	-	3,228	-	3,228
	<u>71,090</u>	<u>42,238</u>	<u>56,742</u>	<u>56,586</u>
Liabilities				
Accounts payable	56,742	-	56,742	-
Due to other taxing districts and agencies	14,348	42,238	-	56,586
	<u>71,090</u>	<u>42,238</u>	<u>56,742</u>	<u>56,586</u>
FIREMAN'S INSURANCE AND INSPECTION FUND				
Assets				
Cash and cash equivalents	149,024	-	1,356	147,668
Accrued interest receivable	367	447	367	447
	<u>149,391</u>	<u>447</u>	<u>1,723</u>	<u>148,115</u>
Liabilities				
Due to other taxing districts and agencies	149,391	447	1,723	148,115
	<u>149,391</u>	<u>447</u>	<u>1,723</u>	<u>148,115</u>
SCDOC GENERAL FUND				
Assets				
Cash and cash equivalents	410,260	-	185,172	225,088
Property taxes receivable	932,340	54,353,302	54,370,527	915,115
Accounts receivable	1,091	31,383	1,091	31,383
	<u>1,343,691</u>	<u>54,384,685</u>	<u>54,556,790</u>	<u>1,171,586</u>
Liabilities				
Due to other taxing districts and agencies	1,343,691	54,384,685	54,556,790	1,171,586
	<u>1,343,691</u>	<u>54,384,685</u>	<u>54,556,790</u>	<u>1,171,586</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
SCDOC DEBT RETIREMENT				
Assets				
Cash and cash equivalents	2,910,780	1,140,631	-	4,051,411
Accrued interest receivable	-	5,125	-	5,125
Property taxes receivable	121,086	24,048,223	24,026,592	142,717
Accounts receivable	152	4,997	152	4,997
	<u>3,032,018</u>	<u>25,198,976</u>	<u>24,026,744</u>	<u>4,204,250</u>
Liabilities				
Due to other taxing districts and agencies	3,032,018	25,198,976	24,026,744	4,204,250
	<u>3,032,018</u>	<u>25,198,976</u>	<u>24,026,744</u>	<u>4,204,250</u>
MAGISTRATE CASH BOND/JUROR FUND				
Assets				
Cash and cash equivalents	3,829	15,295	-	19,124
	<u>3,829</u>	<u>15,295</u>	<u>-</u>	<u>19,124</u>
Liabilities				
Due to other taxing districts and agencies	3,829	15,295	-	19,124
	<u>3,829</u>	<u>15,295</u>	<u>-</u>	<u>19,124</u>
SHERIFF'S PENDING CONFISCATED FUNDS				
Assets				
Cash and cash equivalents	274,594	149,136	-	423,730
	<u>274,594</u>	<u>149,136</u>	<u>-</u>	<u>423,730</u>
Liabilities				
Due to other taxing districts and agencies	274,594	149,136	-	423,730
	<u>274,594</u>	<u>149,136</u>	<u>-</u>	<u>423,730</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
KEOWEE FIRE DISTRICT				
Assets				
Cash and cash equivalents	3,283	1,561,501	491,338	1,073,446
Property taxes receivable	1,903	2,539	1,903	2,539
Accounts receivable	-	48	-	48
	<u>5,186</u>	<u>1,564,088</u>	<u>493,241</u>	<u>1,076,033</u>
Liabilities				
Accounts payable	3,038	5,000	3,038	5,000
Due to other taxing districts and agencies	2,148	1,559,088	490,203	1,071,033
	<u>5,186</u>	<u>1,564,088</u>	<u>493,241</u>	<u>1,076,033</u>
ESCROW FUND				
Assets				
Cash and cash equivalents	19,863	-	-	19,863
	<u>19,863</u>	<u>-</u>	<u>-</u>	<u>19,863</u>
Liabilities				
Accounts payable				
Due to other governments	-	-	-	-
Due to other taxing districts and agencies	19,863	-	-	19,863
	<u>19,863</u>	<u>-</u>	<u>-</u>	<u>19,863</u>
PICKENS TAX COLLECTION FUND				
Assets				
Cash and cash equivalents	1,184	9,258	-	10,442
	<u>1,184</u>	<u>9,258</u>	<u>-</u>	<u>10,442</u>
Liabilities				
Due to other taxing districts and agencies	1,184	9,258	-	10,442
	<u>1,184</u>	<u>9,258</u>	<u>-</u>	<u>10,442</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended
June 30, 2007

	Balance June 30, 2006	Additions	Deductions	Balance June 30, 2007
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 4,800,898	\$ 3,131,635	\$ 819,075	\$ 7,113,458
Accrued interest receivable	367	5,572	367	5,572
Property taxes receivable	1,072,113	79,854,193	79,845,073	1,081,233
Accounts receivable	1,931	40,377	1,931	40,377
Total assets	<u>\$ 5,875,309</u>	<u>\$ 83,031,777</u>	<u>\$ 80,666,446</u>	<u>\$ 8,240,640</u>
Liabilities				
Accounts payable	\$ 67,183	\$ 5,000	\$ 67,183	\$ 5,000
Due to other governments	94,777	125,573	-	220,350
Due to other taxing districts and agencies	5,713,349	82,901,204	80,599,263	8,015,290
Total liabilities	<u>\$ 5,875,309</u>	<u>\$ 83,031,777</u>	<u>\$ 80,666,446</u>	<u>\$ 8,240,640</u>

OCONEE COUNTY, SOUTH CAROLINA
FINES AND ASSESSMENTS
For the year ended June 30, 2007

	<u>Clerk of Court</u>	<u>Magistrate</u>	<u>Municipal</u>
Fines Collected	\$ 18,663	\$ 450,854	\$ -
Assessments from general sessions	19,248	503,814	-
Surcharges collected	<u>41,837</u>	<u>234,648</u>	<u>-</u>
Total fines, assessments, and surcharges collected	<u>\$ 79,748</u>	<u>\$ 1,189,316</u>	<u>\$ -</u>
Fines retained by County Treasurer	-	450,854	-
Assessments retained by County Treasurer	6,599	55,342	-
Surcharges retained by County Treasurer	<u>26,056</u>	<u>36,175</u>	<u>-</u>
Total fines, assessments, and surcharges retained by County Treasurer	<u>\$ 32,655</u>	<u>\$ 542,371</u>	<u>\$ -</u>
Fines remitted to State Treasurer	18,663	-	-
Assessments remitted to State Treasurer	12,649	448,472	-
Surcharges remitted to State Treasurer	<u>15,781</u>	<u>198,473</u>	<u>-</u>
Total fines, assessments, and surcharges remitted to State Treasurer	<u>\$ 47,093</u>	<u>\$ 646,945</u>	<u>\$ -</u>

STATISTICAL SECTION (UNAUDITED)

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

Financial Trends

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

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

Debt Capacity

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

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

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

Table 1

OCONEE COUNTY, SOUTH CAROLINA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Governmental activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,052,990	\$ 29,641,543	\$ 31,090,351	\$ 43,464,806	\$ 95,790,297
Restricted	-	-	-	-	-	4,091,840	2,327,107	2,048,916	1,382,218	10,196,048
Unrestricted	-	-	-	-	-	4,247,343	7,356,900	11,764,876	19,461,663	13,833,247
Total governmental activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,392,173</u>	<u>\$ 39,325,550</u>	<u>\$ 44,904,143</u>	<u>\$ 64,308,687</u>	<u>\$ 119,819,592</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,757,999	\$ 8,786,497	\$ 8,905,344	\$ 8,043,088	\$ 7,503,708
Unrestricted	-	-	-	-	-	7,377,743	4,378,532	4,442,223	5,420,623	5,987,762
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,135,742</u>	<u>\$ 13,165,029</u>	<u>\$ 13,347,567</u>	<u>\$ 13,463,711</u>	<u>\$ 13,491,470</u>
Primary government										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,810,989	\$ 38,428,040	\$ 39,995,695	\$ 51,507,894	\$ 103,294,005
Restricted	-	-	-	-	-	4,091,840	2,327,107	2,048,916	1,382,218	10,196,048
Unrestricted	-	-	-	-	-	11,625,086	11,735,432	16,207,099	24,882,286	19,821,009
Total primary government net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,527,915</u>	<u>\$ 52,490,579</u>	<u>\$ 58,251,710</u>	<u>\$ 77,772,398</u>	<u>\$ 133,311,062</u>

Note This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Table 2

OCONEE COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Expenses										
Governmental activities:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,565,435	\$ 10,684,415	\$ 10,633,510	\$ 9,703,484	\$ 13,295,214
Judicial services	-	-	-	-	-	1,886,421	2,280,117	2,260,841	2,144,967	2,188,858
Public safety	-	-	-	-	-	9,420,466	9,275,364	10,442,183	11,385,230	12,018,828
Health and welfare	-	-	-	-	-	5,222,929	1,137,429	1,001,238	717,572	6,009,235
Highways and streets	-	-	-	-	-	3,624,861	3,031,502	2,590,376	3,073,462	693,254
Culture and recreation	-	-	-	-	-	2,268,503	2,378,922	2,318,058	3,102,417	2,859,466
Miscellaneous	-	-	-	-	-	-	-	-	899,571	-
Interest and fiscal charges	-	-	-	-	-	1,010,485	918,428	1,365,084	722,418	560,882
Total governmental activities expenses	-	-	-	-	-	31,999,100	29,706,177	30,611,290	31,749,121	37,625,737
Business-type activities:										
Rock quarry	-	-	-	-	-	1,822,609	1,954,729	1,820,869	2,480,151	2,260,482
Solid waste	-	-	-	-	-	3,940,812	3,440,710	3,703,326	4,429,812	4,700,221
Total business-type activities expense	-	-	-	-	-	5,763,421	5,395,439	5,524,195	6,909,963	6,960,703
Total primary government expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,762,521	\$ 35,101,616	\$ 36,135,485	\$ 38,659,084	\$ 44,586,440
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,615,153	\$ 1,998,099	\$ 2,338,113	\$ 4,272,850	\$ 4,473,204
Judicial services	-	-	-	-	-	996,250	1,104,109	1,108,509	1,860	2,889
Public safety	-	-	-	-	-	136,472	139,713	572,175	137,139	125,180
Health and welfare	-	-	-	-	-	18,711	19,066	19,967	-	-
Highways and streets	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	295,930	286,017	274,896	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	1344873	1,809,439	1,462,414	1,366,838	1,424,205
Capital grants and contributions	-	-	-	-	-	1,765,114	2,292,924	644,983	2,149,799	898,741
Total governmental activities program revenues	-	-	-	-	-	6,172,503	7,649,367	6,421,057	7,928,486	6,924,219
Business-type activities:										
Charges for services:										
Rock quarry	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,917,458	\$ 3,294,420	\$ 2,985,868	\$ 2,993,067	\$ 2,771,383
Solid waste	-	-	-	-	-	774,774	883,830	1,411,017	1,014,610	1,125,509
Operating grants and contributions	-	-	-	-	-	25,058	6,853	7,388	25,062	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities and program revenues	-	-	-	-	-	3,717,290	4,185,103	4,404,273	4,032,739	3,896,892
Total primary government program revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,889,793	\$ 11,834,470	\$ 10,825,330	\$ 11,961,225	\$ 10,821,111
Net (Expense)/Revenue										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,826,597)	\$ (22,056,810)	\$ (24,190,233)	\$ (23,820,635)	\$ (30,701,518)
Business-type activities	-	-	-	-	-	(2,046,131)	(1,210,336)	(1,119,922)	(2,877,224)	(3,063,811)
Total primary government net expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (27,872,728)	\$ (23,267,146)	\$ (25,310,155)	\$ (26,697,859)	\$ (33,765,329)

(Continued)

Table 2

OCONEE COUNTY, SOUTH CAROLINA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets										
Taxes										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,322,657	\$ 21,674,814	\$ 23,424,084	\$ 29,468,762	\$ 30,079,163
Local and state accommodations taxes	-	-	-	-	-	216,021	236,843	262,343	274,905	306,484
Payments in lieu of taxes and franchise fees	-	-	-	-	-	758,995	793,199	776,414	967,047	897,146
Unrestricted grants and contributions	-	-	-	-	-	2,931,443	2,955,527	2,992,182	-	-
Investment earnings	-	-	-	-	-	579,433	211,288	465,943	1,117,714	1,523,229
Sale of capital assets	-	-	-	-	-	-	-	9,048	(1,112)	(253,191)
Capital contributions	-	-	-	-	-	-	-	-	7,567,013	-
Intergovernmental	-	-	-	-	-	-	-	-	3,119,522	3,431,519
Miscellaneous	-	-	-	-	-	981,957	399,956	541,575	4,286,662	762,775
Transfers	-	-	-	-	-	(1,799,274)	1,817,093	1,297,237	(3,021,235)	(2,846,497)
Total governmental activities	-	-	-	-	-	24,991,232	28,088,720	29,768,826	43,779,278	33,900,628
Business-type activities:										
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,115
Investment earnings	-	-	-	-	-	108,550	56,716	98,239	208,908	224,958
Miscellaneous	-	-	-	-	-	-	-	2,501,458	-	-
Transfers	-	-	-	-	-	1,799,274	(1,817,093)	(1,297,237)	3,021,235	2,846,497
Total business-type activities	-	-	-	-	-	1,907,824	(1,760,377)	1,302,460	3,230,143	3,091,570
Total primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,899,056	\$ 26,328,343	\$ 31,071,286	\$ 47,009,421	\$ 36,992,198
Changes in Net Assets										
Governmental activities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (835,365)	\$ 6,031,910	\$ 5,578,593	\$ 19,958,643	\$ 3,199,110
Business activities	-	-	-	-	-	(138,307)	(2,970,713)	182,538	352,919	27,759
Total primary government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (973,672)	\$ 3,061,197	\$ 5,761,131	\$ 20,311,562	\$ 3,226,869

Note: This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Increase in property taxes in 2006 due to collection of Duke Energy taxes

OCONEE COUNTY, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

Table 3

	Fiscal year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Reserved	\$ 3,609,513	\$ 3,743,985	\$ 5,181,122	\$ 1,344,588	\$ 4,853,590	\$ 2,335,930	\$ 1,663,936	\$ 891,340	\$ 679,695	\$ 599,901
Unreserved	8,909,039	9,950,166	9,583,069	12,296,324	7,272,779	7,910,410	8,888,837	10,530,439	13,918,914	12,868,375
Total General Fund	<u>\$ 12,518,552</u>	<u>\$ 13,694,151</u>	<u>\$ 14,764,191</u>	<u>\$ 13,640,912</u>	<u>\$ 12,126,369</u>	<u>\$ 10,246,340</u>	<u>\$ 10,552,773</u>	<u>\$ 11,421,779</u>	<u>\$ 14,598,609</u>	<u>\$ 13,468,276</u>
All other governmental funds										
Reserved	\$ 1,581,522	\$ 1,665,067	\$ 2,416,687	\$ 4,085,943	\$ 7,572,480	\$ 6,067,052	\$ 2,664,108	\$ 1,181,612	\$ 5,733,102	\$ 10,196,048
Unreserved reported in:										
Special revenue funds	260,066	359,127	4,099	218,163	741,270	670,992	699,946	999,227	1,026,126	965,737
Debt service funds	-	-	-	-	-	3,836,757	1,950,290	1,193,315	-	-
Capital projects funds	25,511	26,164	1,009,864	4,310,782	5,285,591	1,189,989	3,798,916	5,646,333	-	-
Total all other governmental funds	<u>\$ 1,867,099</u>	<u>\$ 2,050,358</u>	<u>\$ 3,430,650</u>	<u>\$ 8,614,888</u>	<u>\$ 13,599,341</u>	<u>\$ 11,764,790</u>	<u>\$ 9,113,260</u>	<u>\$ 9,020,487</u>	<u>\$ 6,759,228</u>	<u>\$ 11,161,785</u>

Table 4

OCONEE COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Taxes	\$ 19,262,470	\$ 18,933,262	\$ 19,455,457	\$ 21,071,922	\$ 21,544,114	\$ 21,322,657	\$ 21,674,813	\$ 23,424,083	\$ 29,054,678	\$ 30,124,122
Intergovernmental revenue	5,789,619	5,004,482	5,238,935	6,067,843	6,787,749	6,619,463	5,851,569	5,207,115	6,920,124	5,840,225
Charges for services	1,873,372	1,934,828	2,602,953	2,841,176	3,161,064	-	-	-	-	-
Local sources	-	192,543	290,795	413,781	893,738	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	1,706,902	2,078,369	2,864,269	2,992,392	3,163,299
Fines and forfeitures	-	-	-	-	-	545,475	574,901	534,514	584,120	581,574
County airport	-	-	-	-	-	408,065	496,575	499,601	570,288	585,237
PRT commission	-	-	-	-	-	255,405	251,514	238,384	265,049	271,163
Miscellaneous and other	115,417	-	-	-	-	379,180	795,676	559,655	4,399,713	942,750
Fee in lieu of taxes and franchise fees	-	-	-	-	-	758,995	793,200	776,413	967,047	897,146
Interest and investment income	1,002,987	1,097,611	1,184,869	1,461,377	956,816	579,431	211,288	465,942	1,117,714	1,523,229
Total revenues	28,043,865	27,162,726	28,773,009	31,856,099	33,343,481	32,575,573	32,727,905	34,569,976	46,871,125	43,928,745
Expenditures										
General government	5,552,809	7,565,966	8,448,243	9,825,408	9,280,753	8,261,688	10,303,363	10,325,962	11,049,484	12,869,727
Judicial services	-	-	-	-	-	1,811,856	2,047,691	2,021,352	1,913,542	1,952,033
Public safety	4,675,873	5,608,521	5,734,385	9,620,245	7,995,188	8,486,939	8,235,944	9,381,796	10,289,924	10,691,330
Highways and streets	5,174,243	4,533,439	4,449,198	5,097,052	3,728,019	3,276,007	2,710,659	2,293,659	4,377,000	4,206,562
Health and welfare	954,863	957,543	1,045,757	1,248,629	1,510,022	5,180,992	1,068,048	933,955	675,870	640,455
Culture and recreation	2,147,184	1,578,416	1,656,247	1,829,031	1,799,463	2,028,110	2,086,792	2,055,322	2,788,495	2,599,308
Economic development	89,648	189,105	63,924	52,821	-	-	-	-	-	-
Nondepartmental	489,961	-	-	-	-	-	-	-	899,571	-
Capital outlay	1,114,722	966,699	1,821,283	2,139,926	9,644,760	10,441,404	8,334,381	6,953,668	3,836,198	2,698,752
Debt service	-	-	-	-	-	-	-	-	-	-
Principal retirement	1,133,134	1,194,199	1,215,805	1,161,307	1,352,742	2,254,623	2,860,858	1,590,939	5,735,001	2,681,649
Interest and fiscal charges	489,558	434,077	445,120	297,579	813,330	867,458	1,084,336	1,353,157	828,607	555,532
Bond issue costs	-	-	-	-	-	29,414	12,622	-	-	-
Total expenditures	21,821,995	23,027,965	24,879,962	31,271,998	36,124,277	42,638,491	38,744,694	36,909,810	42,393,692	38,895,348
Excess of revenues over (under) expenditures	6,221,870	4,134,761	3,893,047	584,101	(2,780,796)	(10,062,918)	(6,016,789)	(2,339,834)	4,477,433	5,033,397
Other Financing Sources (Uses):										
Sale of capital assets	-	-	-	-	-	-	-	9,915	13,472	1,085,324
Contributions - capital assets	-	-	-	-	101,052	467,847	1,254,599	108,915	-	-
Bonds and capital leases	-	-	-	5,298,710	8,000,000	7,677,015	600,000	1,700,000	-	-
Bond Premium	-	-	-	-	-	2,750	-	-	-	-
Transfers in	224,903	64,347	2,385,905	1,589,446	756,978	2,304,753	7,805,463	4,840,005	2,899,534	8,918,044
Transfers out	(3,198,666)	(2,840,250)	(3,828,620)	(3,411,298)	(2,607,324)	(4,104,027)	(5,988,370)	(3,542,768)	(5,920,769)	(11,764,541)
Total other financing sources (uses)	(2,973,763)	(2,775,903)	(1,442,715)	3,476,858	6,250,706	6,348,338	3,671,692	3,116,067	(3,007,763)	(1,761,173)
Net Change in fund balances	\$ 3,248,107	\$ 1,358,858	\$ 2,450,332	\$ 4,060,959	\$ 3,469,910	\$ (3,714,580)	\$ (2,345,097)	\$ 776,233	\$ 1,469,670	\$ 3,272,224
Debt service as a percentage of noncapital expenditures*	8%	7%	7%	5%	8%	10%	13%	10%	17%	9%

* 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."

* Revenue categories changed for fiscal year ended June 30, 2003 as a result of GASB 34 implementation

Table 5

OCONEE COUNTY, SOUTH CAROLINA
ASSESSED VALUE AND 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	Assessed Value as a Percentage of Actual Value
1998	\$ 98,508,980	\$ 34,587,764	\$ 145,110,310	\$ 278,207,054	68.3	\$4,034,132,997	6.90%
1999	102,849,580	36,749,040	141,858,417	281,457,037	66.7	4,265,390,206	6.60%
2000	106,662,530	40,067,663	145,416,492	292,146,685	65.7	4,411,679,945	6.62%
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	8,170,386,203	5.34%

Source: Oconee County Auditor

Note: Property in the county was reassessed in fiscal year ended June 30, 2007.

Table 6

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

Fiscal Year	Oconee County Direct Rates					Overlapping Rates										Total Direct and Overlapping Rates	
	Operating Millage	Debt Service Millage	Economic Development Millage	Bridges and Culverts Millage	Total County Millage	School District				Tri-County Technical College Operations	City of Seneca	City of Salem	City of Walhalla	City of West Union	City of Westminster		Keowee Fire Special District
						Operating Millage	Debt Service Millage	School Technology Millage	Total School Millage								
1998	63.6	4.7	0.0	0.0	68.3	105.2	18.1	0.0	123.3	1.4	47.0	30.0	77.0	34.0	76.0	0.0	457.0
1999	61.3	5.4	0.0	0.0	66.7	111.1	19.6	0.0	130.7	1.6	50.0	30.0	79.0	34.0	76.0	0.0	468.0
2000	61.3	4.4	0.0	0.0	65.7	115.1	19.6	0.0	134.7	1.6	50.0	30.0	79.0	34.0	76.0	0.0	471.0
2001	61.3	7.8	0.0	0.0	69.1	118.6	5.7	1.0	125.3	1.6	50.0	30.0	79.0	34.0	86.0	0.0	475.0
2002	55.1	7.1	0.0	0.0	62.2	116.3	14.7	1.0	132.0	1.8	50.0	30.0	84.0	39.0	88.0	0.0	487.0
2003	54.7	7.6	1.0	0.0	63.3	117.3	14.6	0.0	131.9	1.8	50.0	30.0	84.0	39.0	88.0	0.0	488.0
2004	61.8	3.0	1.0	0.0	65.8	126.0	11.0	0.0	137.0	2.2	50.0	30.0	84.0	39.0	88.0	14.5	510.5
2005	64.0	3.5	1.0	0.0	68.5	120.5	13.9	0.0	134.4	2.1	50.0	30.0	84.0	39.0	88.0	14.5	510.5
2006	68.0	4.5	1.0	0.0	73.5	123.0	18.0	0.0	141.0	2.1	50.0	30.0	84.0	39.0	88.0	14.5	522.1
2007	64.3	4.1	1.0	1.0	70.4	113.0	18.0	0.0	131.0	2.6	50.0	30.0	84.0	39.0	88.0	13.7	508.7

Source: Oconee County Auditor

¹ 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 TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
**In thousands*

2007				1998			
Taxpayer	Taxable Assessed Value*	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value *	Rank	Percentage of Total Taxable Assessed Value
Duke Power	133,213,200	1	28.23%	Duke Power	\$ 7,219,853	1	2.38%
Blue Ridge Electric	5,398,540	2	1.14%	Blue Ridge Electric	180,010	2	0.06%
Englehard	3,943,390	3	0.84%	Englehard	87,507	6	0.03%
Bellsouth	3,490,480	4	0.74%	Bellsouth	205,427	3	0.07%
Cryovac Inc.	3,249,830	5	0.69%	-	-	-	0.00%
Itron Electricity Metering Inc.	1,769,990	6	0.38%	-	-	-	0.00%
U S Engine Valve	1,636,800	7	0.35%	U S Engine Valve	41,483	10	0.01%
Square D Company	1,609,050	8	0.34%	-	-	-	0.00%
Westpoint Home Inc.	1,528,620	9	0.32%	Westpoint Stevens	207,747	4	0.07%
Valenite LLC	1,521,420	10	0.32%	-	-	-	0.00%
-	-	-	0.00%	Schlumberger	83,708	5	0.03%
-	-	-	0.00%	Dunlop	52,390	7	0.02%
-	-	-	0.00%	Amoco Fibers	78,882	8	0.03%
-	-	-	0.00%	W R Grace	50	9	0.00%
Total	<u>\$ 157,361,320</u>		<u>33.35%</u>		<u>\$ 8,157,057</u>		<u>2.69%</u>

Source: Oconee County Auditor

Table 8

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 18,679,961	\$ 18,499,506	99.03%	\$ 425,825	\$ 18,925,331	101.31%
1999	18,867,577	18,063,392	95.74%	421,863	18,485,255	97.97%
2000	19,744,227	18,529,529	93.85%	379,463	18,908,992	95.77%
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%	-	30,738,875	96.93%

Source: Oconee County Treasurer and Oconee County Auditor

Table 9

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

Fiscal Year	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			
1998	\$ 7,880,000	\$ 583,012	\$ 193,223	\$ 2,020,000	\$ 7,503,114	\$ 300,650	\$ 18,479,999	1.37%	292
1999	6,735,000	541,230	185,805	-	7,207,378	-	14,669,413	1.03%	229
2000	5,705,000	453,538	-	-	6,898,871	-	13,057,409	0.88%	202
2001	8,740,000	372,231	1,183,710	-	6,577,042	-	16,872,983	1.05%	255
2002	15,665,000	297,884	980,314	-	-	-	16,943,198	1.00%	253
2003	19,215,000	231,127	2,919,464	-	-	-	22,365,591	1.28%	329
2004	17,165,000	772,639	2,167,094	-	-	-	20,104,733	1.12%	294
2005	15,940,000	716,394	3,082,399	-	-	-	19,738,793	1.03%	286
2006	11,415,000	640,977	1,947,815	-	-	-	14,003,792	0.70%	201
2007	10,275,000	-	1,047,143	-	-	-	11,322,143	n/a	160

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.

Table 10

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

Fiscal Year	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		
1998	\$ 7,880,000	\$ 1,545,972	\$ 6,334,028	2.09%	n/a
1999	6,735,000	1,653,726	5,081,274	1.63%	79
2000	5,705,000	1,691,338	4,013,662	1.25%	62
2001	8,740,000	2,704,542	6,035,458	1.84%	91
2002	15,665,000	3,326,793	12,338,207	3.38%	184
2003	19,215,000	3,836,757	15,378,243	4.09%	226
2004	17,165,000	2,302,062	14,862,938	4.10%	217
2005	15,940,000	1,193,315	14,746,685	3.87%	214
2006	11,415,000	1,382,218	10,032,782	2.23%	144
2007	10,275,000	1,613,985	8,661,015	1.84%	123

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.

OCONEE COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2007

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes:			
School District of Oconee County	\$ 54,745,000	100.00%	\$ 54,745,000
Keowee Fire Special District	1,200,000	43.50%	<u>521,943</u>
Subtotal, overlapping debt			55,266,943
Oconee County Direct Debt			<u>10,275,000</u>
Total direct and overlapping			<u>\$ 65,541,943</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.

Table 12

OCONEE COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
* Debt Limit	\$ 21,966,840	\$ 22,516,483	\$ 23,416,408	\$ 24,422,824	\$ 27,410,412	\$ 28,012,006	\$ 27,368,058	\$ 28,186,805	\$ 32,585,731	\$ 34,912,181
Total net Debt applicable to limit	7,880,000	6,735,000	5,705,000	8,740,000	15,665,000	19,215,000	17,165,000	15,940,000	10,032,782	8,661,015
Legal debt margin	\$ 14,086,840	\$ 15,781,483	\$ 17,711,408	\$ 15,682,824	\$ 11,745,412	\$ 8,797,006	\$ 10,203,058	\$ 12,246,805	\$ 22,552,949	\$ 26,251,166
Total net debt applicable to the limit as a percentage of debt limit	35.9%	29.9%	24.4%	35.8%	57.1%	68.6%	62.7%	56.6%	30.8%	24.8%
Legal Debt Margin Calculation for Fiscal Year 2007										
Assessed Value	\$ 436,402,261									
Debt Limit (8 % of assessed value)	34,912,181									
Debt applicable to limit:										
General obligation bonds	10,275,000									
Less: Amount set aside for repayment of general obligation debt	(1,613,985)									
Total net debt applicable to limit	8,661,015									
Legal debt margin	\$ 26,251,166									

Source: Oconee County Auditor and Oconee County Treasurer

* Calculated at 8% 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 CALENDAR YEARS**

Year	Population ¹	Personal Income* ²	Per Capita Personal Income ¹	Median Age ³	School Enrollment ⁴	Unemployment Rate ¹
2007	70,567	n/a	\$ 21,458	39.5	10,411	9.0%
2006	69,676	1,989,996	28,561	39.5	10,474	8.6%
2005	68,949	1,908,276	27,677	39.5	10,406	7.4%
2004	68,430	1,797,946	26,274	39.5	10,344	7.5%
2003	67,918	1,745,446	25,700	39.5	10,097	6.7%
2002	67,029	1,686,129	25,155	39.5	10,070	5.6%
2001	66,215	1,604,384	24,106	39.5	9,913	3.4%
2000	64,687	1,483,647	22,647	39.5	10,345	4.1%
1999	64,059	1,428,425	22,140	n/a	9,945	3.5%
1998	63,374	1,348,075	21,151	n/a	9,896	4.4%

* 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**

2007				1998			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
School District of Oconee County	1600	1	7.3%	School District of Oconee County	1300	2	4.1%
Duke Energy Corporation	1500	2	6.8%	Duke Energy Corporation	1882	1	5.9%
Oconee Memorial Hospital	1370	3	6.2%	Oconee Memorial Hospital	835	5	2.6%
Itron	715	4	3.2%	-	-	-	0.0%
Schneider Electric - Square D	655	5	3.0%	Schneider Electric - Square D	641	7	2.0%
Timken U. S. Corporation	460	6	2.1%	-	-	-	0.0%
Oconee County Government	441	7	2.0%	Oconee County Government	354	14	1.1%
Kendall Company	423	8	1.9%	Kendall Healthcare Products Co.	617	8	1.9%
Valenite	347	9	1.6%	-	-	-	0.0%
BASF Catalysts, LLC	332	10	1.5%	-	-	-	0.0%
-	-	-	-	West Point Stevens Inc. - Fabrication	935	3	2.9%
-	-	-	-	Schlumberger Industries	855	4	2.7%
-	-	-	-	Beacon Manufacturing Co.	654	6	2.1%
-	-	-	-	Jantzen, Inc.	529	9	1.7%
-	-	-	-	West Point Stevens Inc.	511	10	1.6%
Total	<u>7,843</u>		<u>35.58%</u>		<u>9,113</u>		<u>28.61%</u>

Source: South Carolina Appalachian Council of Governments

Table 15

OCONEE COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Full Time Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Administration										
Administrator	3	2	2	2	2	2	2	4	3	2
County Council	1	1	1	1	1	1	1	1	1	1
Economic Development	2	2	2	2	2	2	2	2	2	2
Airport	3	4	5	5	5	5	5	5	5	5
Community Services										
Library	17	18	10	10	18	18	18	18	18	18
Parks Recreation & Tourism	10	10	17	17	13	14	14	15	10	13
General Government										
Building Codes	-	-	9	9	9	10	9	9	10	10
Finance	2	4	5	5	6	7	8	7	7	7
Human Resources	2	3	3	3	5	5	5	5	5	5
Information Technology	-	-	2	2	3	3	9	11	11	13
Planning	-	-	2	2	2	2	2	2	2	3
Procurement	4	4	4	4	4	5	5	5	4	4
Registration & Elections	1	1	1	1	2	2	2	2	2	2
Judicial Services										
Clerk of Court	11	12	9	9	9	9	10	10	10	10
Magistrate	9	9	9	9	11	11	11	10	9	9
Probate Court	5	5	5	5	5	5	5	5	5	5
Register of Deeds	-	-	3	3	4	5	5	5	5	5
Solicitor	6	6	7	7	7	6	6	6	6	7
Public Safety										
Animal Control	-	3	3	3	3	3	3	5	6	6
Communications	16	18	18	18	16	16	16	17	17	19
Coroner	1	1	1	1	1	1	1	1	1	1
Detention Center	23	24	24	24	25	25	25	25	25	27
Emergency Services	3	3	3	3	3	3	3	4	3	3
Rural Fire	2	2	2	2	3	3	4	4	4	4
Sheriff's Office	46	54	54	54	77	80	80	83	84	88

(continued)

Table 15

OCONEE COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Full Time Equivalent Employees as of June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Works										
Facilities Maintenance	9	9	9	9	10	10	10	10	10	11
Roads and Bridges	35	36	39	39	39	39	40	36	37	37
Soil & Water	1	1	1	1	1	1	1	1	1	1
Solid Waste	49	49	47	47	49	49	49	49	43	43
Vehicle Maintenance	10	10	14	14	15	15	15	16	15	15
State Services										
Legislative Delegation	1	1	1	1	1	1	1	1	1	1
Veteran's Affairs	2	2	2	2	2	2	3	3	3	3
Taxation										
Assessor	17	15	19	16	16	15	13	13	14	14
Auditor	5	5	5	5	6	16	6	7	7	7
Delinquent Tax Collector	3	3	4	4	4	4	4	4	4	4
Treasurer	4	4	5	5	6	6	6	6	6	6
Enterprise Fund										
Rock Quarry	14	14	15	16	17	17	17	18	17	17
	<u>317</u>	<u>335</u>	<u>362</u>	<u>360</u>	<u>402</u>	<u>418</u>	<u>416</u>	<u>425</u>	<u>413</u>	<u>428</u>

Source: Oconee County Human Resources

Table 16

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

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
County Administration										
County Council										
Regular Meetings	-	-	-	-	-	24	24	24	24	24
Special Meetings	-	-	-	-	-	4	4	6	6	8
Public Hearings	-	-	-	-	-	13	10	12	10	12
Committee Meetings	-	-	-	-	-	66	22	50	50	40
Community Services										
Library										
Circulation	-	-	-	-	315,462	337,227	351,710	318,352	332,023	-
Interlibrary Book Loans	-	-	-	-	1,466	1,392	1,364	1,635	1,414	-
Reference Desk Questions	-	-	-	-	35,256	53,450	22,700	25,424	13,300	-
Computer Users	-	-	-	-	7,950	17,725	20,143	25,344	27,880	-
Registered Users	-	-	-	-	31,865	35,007	28,329	41,665	33,131	-
Program Attendance	-	-	-	-	5,492	6,322	6,282	5,361	2,672	-
New Materials Added	-	-	-	-	37,091	14,930	14,259	15,296	19,045	-
Library Visitors	-	-	-	-	220,715	220,950	228,306	227,812	221,735	-
Summer Reading Program Enrollment	-	-	-	-	-	-	1,020	823	980	-
General Government										
Building Codes										
Permits Issued	-	-	-	-	-	1,996	2,200	2,197	2,100	2,100
Inspections Performed	-	-	-	-	-	11,541	12,000	10,890	10,000	10,000
Fees Collected	-	-	-	-	-	\$ 488,443	\$ 520,000	\$ 748,582	\$ 800,000	\$ 800,000
Plan Review	-	-	-	-	-	29	35	102	100	100
Plan Review Fees Collected	-	-	-	-	-	\$ 24,361	\$ 30,000	\$ 44,180	\$ 50,000	\$ 50,000
Re-Inspection Fees	-	-	-	-	-	-	-	\$ 9,600	\$ 9,000	\$ 8,000

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government, continued										
Finance										
Number of Funds	-	-	-	-	-	-	8	8	8	9
Number of Accounts	-	-	-	-	-	-	3,193	3,445	3,855	4,412
Number of Departments	-	-	-	-	-	-	54	52	56	54
Journal Entries	-	-	-	-	-	-	234	250	175	155
Percentage of Accounts Payable Checks issued without error	-	-	-	-	-	-	99%	99%	99%	99%
Completed Budget Transfers entered into GL Prior to Closing	-	-	-	-	-	-	100%	100%	100%	100%
Processed & Maintained Reports, Accounts Etc	-	-	-	-	-	-	3,621	4,029	4,805	4,771
Pay Action Requests	-	-	-	-	-	-	351	390	438	440
Funds Maintained	-	-	-	-	-	-	17	20	25	27
Timesheets Processed	-	-	-	-	-	-	10,700	12,844	13,728	13,728
Personnel Changes Processed	-	-	-	-	-	-	4,728	2,600	1,950	1,950
Number of funding sources identified and relayed to departments monthly	-	-	-	-	-	-	2	2	2	2
Invoices Processed	-	-	-	-	-	-	14,339	15,100	19,235	15,592
Vendor Checks Issued	-	-	-	-	-	-	10,025	10,100	9,541	10,516
1099's Issued	-	-	-	-	-	-	73	75	61	67
Payroll Checks Issued	-	-	-	-	-	-	5,980	5,720	5,200	4,602
W2's Issued	-	-	-	-	-	-	507	536	547	547
Direct Deposits issued	-	-	-	-	-	-	5,590	5,824	6,890	7,930
Number of Grant Applications	-	-	-	-	-	-	33	32	36	40
Number of Grants Monitored	-	-	-	-	-	-	34	35	36	44

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government, continued										
Human Resources										
Advertisements	-	-	-	-	-	256	270	260	140	140
Applications Processed	-	-	-	-	-	1,432	1,503	2,182	1,656	2,568
Application Regrets	-	-	-	-	-	106	117	125	124	185
Jobs Filled	-	-	-	-	-	56	65	92	73	103
New Employee Physicals	-	-	-	-	-	60	69	80	61	78
New Employee Orientation	-	-	-	-	-	56	65	80	55	103
Terminations	-	-	-	-	-	60	65	80	72	82
Grievance Hearings	-	-	-	-	-	3	3	6	0	5
Employment Security Commission Appeals	-	-	-	-	-	3	3	3	4	3
Departmental Consultations	-	-	-	-	-	104	110	125	150	160
Employee Consultations	-	-	-	-	-	500	650	700	850	800
Countywide Training Programs Coordinated	-	-	-	-	-	9	12	6	64	64
New Workers Compensation Claims	-	-	-	-	-	72	90	93	72	72
Process Open and Pending Worker Compensation Claims	-	-	-	-	-	100	118	112	108	108
Workers Compensation Appeals	-	-	-	-	-	3	5	5	7	7
Random Safety/Risk Inspections Conducted	-	-	-	-	-	50	50	50	15	15
New and Pending Vehicle Claims Processed	-	-	-	-	-	72	125	80	33	33
New and Pending Tort Claims Processed	-	-	-	-	-	8	8	22	11	11
New and Pending Property Claims Processed	-	-	-	-	-	8	8	16	7	7
Health Insurance Enrollment Upkeep - Employee/Dependent	-	-	-	-	-	885	915	940	837	838
Health Insurance Enrollment Upkeep - Retirees/Spouses	-	-	-	-	-	63	79	89	84	87
Employee Health Troubleshooting/Follow-Ups	-	-	-	-	-	1,300	2,600	1,800	1,850	1,850
Interoffice Correspondence	-	-	-	-	-	40	45	40	55	60
Administrative Projects Completed	-	-	-	-	-	9	10	15	24	24
Annual Flu Shot Clinics	-	-	-	-	-	-	-	1	1	1
Annual County Wide Blood Drives	-	-	-	-	-	-	-	1	1	2
Interview Line-Ups	-	-	-	-	-	-	-	-	184	165
TERI/Retiree Processed	-	-	-	-	-	-	-	-	812	733

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government, continued										
Information Technology										
Blocked Spam Unsolicited and Commercial	-	-	-	-	-	-	-	244,134	481,770	873,158
Prohibited E-mails	-	-	-	-	-	-	-	845	-	119
Virus Infected E-mails	-	-	-	-	-	-	-	3,887	660	4,430
Passed E-mails	-	-	-	-	-	-	-	92,877	15,120	29,157
Planning										
Informal Subdivision Plat Reviews	-	-	-	-	-	95	95	100	100	110
Formal Subdivision Reviews	-	-	-	-	-	-	-	11	20	25
Communication Towers	-	-	-	-	-	9	14	7	10	10
Procurement										
Local Funds	\$ 7,841,687	\$ 8,078,617	\$ 8,571,854	\$ 9,211,618	\$ 10,373,480	\$ 11,501,220	\$ 4,266,294	\$ 14,405,050	\$ 11,829,086	\$ 21,061,458
Other Projects	\$ 2,802,246	\$ 2,140,909	\$ 1,825,956	\$ 5,442,783	\$ 3,084,890	\$ 3,328,001	\$ 3,770,175	\$ 4,231,401	\$ 2,400,000	\$ 2,272,000
Courthouse and Public Safety Projects	\$ -	\$ -	\$ -	\$ 8,000,000	\$ 700,000	\$ -	\$ -	\$ 8,100,000	\$ 3,641,254	\$ -
Total Dollars	\$ 10,643,933	\$ 10,219,526	\$ 10,397,810	\$ 22,654,401	\$ 20,458,370	\$ 14,829,221	\$ 18,036,469	\$ 6,736,451	\$ 17,870,340	\$ 23,333,458
Site Visits	15	11	16	15	20	15	10	16	10	13
Construction Projects	12	9	10	10	20	12	21	15	12	6
Registration & Elections										
Current Registered Voters	-	-	-	-	-	-	33,076	36,076	38,391	39,244
New Registrations	-	-	-	-	-	-	5,700	8,000	4,650	4,758
Deletions, Deaths, and Moves	-	-	-	-	-	-	4,812	5,000	2,750	3,905
Changes entered to voter registration application	-	-	-	-	-	-	4,253	6,000	4,425	4,515
Number of elections - County	-	-	-	-	-	-	6	7	8	6
Number of elections - School	-	-	-	-	-	-	5	8	6	5

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Judicial Services										
Clerk of Court										
Fines/Fees/Child Support Collected	-	-	-	-	-	-	-	\$ 5,700,620	\$ 5,556,414	\$ 5,700,000
Foreclosure Funds and Cash Bonds Collected	-	-	-	-	-	-	-	\$ 2,073,457	\$ 2,217,943	\$ 2,300,000
Foreclosure Auctions	-	-	-	-	-	-	182	177	138	150
Common Pleas New Cases	-	-	-	-	-	-	-	1,089	1,087	1,090
Family Court New Cases	-	-	-	-	-	-	929	944	879	900
Juvenile Cases	-	-	-	-	-	-	214	167	139	140
General Sessions Court Warrants Filed	-	-	-	-	-	-	2,700	3,104	3,060	3,100
Indicted Cases	-	-	-	-	-	-	2,162	1,826	1,604	1,650
Magistrate										
Arrest Warrants Seneca	-	-	-	-	-	-	1,989	2,101	1,807	2,450
Arrest Warrants Walhalla	-	-	-	-	-	-	1,489	2,970	2,672	2,933
Arrest Warrants Westminster	-	-	-	-	-	-	97	453	274	143
Traffic Tickets Seneca	-	-	-	-	-	-	5,031	6,540	6,638	4,956
Traffic Tickets Walhalla	-	-	-	-	-	-	2,505	3,389	3,590	4,831
Traffic Tickets Westminster	-	-	-	-	-	-	105	67	69	7
Fines Collected Seneca	-	-	-	-	-	-	\$ 596,844	\$ 713,422	\$ 704,535	\$ 593,824
Fines Collected Walhalla	-	-	-	-	-	-	\$ 306,636	\$ 531,873	\$ 534,541	\$ 664,747
Fines Collected Westminster	-	-	-	-	-	-	\$ 9,118	\$ 131,233	\$ 97,341	\$ 68,284
Revenue Collected Seneca	-	-	-	-	-	-	\$ 206,164	\$ 264,394	\$ 283,478	\$ 248,964
Revenue Collected Walhalla	-	-	-	-	-	-	\$ 170,983	\$ 210,689	\$ 209,937	\$ 267,917
Revenue Collected Westminster	-	-	-	-	-	-	\$ 5,740	\$ 76,840	\$ 74,913	\$ 63,979
Register of Deeds										
Recorded Documents	-	-	-	16,815	20,401	21,819	23,761	21,758	23,884	23,458
County Portion	-	-	-	-	-	-	\$ 853,897	\$ 948,045	\$ 1,154,903	\$ 1,199,786
State Portion	-	-	-	-	-	-	\$ 1,139,653	\$ 1,394,266	\$ 1,991,775	\$ 1,511,703

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety										
Animal Control										
Animals Received	-	-	-	-	-	-	-	-	5,234	5,198
Complaints Responded To	-	-	-	-	-	-	-	-	1,936	2,266
Coroner (Based on a calendar year)										
Natural Deaths	108	135	128	118	120	138	143	261	303	-
Accidental Deaths	29	42	39	28	42	45	35	49	40	-
Homicides	2	1	3	0	7	5	8	3	4	-
Suicides	10	11	9	12	14	7	12	13	12	-
Undetermined Deaths	2	0	1	0	1	0	0	3	3	-
Cremation Permits Issued	72	96	84	100	109	125	139	161	161	-
Detention Center										
Number of Inmates	-	-	-	-	-	3,363	3,832	3,782	4,591	3,779
Number of Transports	-	-	-	-	-	1,745	1,989	1,896	1,742	1,848
Number of Meals Served	-	-	-	-	-	102,930	117,340	129,210	142,350	152,205
Medical Inmates Screenings	-	-	-	-	-	2,028	2,132	3,265	4,399	4,855
Average Daily Population	-	-	-	-	-	86	96	118	130	139
Emergency Services (Based on a calendar year)										
Seneca ER-1	-	-	-	-	-	-	-	1,589	121	-
Salem ER-2	-	-	-	-	-	-	-	418	36	-
Oakway ER-3	-	-	-	-	-	-	-	515	41	-
Walhalla ER-4	-	-	-	-	-	-	-	1,123	88	-
Westminster ER-5	-	-	-	-	-	-	-	755	47	-
Mountain Rest ER-6	-	-	-	-	-	-	-	111	8	-

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety, continued										
Rural Fire										
Public Education Programs	-	-	-	-	-	-	20	25	25	25
Training Hours	-	-	-	-	-	-	2,996	3,200	4,000	3,200
Structure Fires	-	-	-	-	-	-	220	178	200	190
Auto Fires/Accidents	-	-	-	-	-	-	479	493	520	450
Mobile Homes	-	-	-	-	-	-	62	77	85	80
Haz Mat Calls	-	-	-	-	-	-	5	14	20	16
Alarms	-	-	-	-	-	-	565	491	500	300
Business Calls	-	-	-	-	-	-	22	22	25	30
Drills	-	-	-	-	-	-	3	15	20	3
Woods & Grass	-	-	-	-	-	-	146	181	200	240
Illegal Burns	-	-	-	-	-	-	40	60	67	35
Civilian Injuries/Deaths	-	-	-	-	-	-	3	3	2	800
Sheriff's Office										
Service Calls	-	-	-	-	-	-	-	254,047	261,668	269,268
Incident Reports	-	-	-	-	-	-	-	6,144	8,869	9,331
Investigative Assignments	-	-	-	-	-	-	-	1,733	1,948	2,256
Drug Cases Investigated	-	-	-	-	-	-	-	326	347	375
Drug Arrests	-	-	-	-	-	-	-	372	366	402
Meth Labs	-	-	-	-	-	-	-	16	8	10
Drug - Seized Value	-	-	-	-	-	-	-	\$ 3,739,367	\$ 8,198	\$ 8,725,000
Traffic Unit - Citations	-	-	-	-	-	-	-	2,163	835	3,163
Warrants Units - Arrest	-	-	-	-	-	-	-	2,236	2,864	4,124
Civil Process - Common Pleas	-	-	-	-	-	-	-	1,185	3,840	1,563
Civil Process - Magistrate's Civil	-	-	-	-	-	-	-	2,807	1,303	2,783
Family Court Process	-	-	-	-	-	-	-	2,497	2,560	1,783
Victim Advocate Contacts	-	-	-	-	-	-	-	1,814	1,428	2,863
School Resource Program - Classes Taught	-	-	-	-	-	-	-	89	2,431	120
School Resource Program - Students Counseled	-	-	-	-	-	-	-	532	102	653

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Safety, continued										
Sheriff's Office, continued										
Cases Investigated	-	-	-	-	-	-	-	68	614	135
Crime Stoppers Calls	-	-	-	-	-	-	-	63	122	113
Litter Control Complaints	-	-	-	-	-	-	-	-	88	37
Litter Control Summons/Arrests	-	-	-	-	-	-	-	-	-	14
Litter Control Highway Cleanups	-	-	-	-	-	-	-	-	-	29
Litter Control Number of Bags in Highway Cleanups	-	-	-	-	-	-	-	-	-	442
Public Works										
Roads and Bridges										
Work Orders Issued	-	-	-	-	-	-	2,272	2,450	2,802	3,363
Work Orders Completed	-	-	-	-	-	-	1,467	1,900	2,514	3,017
Standby Duty Calls	-	-	-	-	-	-	n/a	n/a	134	160
Road Signs Installed	-	-	-	-	-	-	602	602	1,238	1,486
Right of Ways Obtained	-	-	-	-	-	-	175	200	75	90
Potholes Patched (Asphalt Tons)	-	-	-	-	-	-	2,891	4,300	4,534	5,440
Gravel Hauled (Tons)	-	-	-	-	-	-	47,320	77,349	35,006	42,007
Miles of Overlay	-	-	-	-	-	-	22.6	7.3	12.94	21
Miles of New Construction	-	-	-	-	-	-	5.33	11.1	5.73	7.5
Miles of Reconstruction	-	-	-	-	-	-	0.63	2.3	1.43	2.25
Miles of Milling	-	-	-	-	-	-	-	-	3.45	1.5
Roads Paved by Roads and Bridges	-	-	-	-	-	-	-	-	1.65	4.5
Paving Contracts	-	-	-	-	-	-	-	-	2	3
Total Cost of Paving Contracts	-	-	-	-	-	-	-	-	\$2,663,000	\$3,500,000
Number of Roads by Contract	-	-	-	-	-	-	-	-	34	40
ROW Miles Mowed	-	-	-	-	-	-	583	583	588	594
911 Road Name Signs	-	-	-	-	-	-	-	-	-	400

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Works, continued										
Roads and Bridges, continued										
Encroachment Permits Issued	-	-	-	-	-	-	16	27	30	35
Driveway Permits Issued	-	-	-	-	-	-	277	254	325	350
Driveway Installed	-	-	-	-	-	-	n/a	n/a	29	36
Miles of Centerline Painting	-	-	-	-	-	-	-	-	18.43	87.5
Stop Sign Problems	-	-	-	-	-	-	-	-	174	251
Public Works, continued										
Vehicle Maintenance										
Repair Orders Processed	-	-	-	-	-	-	2,700	2,800	2,421	2,600
Road Calls Made	-	-	-	-	-	-	2,300	2,100	2,000	2,000
Vehicles Maintained	-	-	-	-	-	-	445	460	546	560
Heavy Equipment Maintained	-	-	-	-	-	-	40	45	34	40
State Services										
Department of Social Services										
Positions Allocated	-	-	-	-	-	-	-	51	51	67
Personnel Costs	-	-	-	-	-	-	-	\$ 1,345,891	\$ 1,438,427	\$ 1,908,850
Case Services Funds Allocated	-	-	-	-	-	-	-	\$ 6,482,143	\$ 7,322,320	\$ 8,547,833
Other Operating Costs	-	-	-	-	-	-	-	\$ 377,330	\$ 221,370	\$ 216,974
Food Stamps Cases	-	-	-	-	-	-	-	2,460	2,787	2,908
Family Independence Cases	-	-	-	-	-	-	-	163	188	199
Child Protective Services Investigations	-	-	-	-	-	-	-	271	331	207
Child Protective Services Cases	-	-	-	-	-	-	-	269	275	256
Children in Foster Care	-	-	-	-	-	-	-	184	166	144

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Taxation										
Assessor										
Real Property Parcels	-	-	-	-	-	-	56,740	-	58,786	59,590
Mobile Home Parcels	-	-	-	-	-	-	5,306	-	4,725	4,877
Mobile Home Moving Permits	-	-	-	-	-	-	218	-	228	250
Mobile Home Permits Added	-	-	-	-	-	-	468	-	392	475
Building Permits Added	-	-	-	-	-	-	-	-	700	800
Agricultural Forms Processed	-	-	-	-	-	-	1,400	-	1,184	1,400
Residential Forms Processed	-	-	-	-	-	-	2,000	-	2,045	2,600
Assessment Appeals Processed	-	-	-	-	-	-	-	-	800	6,500
Deeds Processed	-	-	-	-	-	-	-	-	6,767	7,400
Auditor										
Airplanes	-	-	-	-	-	-	-	-	-	82
Boats and Motors	-	-	-	-	-	-	-	-	-	8,200
Documented Vessels	-	-	-	-	-	-	-	-	-	18
Business Personal Co. Assessed	-	-	-	-	-	-	-	-	-	425
Business Personal SC Tax	-	-	-	-	-	-	-	-	-	2,779
Homestead Exemptions Total	-	-	-	-	-	-	-	-	-	7,670
Homestead Exemptions New	-	-	-	-	-	-	-	-	-	600
Vehicle Renewals	-	-	-	-	-	-	-	-	-	64,430
Dealer Affidavits	-	-	-	-	-	-	-	-	-	4,296
Temporary License	-	-	-	-	-	-	-	-	-	1,492
Real Estate Notices	-	-	-	-	-	-	-	-	-	67,211
Telephone Calls/Inquiries	-	-	-	-	-	-	-	-	-	35,000
Real/Personal Abatements	-	-	-	-	-	-	-	-	-	4,000
Real/Personal Supplementals	-	-	-	-	-	-	-	-	-	4,500

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Taxation, continued										
Auditor, continued										
Vehicle Abatements	-	-	-	-	-	-	-	-	-	31,898
Vehicle Supplementals	-	-	-	-	-	-	-	-	-	22,903
Real/Personal Address Changes	-	-	-	-	-	-	-	-	-	7,073
Vehicle Address Changes	-	-	-	-	-	-	-	-	-	4,120
Deeds Added to Deed File	-	-	-	-	-	-	-	-	-	7,264
Exempt Vehicles	-	-	-	-	-	-	-	-	-	430
Appeal Letters by Tax Committee	-	-	-	-	-	-	-	-	-	400
Board of Assessment and Appeals										
Appeals Filed	-	-	-	-	-	179	7	7	8	131
Hearings Held	-	-	-	-	-	75	1	2	3	25
Delinquent Tax Collector										
Tax Payments Processed	-	-	-	-	-	-	\$684,440	\$2,307,846	\$3,182,090	\$3,783,402
SC and County Business Payments Processed	-	-	-	-	-	-	\$112,261	\$314,196	\$343,991	\$1,307,137
Personal Property Tax Payments Processed	-	-	-	-	-	-	\$20,914	\$33,616	\$169,705	\$182,782
Returned Checks Processed	-	-	-	-	-	-	\$1,248	\$4,782	\$4,401	\$3,405
Bankruptcy Payments Processed	-	-	-	-	-	-	-	\$383,517	\$325,479	\$346,799
Annual Tax Sale Revenue	-	-	-	-	-	-	\$462,888	\$654,334	\$683,397	\$701,945
Incoming/Outgoing Mail Processed	-	-	-	-	-	-	-	\$14,753	\$13,432	\$14,782
Redemptions Processed	-	-	-	-	-	-	-	\$1,342	\$955	\$487
Properties Field Checked	-	-	-	-	-	-	-	\$1,826	\$1,845	\$1,756
Taxpayer Inquiries	-	-	-	-	-	-	-	\$11,700	\$12,273	\$14,134
Internet Inquiries	-	-	-	-	-	-	-	\$2,165	\$3,180	\$3,857

(Continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Taxation, continued										
Treasurer										
Investments	-	-	-	-	-	-	24	25	26	39
Receipts Posted	-	-	-	-	-	-	8,192	9,420	10,340	8,017
Deposits	-	-	-	-	-	-	3,783	4,160	3,200	5,747
Bond Payments	-	-	-	-	-	-	17	18	20	18
Returned Checks	-	-	-	-	-	-	125	130	200	168
Health Plan Transfers	-	-	-	-	-	-	48	50	60	62
Wire Transfers	-	-	-	-	-	-	76	80	85	77
Real Estate Tax Notices Mailed	-	-	-	-	-	-	65,556	66,900	69,000	70,630
Reminder Real Estate Notices Mailed	-	-	-	-	-	-	8,604	8,770	8,530	n/a
Vehicle Notices Mailed	-	-	-	-	-	-	66,187	79,000	72,805	58,507
Auditor										
Dealer Notices Mailed	-	-	-	-	-	-	4,768	5,720	3,900	3,763
Dealer Suspension Letters	-	-	-	-	-	-	829	1,000	900	1,000
Returned Mail Processed	-	-	-	-	-	-	7,650	7,800	8,415	7,992
Tax Notices Re-mailed	-	-	-	-	-	-	6,900	8,300	4,200	11,988
Refund Checks Issued	-	-	-	-	-	-	2,096	2,300	2,480	4,875
Delinquent Tax Sale Checks Issued	-	-	-	-	-	-	84	92	208	196
Fireman's Association Checks Issued	-	-	-	-	-	-	38	41	40	40
Lock Box Payments Processed	-	-	-	-	-	-	21,136	21,500	10,278	7,213
Manual Payments Processed	-	-	-	-	-	-	170,648	174,060	120,000	127,750
Exceptions Processed	-	-	-	-	-	-	4,700	5,640	4,580	6,749
Phone Calls, Information Inquiries	-	-	-	-	-	-	28,000	33,600	30,000	30,463
Execution Letters	-	-	-	-	-	-	3,464	5,000	TBA	6,835
DMV Reconciliation and Payment	-	-	-	-	-	-	52	52	52	52
Drop Box Payments	-	-	-	-	-	-	-	-	-	532
Overpayment Checks	-	-	-	-	-	-	-	-	-	302
Cashier Checks Processed	-	-	-	-	-	-	1,698	2,000	1,775	1,989

(continued)

Table 16

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Enterprise Fund										
Rock Quarry										
Tons Shot	-	-	-	-	-	446,261	411,797	469,105	479,907	n/a
Tons Produced/Hour	-	-	-	-	-	323	328	341	420	n/a
Tons Sold/Used	-	-	-	-	-	413,715	440,731	444,731	446,835	n/a
Transactions	-	-	-	-	-	-	-	32,305	30,393	n/a
Total of Rock Sales	\$ 2,343,867	\$ 2,430,155	\$ 2,653,461	\$ 2,766,482	\$ 2,776,001	\$ 2,992,961	\$ 2,870,000	\$ 3,406,236	\$ 3,144,653	n/a
Solid Waste Commission										
MSW	-	-	-	-	-	38,764	40,441	39,641	36,880	35,816
C&D	-	-	-	-	-	13,638	15,549	20,393	19,594	23,440
Recyclables	-	-	-	-	-	4,784	5,180	5,845	4,871	5,581
Yard Waste	-	-	-	-	-	1,859	2,594	2,929	3,450	4,361
Mulch	-	-	-	-	-	\$ 13,016	\$ 20,124	\$ 31,735	\$ 27,689	\$ 44,070

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

Table 17

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Nondepartmental										
Buildings	-	-	-	-	-	6	6	6	6	6
Vehicles	-	-	-	-	-	38	37	41	31	30
Airport										
Land (acres)	-	-	-	-	-	300.72	300.72	300.72	300.72	300.72
Buildings	-	-	-	-	-	7	7	7	7	7
Equipment and Vehicles	-	-	-	-	-	9	9	9	9	9
Taxation										
Vehicles	-	-	-	-	-	6	6	6	7	7
Economic Development										
Industrial Park Land (acres)	-	-	-	-	-	40.58	40.58	40.58	40.58	33.17
Industrial Speculative Building	-	-	-	-	-	-	-	-	1	-
Building Codes										
Vehicles	-	-	-	-	-	6	6	9	10	11
Public Safety										
Nondepartmental										
Buildings	-	-	-	-	-	1	1	2	2	2
Sheriff's Department										
Vehicles	-	-	-	-	-	93	98	96	108	109
Patrol Boats	-	-	-	-	-	1	1	1	1	1
Helicopter	-	-	-	-	-	1	1	1	1	1
Rural Fire										
Vehicles	-	-	-	-	-	60	60	60	63	62
Animal Control										
Vehicles	-	-	-	-	-	4	5	5	6	6
Coroner										
Vehicles	-	-	-	-	-	1	1	1	1	2
Emergency Management										
Vehicles	-	-	-	-	-	18	18	21	23	24
Rescue Boats	-	-	-	-	-	1	1	2	2	3
Culture and Recreation										
Parks										
Land (acres)	-	-	-	-	-	119.17	119.17	119.17	119.17	119.17
Vehicles	-	-	-	-	-	10	11	8	9	10
Library										
Buildings - Branches	-	-	-	-	-	3	3	3	3	3
Judicial Services										
Buildings	-	-	-	-	-	2	2	2	2	2

(Continued)

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

Table 17

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Highways and Streets										
Roads	-	-	-	-	-	37	51	75	136	1439
Bridges	-	-	-	-	-	-	-	-	-	24
Road Department Vehicles and Heavy Equipment	-	-	-	-	-	98	98	92	92	86
Health and Welfare										
Health Departments	-	-	-	-	-	2	2	2	2	2
Health Clinic	-	-	-	-	-	1	1	1	1	1
Nursing Home	-	-	-	-	-	1	1	1	1	1
Department of Social Services	-	-	-	-	-	1	1	1	1	2
Enterprise Fund										
Solid Waste										
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	-	-	-	-	-	26	28	32	30	34
Rock Quarry										
Land (acres)	-	-	-	-	-	26.43	26.43	26.43	26.43	26.43
Buildings	-	-	-	-	-	5	5	5	5	5
Equipment and Vehicles	-	-	-	-	-	34	34	37	37	32

Note: This report is retroactive back to the fiscal year ended June 30, 2003 when GASB Statement 34 was implemented.

Source: Oconee County Finance Department

SINGLE AUDIT SECTION

**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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Oconee County as of and for the year ended June 30, 2007, which collectively comprise Oconee County, South Carolina's basic financial statements and have issued our report thereon dated February 8, 2008. Our report was modified to include 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 Oconee County Sewer Commission and the School District of Oconee County discretely presented component units, as described in our report on Oconee County's financial statements. This report does not include the results of the auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Oconee County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinions 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 the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2007-1 to be a significant deficiency over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We consider the significant deficiency described above as item 2007-1 to be a material weakness, as defined above.

Compliance and other Matters

As part of obtaining reasonable assurance about whether Oconee 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization County Council, 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.

Greenwood, South Carolina
February 8, 2008

ELMER DAVIS, LLC

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND 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 with the types of compliance requirements described in the *United States 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, 2007. Oconee County's major federal programs are identified in the Summary of Auditor's Result 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 Oconee County's management. Our responsibility is to express an opinion on Oconee 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 Oconee County's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Oconee County's compliance with those requirements.

In our opinion, Oconee County 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, 2007.

Internal Control Over Compliance

The management of Oconee County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Oconee County's internal control over compliance with 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, 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 Oconee County's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by any entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 for the information and use of the Oconee County Council, management and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Greenwood, South Carolina
February 8, 2008

ELIOTT DAVIS, LLC

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended

June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Expenditures
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Passed through U.S. Department of Transportation			
Airport Improvement Program	20.106	3-45-0016	\$ 7,829
Passed through SC Office of the Adjunct General			
Interagency Hazardous Materials Public Sector Training & Planning Grants Program	20.703	HMESC5042130; HMESC5042140	<u>2,882</u>
			<u>\$ 10,711</u>
<u>DEPARTMENT OF JUSTICE</u>			
Passed through SC Department of Public Safety			
Justice Assistance Grant Program	16738	1G06012	\$ 45,331
Passed through U.S. Department of Justice			
Byrne formula grant program	16.579	2005DJBX1306; 2006DJBX0537	17,262
Local Law Enforcement Block Grant	16.592	LBBX-1524	8,862
Bullet Proof Vest Partnership Program	16.607	4022927	<u>11,043</u>
			<u>\$ 82,498</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Passed through South Carolina Department of Social Services			
State Administration Matching Grant Food Stamp Program	10.561	Not Applicable	<u>\$ 7,146</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended
June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Expenditures
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed through SC Election Commission			
Voting Access for Individuals with Disabilities	93.617	Not Applicable	\$ 47,801
Passed through South Carolina Department of Social Services			
Transaction Reimbursement	93.563	Not Applicable	86,959
Incentive Payments	93.563	Not Applicable	34,972
Filing Fees	93.563	Not Applicable	14,850
Sheriff's office of Process Payments	93.563	Not Applicable	11,039
Enforcement Title IV-D Program, Child Welfare Services State	93.563	Not Applicable	9
Family Preservation	93.556	Not Applicable	543
Temporary Assistance for Needy Families Program	93.558	Not Applicable	11,162
Child Care Development Fund	93.575	Not Applicable	69
Child Welfare Services State Grants Program	93.645	Not Applicable	730
Title IV-E Foster Care	93.658	Not Applicable	2,033
Social Services Block Grant	93.667	Not Applicable	2,722
Medicaid Programs	93.778	Not Applicable	3,676
			<u>\$ 216,565</u>
<u>U . S. HOMELAND SECURITY ADMINISTRATION</u>			
Passed through S C Emergency Management Division:			
Emergency Management Performance Grants	97.042	EMPG01	\$ 55,801
Passed through S C State Law Enforcement Division			
Law Enforcement Terrorism Prevention	97.067	5LETP37	18,027
2003 Supplemental Homeland Security	97.067	3HSS091	40,169
Buffer Zone Protection Program	97.078	5BZPP10	27,487
			<u>\$ 141,484</u>

(Continued)

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended
June 30, 2007

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Expenditures
<u>NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION</u>			
Passed through SC Budget and Control Board Office of Research & Statistics			
Federal / State Mapping Grant	83.564	6CCP01	<u>\$ 30,000</u>
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed through S C Emergency Management Division:			
Citizens Corps Program	83.564	6CCP01	<u>\$ 3,827</u>
 Total federal assistance expended (accrual basis of accounting)			 <u>\$ 492,231</u>

OCONEE COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Oconee County, South Carolina.
2. One significant deficiency which is considered to be a material weakness relating to the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs.
3. No instances of noncompliance material to the financial statements of Oconee County, South Carolina were disclosed during the audit.
4. No material weaknesses or 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.
6. No 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 were:

US Department of Health and Human Services	
Child Support Enforcement	93.563

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Oconee County, South Carolina qualified as a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

2007-1 Infrastructure Capital Assets - Restatement

Condition: During the years ended June 30, 2003 through June 30, 2006, the County overstated its donated nondepreciable land rights by \$8,280,201.

Criteria: Donated land rights were recorded as if the County owned the land instead of a right connected with the use of the land.

Effect: Nondepreciable infrastructure capital assets were overstated in prior periods.

Recommendation: Donated capital assets should be recorded at estimated fair value when received.

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

None

OCONEE COUNTY, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2007

FINDINGS – FINANCIAL STATEMENT AUDIT

2006B.1

Condition and Criteria

Deposits invested with one financial institution were not in full compliance with SC Code of Laws Section 12-45-220.

Auditor's Recommendation

We recommend that the County fully comply with SC Code of Laws, Section 12-45-220 and periodic verifications of collateral pledged be obtained from financial institutions where County deposits are invested which exceed the federal depository insurance coverage amounts.

Current Status

No similar findings were noted in the audit for the year ended June 30, 2007.